ANNUAL REPORT 2022

WORK ON PROGRESS

We will be climate neutral by 2040.
Let's shake on it!

STRABAG
SOCIETAS EUROPAEA

KEY FIGURES

KEY FINANCIAL FIGURES

	2018	2019	2020	2021	Δ %	2022
Output volume (€ mln.)	16,322.88	16,617.97	15,446.61	16,128.92	10	17,735.47
Revenue (€ mln.)	15,221.83	15,668.57	14,749.74	15,298.54	11	17,025.85
Order backlog (€ mln.)	16,899.71	17,411.48	18,369.02	22,500.85	6	23,738.84
Employees (FTE)	75,460	76,919	74,340	73,606	0	73,740

KEY EARNINGS FIGURES

	2018	2019	2020	2021	Δ %	2022
EBITDA (€ mln.)	952.60	1,113.30	1,174.45	1,445.72	-13	1,257.21
EBITDA margin (% of revenue)	6.3	7.1	8.0	9.5		7.4
EBIT (€ mln.)	558.21	602.58	630.65	896.11	-21	706.40
EBIT adjusted (€ mln.)[1]	502.90					
EBIT margin (% of revenue)	3.7	3.8	4.3	5.9		4.2
EBIT margin adjusted (% of revenue)[1]	3.3					
EBT (€ mln.)	530.78	577.24	610.05	883.54	-19	717.07
Net income (€ mln.)	362.78	378.56	399.06	596.40	-19	480.13
Net income after minorities (€ mln.)	353.53	371.70	395.22	585.71	-19	472.45
Net income after minorities margin (% of revenue)	2.3	2.4	2.7	3.8		2.8
Earnings per share (€)	3.45	3.62	3.85	5.71	-19	4.60
Cash flow from operating activities (€ mln.)[2]	788.98	1,075.94	1,279.66	1,220.56	-33	812.86
ROCE (%)	7.6	7.5	7.5	10.9		9.2
Investments in property, plant and equipment, and in intangible assets (€ mln.)	644.99	689.25	544.13	532.04	45	770.44
Dividend absolute (€ mln.)	133.38	92.34	707.94	205.20		205.20[3]
Dividend payout ratio (%)	38	25	179	35		43[3]
S&P rating	BBB	BBB	BBB	BBB		BBB

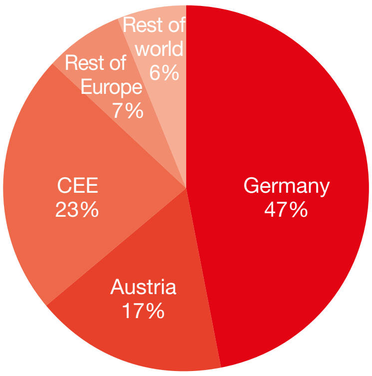
KEY BALANCE SHEET FIGURES

	2018	2019	2020	2021	Δ %	2022
Equity (€ mln.)	3,653.77	3,855.90	4,108.22	4,071.82	-1	4,025.24
Equity ratio (%)[2]	31.6	31.5	33.9	33.3		31.7
Net debt (€ mln.)	-1,218.28	-1,143.53	-1,747.23	-1,937.18	0	-1,927.70
Gearing ratio (%)	-33.3	-29.7	-42.5	-47.6		-47.9
Capital employed (€ mln.)	5,552.09	5,838.71	5,815.14	5,750.63	-6	5,407.37
Balance sheet total (€ mln.)	11,567.61	12,250.81	12,134.44	12,225.77	4	12,683.76

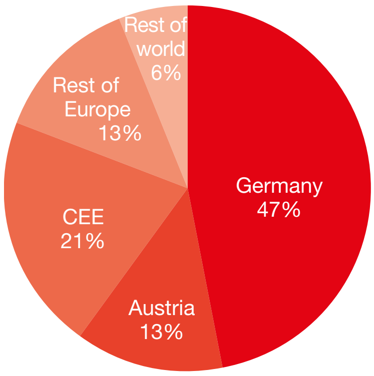
EBITDA = earnings before interest, taxes, depreciation and amortisation
EBIT = earnings before interest and taxes
EBT = earnings before taxes
ROCE = (net income + interest on debt - interest tax shield (25%)) / (average group equity + interest-bearing debt)
Net debt = financial liabilities - non-recourse debt + provisions for severance and pension obligations - cash and cash equivalents
Gearing ratio = net debt / group equity
Capital employed = group equity + interest-bearing debt

1 2018 adjusted for a non-operating step-up profit in the amount of € 55.31 million
2 Adjustment of the 2018 values
3 Based on the dividend proposal of the Executive Board in the amount of € 2.00

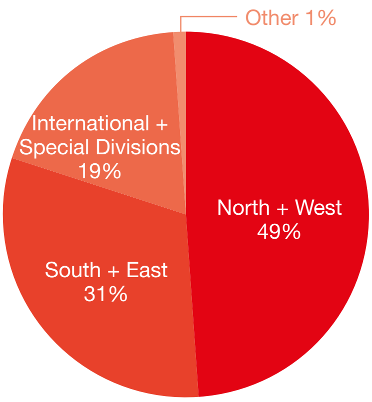
OUTPUT VOLUME BY REGION 2022



ORDER BACKLOG BY REGION 2022

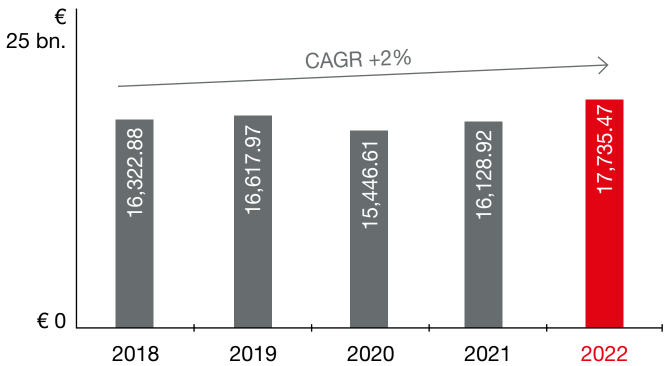


OUTPUT VOLUME BY SEGMENT 2022

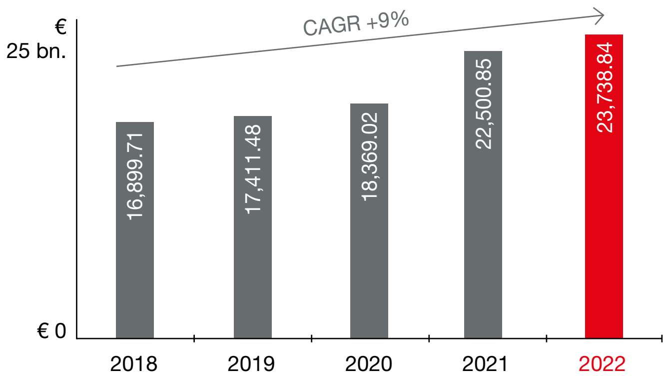


ORDER BACKLOG BY SEGMENT 2022

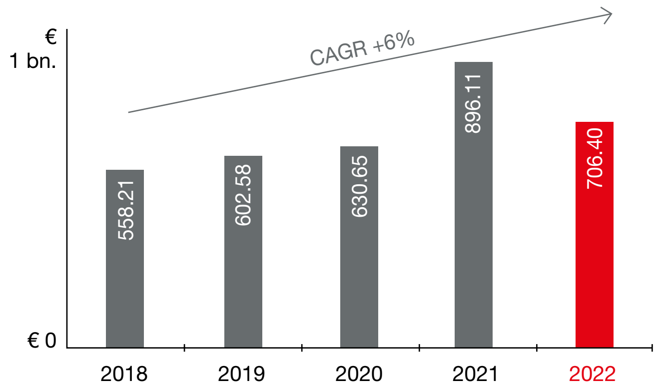
OUTPUT VOLUME



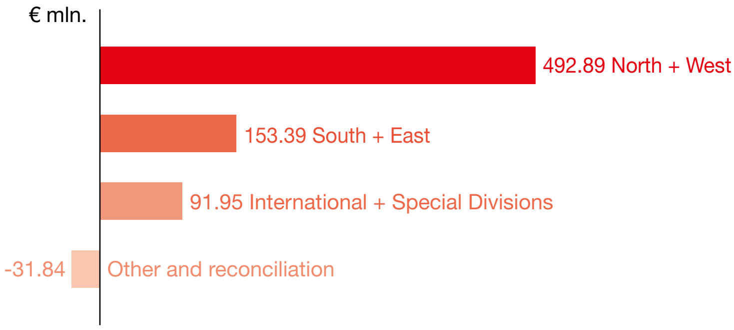
ORDER BACKLOG



EBIT



EBIT BY SEGMENT 2022



CAGR = Compound annual growth rate
CEE = Central and Eastern Europe; comprises the following countries: Bulgaria, Croatia, Poland, Romania, Russia (all activities in Russia are being wound up), Serbia, Slovakia, Slovenia, Czech Republic, Hungary

CONTENTS

INTRO

CORPORATE GOVERNANCE

CONSOLIDATED NON-FINANCIAL REPORT

GROUP MANAGEMENT REPORT, CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

The Consolidated Non-Financial Report was audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, under a limited assurance audit regime. The Group Management Report, Consolidated Financial Statements and Notes have been audited by the financial auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz.

STRABAG SE is a European-based technology group for construction services, a leader in innovation and financial strength. Our activities span all areas of the construction industry and cover the entire construction value chain. We create added value for our clients by taking an end-to-end view of construction over the entire life cycle – from planning and design to construction, operation and facility management to redevelopment or demolition. In all of our work, we accept responsibility for people and the environment: We are shaping the future of construction and are making significant investments in our portfolio of more than 250 innovation and 400 sustainability projects. Through the hard work and dedication of our approximately 79,000 employees, we generate an annual output volume of around € 17 billion.

Our dense network of subsidiaries in various European countries and on other continents extends our area of operation far beyond the borders of Austria and Germany. Working together with strong partners, we are pursuing a clear goal: to design, build and operate construction projects in a way that protects the climate and conserves resources. More information is available at www.strabag.com

ABOUT THIS REPORT

work-on-progress.
strabag.com

For the 2022 financial year, STRABAG SE has drafted a **combined Annual Report** reflecting the situation of the Group and its consolidated companies as at 31 December 2022. Both financial and non-financial information provide insight into the fundamental economic, ecological, social/societal and corporate governance consequences of our business activity. Most of the non-financial information is summarised in a separate section of the report – the **Consolidated Non-Financial Report**. We do so not only in response to the transparency demands of our most important stakeholder groups, but also to comply with Sec 267a of the Austrian Commercial Code (UGB) and the Sustainability and Diversity Improvement Act (NaDiVeG), including the EU Taxonomy Regulation, which requires mandatory annual reporting on non-financial matters from large companies. The financial year of STRABAG SE corresponds to the calendar year and therefore runs from 1 January to 31 December.

The Consolidated Non-Financial Report was prepared in accordance with the updated **sustainability reporting standards of the Global Reporting Initiative (GRI)** and audited by the financial auditor under a voluntary limited assurance audit regime. By deciding to conduct a voluntary audit, we aim to maintain a high level of data quality, reduce the risk of errors, and demonstrate credibility and reliability to our stakeholders. The corresponding audit report can be found at the end of the Consolidated Non-Financial Report.

In the 2015 financial year, we launched our multistep materiality analysis in line with GRI G4, and in 2016 we reached a decisive milestone with the identification of the material aspects and the drafting of the first STRABAG materiality matrix. Since then, the materiality analysis has been reviewed and adapted annually to ensure it is always up to date. In 2022, the new definition of materiality under GRI 2021 was incorporated into the update, thus reassessing the impact of STRABAG's business activities on the economy, environment and people, including impacts on their human rights. Detailed information about the further development of the materiality analysis, the dialogue with stakeholder groups, how we steer our projects, which measures we are initiating, how we determine their effectiveness and how we organise ourselves for these tasks is available in the **Consolidated Non-Financial Report** and at www.strabag.com > Strategy. On our new "Work On Progress" website, which went live in 2022, we feature additional information on our sustainability projects and strategy and invite interested stakeholders to enter into a dialogue with us on sustainability issues.

Our aim is to present all information on major topics for the entire Group. A large portion of the data – especially in the area of environmental and quality management – is available via the internal data management system or the STRABAG-developed energy and CO_2e data software CarbonTracker and FuelTracker or can be taken from other sources. Nevertheless, the decentralised Group structure and the country-specific conditions make it necessary for some Group companies and holdings to use their own management and enterprise resource planning (ERP) systems, which means that complete, uniform data are not available. **Data** that do not comprise all Group countries are pointed out at the corresponding indicator in the GRI content index.

In 2019, we also began evaluating STRABAG's business activity in terms of its contribution to the United Nations **Sustainable Development Goals (SDG).**

CEO'S REVIEW

Dear shareholders, associates and friends of STRABAG SE

This year I have the great pleasure of welcoming you to my first look back together at another extremely successful business year for STRABAG in my new role as CEO. Naturally, the responsibility for this success still rests with my esteemed predecessor, Thomas Birtel, from whom I took over as Chairman of the Management Board at the beginning of 2023.

But like everything else at STRABAG, the targets we have achieved, the figures we have produced and the gains we have made are achievements that we have made together – both within the Group management as well as in the individual countries, at the various divisions and on our many construction sites.

So even if you see a new face on this page, STRABAG's strengths and qualities remain the same. Still: given the enormous challenges facing our planet, our society and, as a result, the construction industry, there is no reason to rest on our well-earned laurels.

THERE IS MUCH TO DO

Financial reports are usually a platform where past, present and future meet. But yesterday's accomplishments are only relevant as long as they form the basis for tomorrow's success.

The good news is that the many important decisions we have made in previous years leave us well prepared for the future and put us on an already very promising trajectory in terms of digitalisation, sustainability and innovation.

In autumn 2022, we quite literally raised our banners in support of this path. Our new mission, "Work On Progress", as well as the accompanying communications campaign have provided a breath of fresh air within the group while leaving a distinct impression on the industry and the public at large.

People are seeing us in a different light, and with respect to our goals they are taking us at our word. That is both an honour and an obligation – and, for me personally, tremendously motivating.

SUSTAINABLY INNOVATIVE, SUSTAINABLY SUCCESSFUL

€ 17.7 billion

Output volume at new record high

€ 23.7 billion

Continued high order backlog

4.2%

EBIT margin target of sustained ≥4% clearly achieved

Our goal of becoming climate neutral in our building activities by 2040 does not simply require a continuation of our successful work, but a rethink on many levels. In view of the global climate crisis, it is a social obligation for us, as key players in the construction industry, to be fully committed to thinking not only about tomorrow, but also about the day after tomorrow.

Our vision of a sustainable, innovative and profitable model for our business is perhaps the most ambitious goal we have ever set ourselves as a Group. But it is a path that has no alternative and one that we are tackling with confidence and self-assurance.

There is no better motivation than being convinced that you are doing the right thing. Everyone is welcome who wants to support and accompany us in achieving the goal of becoming climate neutral in 2040. To get there, we need courage and trust as well as faith in our abilities and our innovative strength.

But back to the present, to the 2022 financial year. At this point I invite you, with the aid of this annual report, to take a look at our **financial** and **non-financial performance** and a**chievements.**

Behind us lies a challenging year in several respects. Following Russia's invasion of Ukraine, we quickly and decisively implemented sweeping measures to prevent any possible, even indirect, influence on STRABAG by Oleg Deripaska, who controls the shareholder Rasperia. The war in Ukraine led to a significant increase of inflation in Europe, which the central banks responded to with substantial interest rate hikes. In this challenging environment, STRABAG nevertheless posted its second-best earnings in company history. This is once again confirmation of the resilience of our diversified business model.

NEW RECORD

The Group generated a **record output** in the 2022 financial year. Not only did we match the high level achieved before the Covid-19 crisis; we even significantly surpassed it. Our output volume was up 10% year-on-year to € 17.7 billion. The plus in our home markets of Germany and Austria, along with the growth in the United Kingdom and the Czech Republic, contributed significantly to this situation. In the United Kingdom, we are currently working through the two largest projects of the entire Group.

Despite rising construction costs and the accelerated interest rate turnaround, we succeeded in ending 2022 with a comfortable **order backlog** of € 23.7 billion, up 6% from 2021. Significant additions in our home markets of Germany and Austria, as well as in Romania, Italy and Croatia, more than offset the declines in Bulgaria, Denmark and the Middle East.

Earnings before interest and taxes (EBIT), the most important financial indicator for us, amounted to € 706.40 million. As expected, it was not possible to repeat the exceptionally high earnings that had been achieved in the previous year as a result of numerous positive earnings effects in all segments. A long-term comparison, however, shows that this is the second-best earnings level in STRABAG SE's history.

Strong earnings are based on a strong balance sheet: At 31.7%, our robust **equity ratio** was once again above the 30% mark. Our **S&P investment grade rating** of BBB was confirmed with stable outlook. We also continue to report a **net cash position.**

THE MOST IMPORTANT FACTS FOR OUR SHAREHOLDERS

Share price of STRABAG SE at year-end 2022	**€ 39.10**
Proposed dividend per share	**€ 2.00**
Earnings per share	**€ 4.60**
Dividend yield[1]	**5.2%**
Annual General Meeting	**16.6.2023**

1 Calculated on the basis of the year's average share price

ON THE RIGHT TRACK

The situation remains turbulent, the general framework challenging. Nevertheless, we do not foresee any major setbacks in 2023. We expect to be able to maintain the output volume at a high level, specifically at € 17.9 billion. Especially in times when individual construction segments are experiencing declines, our strategy of diversification is proving its worth. Accordingly, we expect to generate an EBIT margin of at least 4% in 2023 and to sustain this level in the long term.

DEPENDABILITY IS A KEY VALUE

We come from the world of construction, where reliability and dependability are key. Accordingly, we remain committed to distributing 30–50% of the net income after minorities as a dividend. Specifically, we will propose to the Annual General Meeting on 16 June 2023 a dividend of € 2.00 per share for 2022. This translates to a payout ratio of 43% and a dividend yield of 5.2% based on the average share price in 2022.

The performance of the STRABAG SE share in 2022 was quite respectable at +7%. The share price reached its high of € 43.75 on 7 June 2022 and closed the year at € 39.10. The anticipatory mandatory offer made by the Austrian core shareholders – which became necessary as a result of the asset freeze of Rasperia – certainly contributed to the share's stability in the second half of the year.

One of our core values in the construction industry is also historically anchored – and it remains as important as ever. Without mutual trust in our abilities, in our values and in our courage, great achievements would not be possible. On behalf of my colleagues on the Management Board, I would therefore like to thank everyone who forms part of the foundation for our business success: our 79,000 employees, our customers, all our partners and, of course, you, our shareholders. Your trust is our mission!

There's a lot to do, but everything will work out fine. Of that I am convinced!

Yours,

Klemens Haselsteiner


WORK ON
PROGRESS
We will be climate neutral by 2040.
Let's shake on it!


STRA

Metropol Parasol, Seville

Our journey into the future has begun.

On the construction site, we're used to straight talk. So let's just come right out and say it: We've got a problem. The construction industry is responsible for 38% of global carbon emissions.

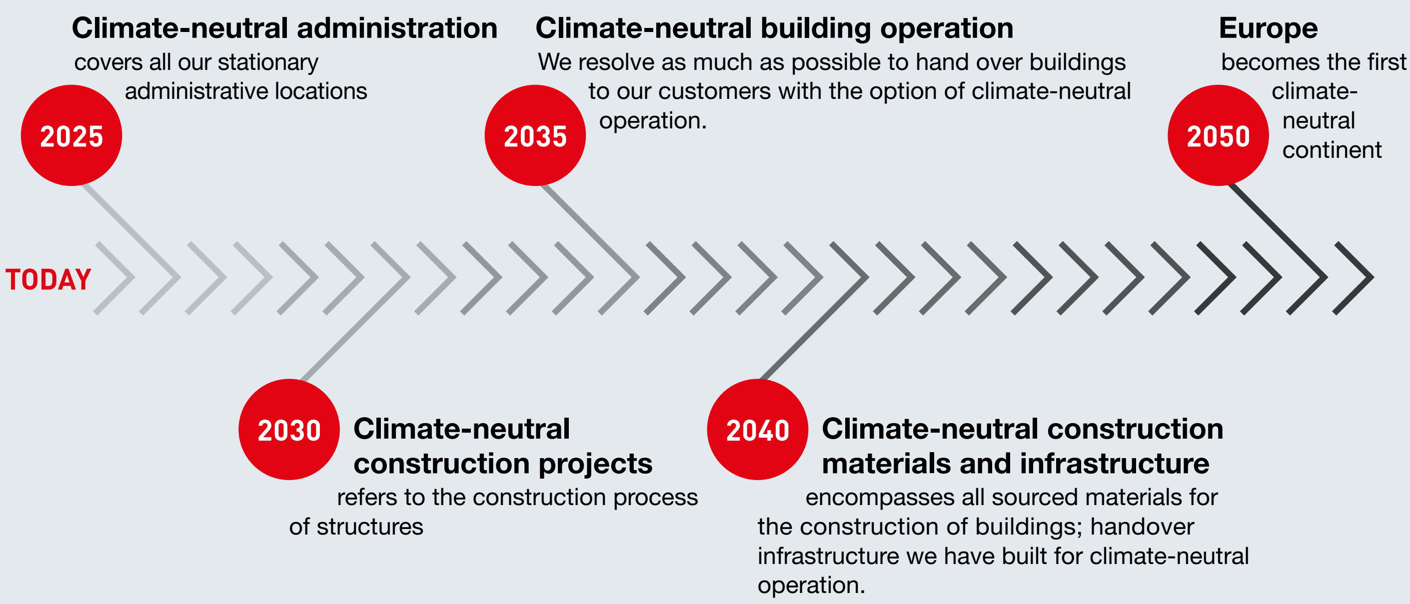
Clearly, our industry must be part of the solution. After all, we are positioned at one of the biggest levers for a better future. And if we move this lever, a lot will change. STRABAG will reimagine the construction industry. Our clear goal, perhaps the most important in our company's history: becoming climate neutral by 2040.

But we won't achieve this goal overnight. It is a process that requires technologies, some of which we must – and will – develop before we can begin. We need completely new ways of working, ways that conserve resources and make us less dependent on fossil energy. And we need to walk this path together from this moment on. For our common mission: **Work On Progress.**

Our path to becoming climate neutral. It will be a marathon, not a sprint.

> "Our journey into a climate-neutral future will only succeed if the construction industry manages to reduce emissions quickly and substantially through innovations and increased efficiency. This is exactly what we are working on."
>
> Klemens Haselsteiner,
> CEO of STRABAG SE

There's still a long way to go before we become climate neutral in 2040. But we have a clearly defined and ambitious roadmap that will bring us closer to our destination, step by step.



Three big topics. What we’re focusing on.

Carbon Emissions

Materials & Circularity

© Josh Sampiero/storyshop

Digitalisation, Processes & Innovation

Selected Projects

ClAir® Asphalt paving with the STRABAG AG innovation paver in Erlangen

MATERIALS & CIRCULARITY

Our streets clean the air. And help reduce noise while they're at it.

With Clean Air Asphalt – ClAir® Asphalt for short – STRABAG is helping to make roads more sustainable. The multi-functional asphalt surface layer from STRABAG AG simultaneously purifies the air and reduces noise, thereby minimising the impact of vehicle traffic on people and the environment. ClAir® Asphalt uses the process of photocatalysis to reduce the concentration of toxic nitrogen oxides such as nitrogen dioxide (NO_2) in the air. An added benefit is that the special texture of the asphalt surface significantly lowers the rolling noise from tyres interacting with the road.

DIGITALISATION, PROCESSES & INNOVATION

Licence to print: a construction method that saves resources and time

Austria's first 3D-printed building was realised in Hausleiten, Lower Austria, where, in collaboration with 3D concrete printing pioneer PERI, STRABAG completed the structural works for a 125 m² office building extension at its asphalt mixing plant. The project was completed using one of the largest 3D printers in the world: the BOD2 gantry printer.

The first 3D-printed building in Austria is in Hausleiten.

Realisation of one of the most sustainable university buildings in Germany

CARBON EMISSIONS

Sustainable construction with wood. Sustainable design, maximum flexibility.

Our corporate subsidiary ZÜBLIN Timber, a specialist in building with wood, recently completed one of the most sustainable university buildings in Germany: the new extension building on the campus of Witten/Herdecke University. We successfully completed the functional and attractive timber hybrid building in just 18 months. Opened in the winter semester of 2021/2022, the building is an inspiring "future space" for around 2,600 students and 900 university employees.

We are shaping the future of construction and are making significant investments in our portfolio of more than 250 innovation and 400 sustainability projects. Scan the QR code for more information:

If you're looking for innovative answers to tomorrow's challenges, you've got to ask the right questions today. We want to continue to set the pace for the whole industry.

Our aim is to become not only the most innovative but also the most sustainable construction company in Europe.

STRABAG
WORK ON PROGRESS

STRABAG AT A GLANCE

- **Our business: integrating services along the construction value chain and taking responsibility for them**
- **Output volume of € 17.7 billion in 2022**
- **Business in four segments: North + West (49% of Group output volume), South + East (31%), International + Special Divisions (19%) and Other (1%).**

Our vision and values

STRABAG is the strongest force for building a better future.

STRABAG SE is a European-based technology group for construction services, a leader in innovation and financial strength. Our activities span all areas of the construction industry and cover the entire construction value chain. We create added value for our clients by taking an end-to-end view of construction over the entire life cycle – from planning and design to construction, operation and facility management to redevelopment or demolition. In all of our work, we accept responsibility for people and the environment: We are shaping the future of construction and are making significant investments in our portfolio of more than 250 innovation and 400 sustainability projects.

Through the hard work and dedication of our approximately 79,000 employees, we generate an annual output volume of around € 17 billion. Our dense network of subsidiaries in various European countries and on other continents extends our area of operation far beyond the borders of Austria and Germany.

Working together with strong partners, we are pursuing a clear goal: to design, build and operate construction projects in a way that protects the climate and conserves resources. The following values guide us in all of our considerations:

Our values in detail >
www.strabag.com

Commitment

Innovative spirit

Respect

Trust

Reliability

Sustainability

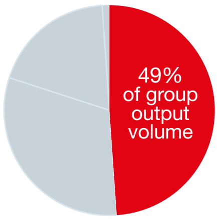
Modesty

Solidarity

Partnership

Four segments

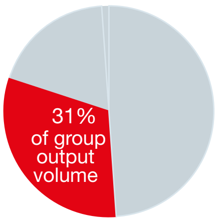
We provide our services in four segments:



NORTH + WEST

The North + West segment executes construction services of nearly any kind and size with a focus on Germany, Poland, the Benelux countries and Scandinavia. Ground engineering can also be found in this segment. Switzerland was added to the North + West segment with effect from 1 January 2023. As of 1 January 2023, Poland will be reported in the South + East segment.

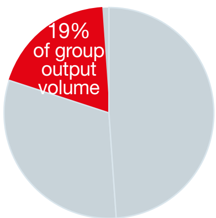
	2022	2021
Revenue (€ mln.)	8,032.71	7,317.95
EBIT (€ mln.)	492.89	443.03
EBIT margin (%)	6.1	6.1
Employees (FTE)	25,693	25,430



SOUTH + EAST

The geographic focus of the segment South + East is on Austria, Switzerland, Hungary, the Czech Republic and Slovakia as well as on the region South-East Europe. The environmental technology activities are also handled within this segment. Poland was added to the South + East segment with effect from 1 January 2023. As of 1 January 2023, Switzerland will be reported in the North + West segment.

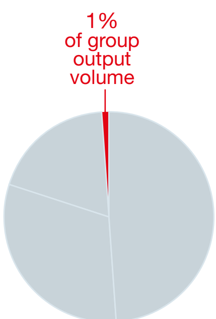
	2022	2021
Revenue (€ mln.)	5,495.54	4,924.6
EBIT (€ mln.)	153.39	194.93
EBIT margin (%)	2.8	4.0
Employees (FTE)	20,625	20,685



INTERNATIONAL + SPECIAL DIVISIONS

The segment International + Special Divisions includes, on the one hand, the field of tunnelling. The concessions business, on the other hand, represents a further important area of business, with global project development activities in transportation infrastructures in particular. Regardless of where the services are rendered, the construction materials business, including the company's dense network of construction materials operations but with the exception of asphalt, also belongs to this segment. The real estate business, which stretches from project development and planning to construction and operation and also includes the property and facility services business, completes the wide range of services. Additionally, most of the services in non-European markets are also bundled in the International + Special Divisions segment.

	2022	2021
Revenue (€ mln.)	3,479.97	3,039.14
EBIT (€ mln.)	91.95	272.07
EBIT margin (%)	2.6	9.0
Employees (FTE)	20,405	20,610



OTHER

This segment contains the intra-company Central Divisions and Central Staff Divisions.

	2022	2021
Revenue (€ mln.)	17.64	16.85
EBIT (€ mln.)	1.00	0.69
EBIT margin (%)	5.7	4.1
Employees (FTE)	7,017	6,881

STRATEGY

Factors influencing the business model of construction

Investment story: four trends make the construction sector attractive

Buildings are made with the aim of being available for a very long useful life. This requires forward-looking planning, thinking and acting. It seems reasonable to conclude, therefore, that the industry would be of interest to long-term investors; after all, the fundamental demand for construction is unlikely to dry up. But you don't need to have centuries in mind for an investment in construction to pay off – the following four trends make the construction sector an attractive option for the current decade:

Trend 1 – Urbanisation/Population Growth: The United Nations (UN) estimates that 68% of the world's population will be living in cities by the year 2050 – this represents an increase of the urban population by 2.4 billion people. Accompanying this growth is a higher demand for infrastructure. An example: The German government's Rail Transport Master Plan provides for a total of € 86 billion for the maintenance of the nation's federal railways and an additional € 11 billion for the modernisation and expansion of rail infrastructure by 2030. The coalition agreement of the governing parties envisages a 25% increase in rail freight transport by 2030 and a doubling of passenger transport capacity. The agreement also speaks of building 400,000 new flats per year as well as launching a construction and investment offensive. In STRABAG's five largest markets – besides the home markets of Germany and Austria, these are Poland, Hungary and the Czech Republic – Euroconstruct forecasts slight growth in construction output of 0.7% by 2025 despite the currently challenging market environment. The civil engineering segment, which accounts for more than 60% of STRABAG's output, is expected to grow by 3.4% in the same period.

Trend 2 – Climate Change/Energy Efficiency: As part of the Green Deal, the European Union wants to raise the original reduction target for greenhouse gas emissions by the year 2030 to at least 55% below 1990 levels. In the EU, buildings are responsible for about 40% of final energy consumption and 38% of CO_2 emissions. Not least for this reason, clients are increasingly demanding that even existing buildings be converted to higher energy efficiency and lower-emission operation. To conserve resources and space, the field of reconstruction, conversion and refurbishment will become even more important in the future. According to the United Nations Environment Programme, the sector has so far contributed little to the agreed reduction of greenhouse gas emissions. In addition to comprehensive political measures, digitalisation as well as new, environmentally friendly technologies will also be drivers for the energy efficiency of buildings in the future.

Trend 3 – Technology/Digitalisation: In contrast to sectors like the automotive industry or consumer goods industry, the degree of digitalisation in the construction sector remains relatively low. Experience has shown, however, that the digitalisation and networking of data during the life cycle of a building holds advantages for the various project participants – be it during the design, build or operate phases of the building. The increasing digitalisation of processes, therefore, allows us to expect significant productivity growth in the construction industry.

Trend 4 – Active Risk Management: The intensifying climate change and the recent impacts of the coronavirus pandemic have tested the effectiveness of the risk management systems of construction companies. At STRABAG, too, the monitoring and analysis of risks identified as a result (including property damage to structures, plants and equipment as well as health and safety conditions for employees) are part of the risk management system. STRABAG not only addresses these environmental and social challenges through a sustainability strategy that has been in place since 2021, it has also developed a new data and digitalisation strategy to further optimise the existing risk management. In view of the rising prices for materials and energy, a situation that has been exacerbated by the war in Ukraine, management also regularly assesses the financial impact and attempts to reduce this risk through decentralised supply chains, long-term procurement of raw materials, in-house production of building materials and a proactive pricing policy.

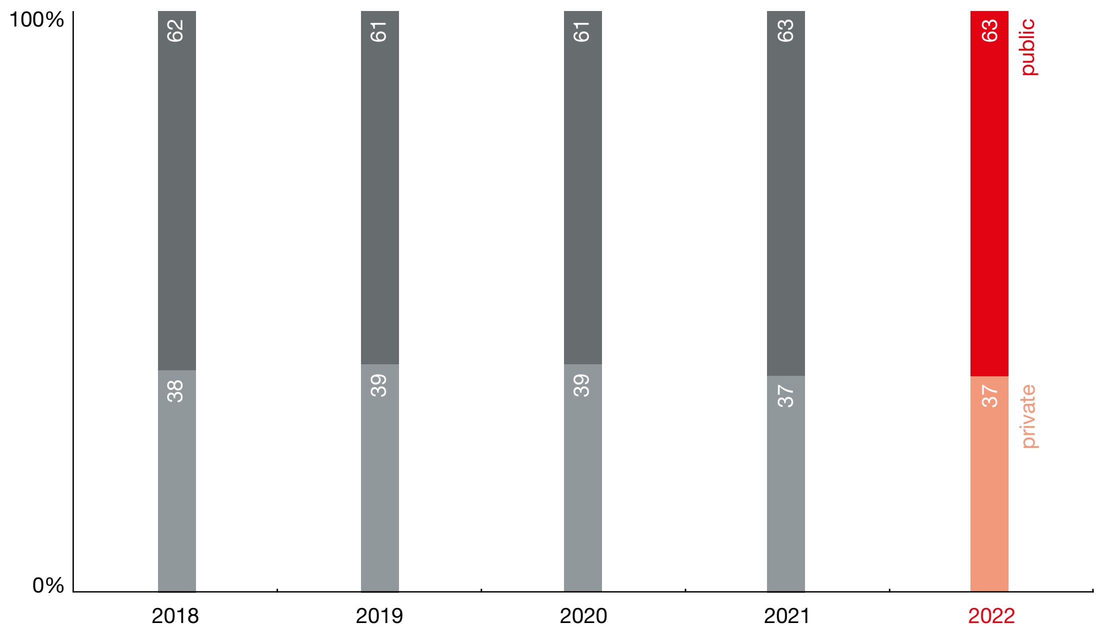
These four major trends therefore determine the attractiveness of the sector and the institutional investment preferences. But what is decisive in determining which company is awarded a contract? What do building clients look for in this regard?

Here it is important to make a distinction between the public and the private sector: While price is still mostly the decisive criterion for public-sector clients, private clients often look for the best offer – and this need not always be the lowest bid. The costs over the entire life cycle, including the operating costs, are also taken into consideration. Additional criteria play a role as well: As every building is unique, clients must be able to trust the abilities of the construction company. This trust is established through references, among other things. During tender processes, we are often asked about comparable projects that we have successfully completed in the past. Just as important are the experience and the know-how of the staff of the bidding construction company, the technical and long-term environmental characteristics of the bid, and the existence of innovative solutions which may save the client money and time across the entire building life cycle, as well as professional and comprehensible processes during the execution of the construction contract.

In some parts of the public sector, the **best bidder principle** is beginning to gain a foothold. This principle entails public-sector contracts not being automatically awarded to the company with the lowest monetary bid, but also taking social, environmental and sustainability criteria into account. The STRABAG Group also supports this principle, an initiative that is being driven by the trade unions, environmental organisations and, increasingly, investment companies. From an overall perspective, the best bidder principle is better for the population and for the national economy than choosing what at first glance appears to be the most favourable bid. On the one hand, it is a way of securing local jobs. On the other hand, the costs of a building after the actual construction phase must also be taken into consideration – best bids include these costs in their cost estimate so as to minimise expenses over a building's full life cycle.

Every building is unique. Unlike in industries with standardised products, therefore, it is not possible in the construction sector to perform sensitivity analyses showing the influence of changes to a dominant production factor on a company's key performance indicator. Our business is not determined by just one driving factor; rather, the margins are influenced by several factors. These include certain business realities, such as the risk management system or the quality of our employees, as well as external influences such as economic growth (GDP) and demographic trends which affect the availability of qualified personnel as well as the demand for infrastructure. The level of public infrastructure spending – a euro invested in construction leads to demand in other sectors, with the result that the positive impact is multiplied in production and employment – and the financing environment for our clients constitute further factors.

OUR CLIENT STRUCTURE



In 2022, the construction industry in general, and STRABAG in particular, was able to demonstrate its resilience even in times of economic crisis. We believe we have been proven right in the selection of our strategic priorities and will continue to pursue these consistently:

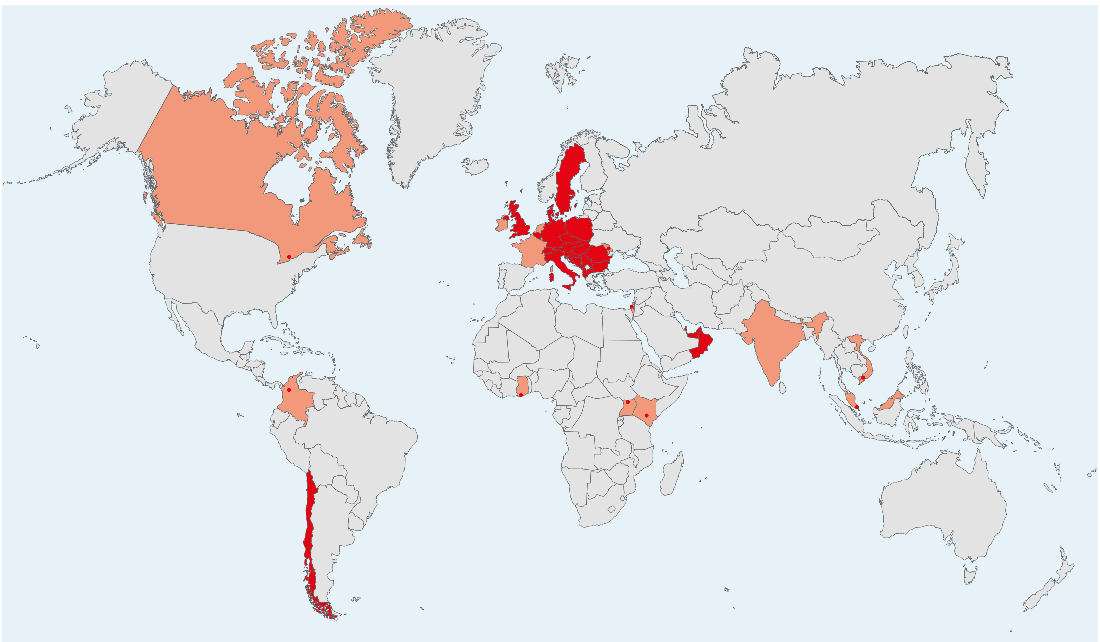
Five strategic priorities

#1 – STAYING DIVERSIFIED

The various forces driving the construction industry and its subsectors advise a corporate strategy that is built on diversity. This diversity can be seen in our employees but also in the regions and construction segments in which we operate. We therefore see ourselves as a European company that offers a broad range of construction services internationally. Selective diversification brings a number of advantages. For one, it allows us to respond quickly to opportunities in different markets. Also, the existing country network helps us in our expansion, allowing us to deploy large equipment to different regions and to pass on know-how and technologies to the local management so they are of benefit there. Moreover, we spread our risk by not concentrating our business on just a few countries (see graph "Total construction output by country").

Firmly established in our home markets of Austria and Germany, which account for 64% of our output, we generate an additional 23% of our business in Central and Eastern Europe and another 7% in other European countries. We are also active outside of Europe in projects requiring a high degree of technological know-how, currently in places such as Colombia or Canada. We handle these international markets – they account for 6% of our output volume – mostly as part of the direct export business.

STRABAG – AN INTERNATIONALLY ACTIVE, EUROPEAN-BASED GROUP[1]



region-wide presence

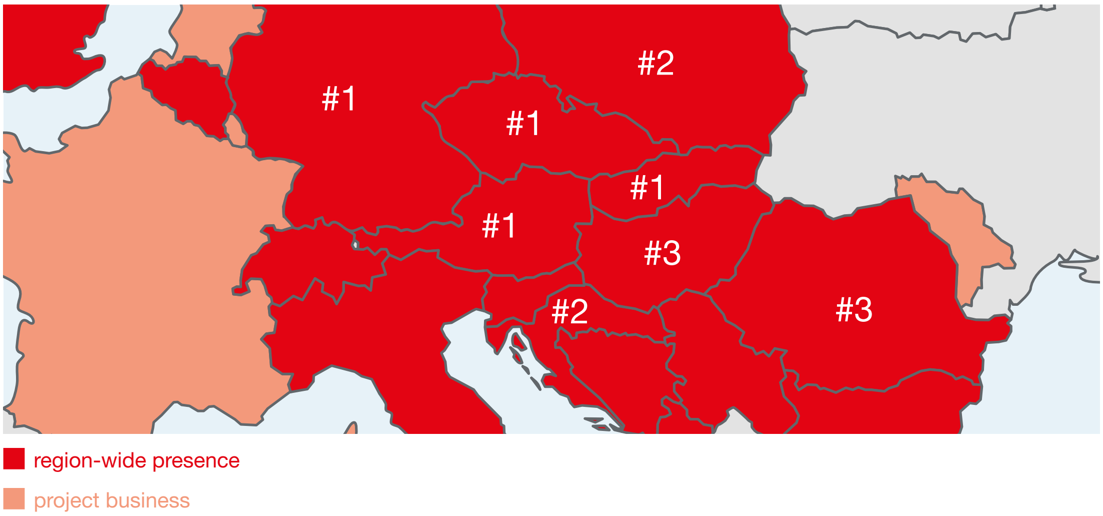
project business

1 Only countries with a minimum annual output volume as well as a minimum order backlog of € 1 million are considered.

Details: see Country Report

In addition to this broad level of diversification, we also believe it is important for us to achieve a strong market position in the markets in which we operate. Construction companies need a critical mass and sufficient capital resources, especially in the more mature markets, in order to successfully bid for and pre-finance large projects. This also makes it possible to take advantage of economies of scale. Size is further associated with qualities such as reliability and stability – and this, together with our references, creates trust.

STRONG MARKET POSITION

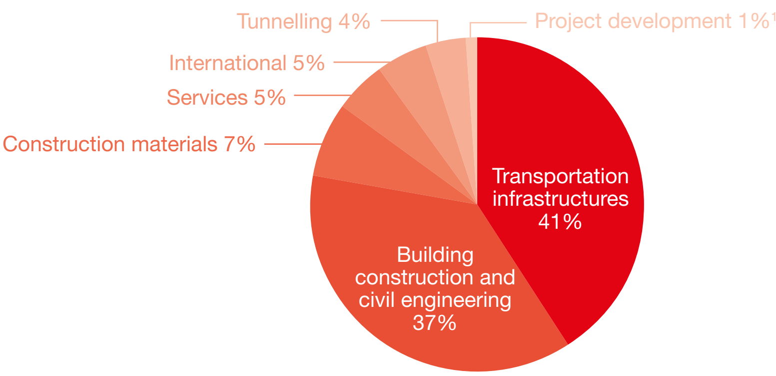


More information on our activities in the various segments is available in our Segment Report

In addition to diversifying geographically, we also try to offer services along the entire construction value chain and in different construction segments. After all, the construction industry does not follow just one cycle; each segment – differentiated in part by the type of client – follows its own. In economically difficult times, for example, the public sector invests more in infrastructure as a way of stimulating the economy, and the transportation infrastructures segment booms. Lower interest rates, on the other hand, are of benefit especially in building construction. The diversification in different construction segments thus reduces risk, and the extension of the value chain balances out cyclical and seasonal effects by trend. This is why we keep our range of services deliberately broad, so that today around 87% of our business comes from construction, 5% from services, 7% from the construction materials sector and 1% from real estate project development and concessions. The output volume from the latter segment is low by nature, however, as it refers only to the management of a project without including its actual construction.

This strategy has proven its worth in the current crisis. The order backlog as at 31 December 2022 is 6% above the previous year's level. High construction prices and higher interest rates are affecting demand, especially in the private sector, but these effects are being cushioned by the Group's broad positioning. Orders from the public sector in particular are having a stabilising effect, and the management continues to expect a steady order situation from the public sector.

OUTPUT VOLUME BY SEGMENT



1 Construction activities not included

TOTAL CONSTRUCTION OUTPUT BY COUNTRY[1]

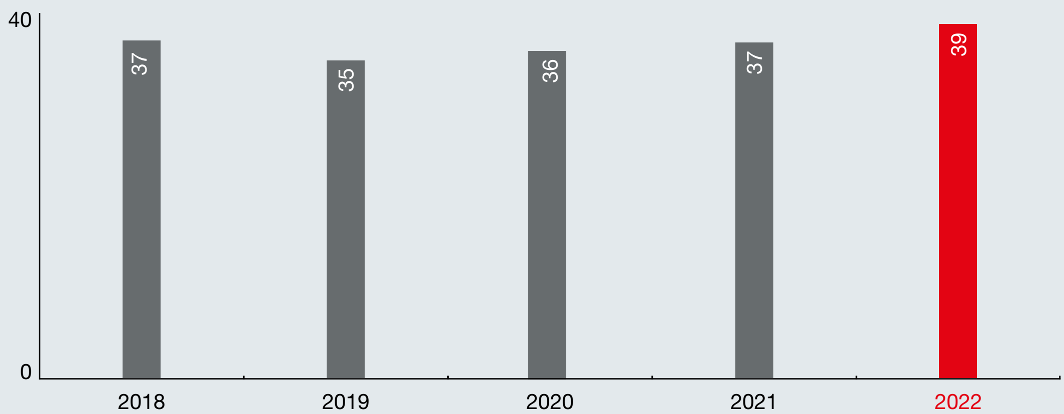
Especially in economically difficult times, it is important not to depend on just a few specific markets. We therefore began to focus on regional diversification at an early stage – and this strategy has paid off. Germany, for example, has proved to be a growth driver in recent years. Investors have sought refuge in real estate, as other investment options involve high risk without being very lucrative. Additionally, the noticeably increased public-sector infrastructure investments in Germany will remain stable, so that the activity in transportation infrastructures is expected to continue at a high level in the coming years.

See chapter
"Client Satisfaction"

But we aren't the only ones who benefit from our broad geographic presence and diversification in different construction segments; our clients profit as well, as they can expect the same quality from STRABAG-executed works at all of their sites. Partnership arrangements such as our TEAMCONCEPT and the single-source execution of all works (design-build-operate) reduce redundancies and simplify the process so that projects are completed quickly and smoothly.

PUBLIC-PRIVATE PARTNERSHIPS AS PART OF A DIVERSIFIED SERVICE PORTFOLIO

NUMBER OF PPP PROJECTS IN THE GROUP



1 Source: Euroconstruct, winter 2022

>€ 10 billion
total investment volume

€ 566 mln.
equity invested

We have been working successfully with operator models for more than three decades. In the areas of building construction and infrastructure, the portfolio comprises 39 public-private partnership (PPP) projects with a **total investment volume** of € 10.28 billion (2021: € 10.25 billion). Of these, 22 projects with a total investment volume of € 619.90 million are in building construction and 17 with a total investment volume of € 9.66 billion are infrastructure projects. Across all concession projects, we had a proportionate share of **equity** in the amount of € 565.9 million in 2022 and had committed a further € 29.3 million for a total of € 595.2 million.

The following developments in the 2022 financial year deserve special mention:

- The **Mar 1 road construction project in Colombia** was completed on schedule in October 2022, with all sections opened to traffic on time.
- Construction work on the new 31 km section of the **A49 motorway project** in Hesse is proceeding according to plan.
- The **two school campuses for the City of Vienna** (10th and 11th districts) celebrated their topping-out ceremony in the summer of 2022. School operations are scheduled to start at the beginning of the 2023/2024 school year.
- In **Bremen**, STRABAG acquired two school projects with a total volume of around € 62 million: the expansion of the sports facilities at **Kaisen Campus** and at **Oberschule Ronzelenstraße**. Preparatory work has already begun.

Due to the **regular cash flows** in later project phases, institutional investors in particular, such as insurance companies or pension funds, have an interest in making capital available for PPP projects in the long term. Moreover, a competitive advantage gives STRABAG good chances in the PPP business: Our strong financial position allows us to act as equity provider for concession companies more easily than other companies. Thanks to the inclusion of specialist providers from within the Group, such as STRABAG Property & Facility Services, A-WAY, EFKON, STRABAG Infrastructure & Safety Solutions or STRABAG Environmental Technology, we are in a position to efficiently and completely cover all specifications from structuring to financing and planning all the way to construction and operation. This gives both the client as well as the capital providers a high degree of security regarding contract fulfilment.

Measurement principles

How the individual projects are recognised in the balance sheet depends on the legal definition. An **intangible asset** is recognised if the concession grants the company the right to charge users a usage fee or a usage-based fee. The accounts receivable approach is used if the company has an unconditional contractual right to receive a payment (see “Rights from concession arrangements”, Item 13 in the Notes and “Receivables from Concession Arrangements”, item 20 in the Notes). Non-recourse debt resulting from these consolidated project companies is considered in the liabilities section of the consolidated balance sheet. A large portion of the existing PPP projects within the STRABAG Group is handled by associated Group companies. These are incorporated into the consolidated financial statements using, for the most part, the **equity method**. The investment in the concession company is therefore recognised with the proportional equity.

We are pleased to say that our portfolio is developing in line with the financing models underlying the projects, which form the basis for measurement according to the DCF method. This underlines the careful and conservative method of our measurement.

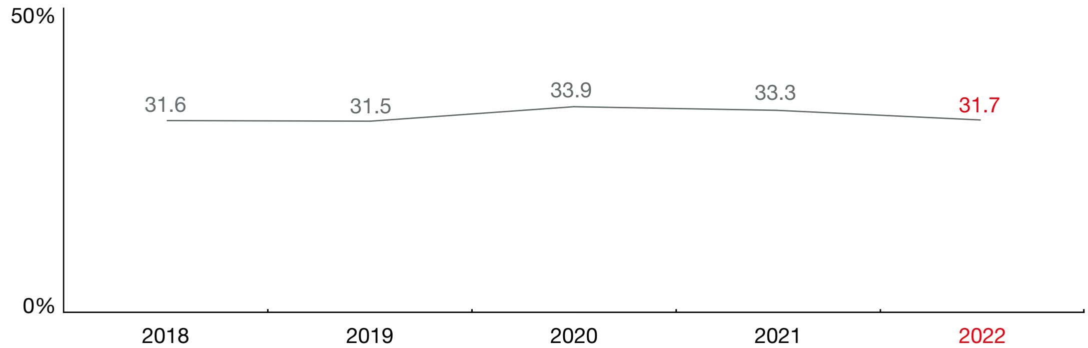
#2 – MAINTAINING FINANCIAL STRENGTH

Equity ratio: 31.7%

Despite all differences between private and public clients, financial strength is the basic prerequisite for having our bid considered – it represents a decisive advantage in competition. We therefore see financial strength as being both the foundation as well as the framework for our business activity. Moreover, only financially strong construction companies are capable of participating in concession projects, as these must be partly co-financed with company equity. Additionally, meaningful acquisitions can be transacted more easily and quickly when there is an available budget.

This is why maintaining our financial strength is a strategic priority. We see the equity ratio as a suitable figure with which to measure STRABAG's financial stability and strength. We are satisfied with an equity ratio (Group equity/total equity) above 25%. As at 31 December 2022, this figure stood at 31.7%.

DEVELOPMENT OF THE EQUITY RATIO



S&P rating: BBB, stable outlook

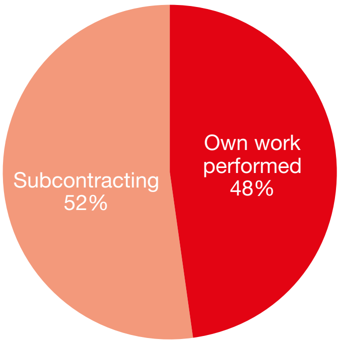
The financial strength of our company is also evaluated independently. In June 2015, the ratings agency Standard & Poor's (S&P) raised the investment grade rating for STRABAG SE by one level from BBB- to BBB. This rating was last confirmed in August 2022. S&P left the outlook at "stable". The Group's financial strength – expressed in form of a high equity ratio, a net cash position of € 1,927.70 million with a balance sheet total of € 12.7 billion, and the S&P investment grade rating – allows us to ensure the long-term existence of the Group and to finance at favourable conditions.

An attractive and reliable dividend is one of the cornerstones of our equity story. Since the IPO in October 2007, STRABAG has attached great value to a continuous dividend policy. The Management Board is sticking to its goal of distributing 30–50% of the net income after minorities to the shareholders in the form of an annual dividend. The exact rate depends on the general business development on the one hand and on the Group's growth opportunities on the other hand. In line with the long-term dividend policy of STRABAG SE, the Management Board proposes a dividend of € 2.00 per share for the 2022 financial year to the Annual General Meeting.

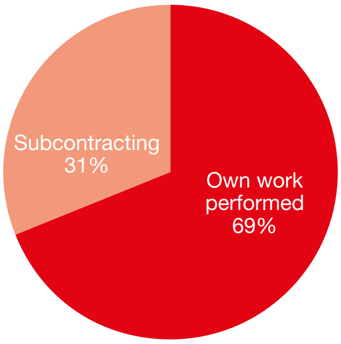
#3 – SHOWING FLEXIBILITY

Our flexibility, which helps us to respond quickly to changes on the market, is another important competitive advantage. This flexibility is nourished by our financial strength as well as by the possibility of serving markets outside of Europe and – depending on the market environment – of being able to pass on specific works to subcontractors. As one way of ensuring this flexibility, we are working on maintaining our geographic presence in non-European countries to become less dependent on individual markets.

SUBCONTRACTING BUILDING CONSTRUCTION AND CIVIL ENGINEERING



SUBCONTRACTING TRANSPORTATION INFRASTRUCTURES

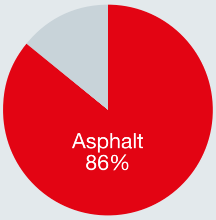


OWN CONSTRUCTION MATERIALS NETWORK TO INCREASE FLEXIBILITY

Due to our construction materials network, which helps to ensure a supply of resources from within the Group, dependence on external suppliers is reduced and we are able to better plan our access to resources. Moreover, approval for new production facilities is granted only to a limited extent in regions in which such facilities already exist; this creates higher **hurdles to market entry** for newcomers.

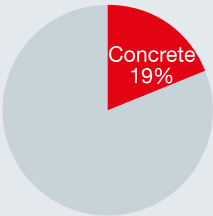
We already possess an extensive construction materials network that is especially dense in our home markets. With 277 active asphalt mixing plants[1] (2021: 272) we covered 86% of our asphalt needs in 2022 (2021: 88%). In this area, we have already enjoyed an optimal degree of self-sufficiency for several years. Proprietary coverage with concrete was at 19%, with a total of 127 active concrete mixing plants (2021: 133). The investments in five (2021: five) cement plants covered 39% of our cement needs (2021: 30%). In the field of stone/gravel, coverage stood at 15% (2021: 18%), while the number of active production sites fell from 142 to 139. Since the 2016 financial year, Sec 267b of the Austrian Commercial Code (UGB) requires STRABAG SE to publish a consolidated report on behalf of its subsidiaries in the extractive industries concerning payments to governments. This report is available at www.strabag.com.

CONSTRUCTION MATERIAL NEEDS COVERED USING OWN RESOURCES



Asphalt

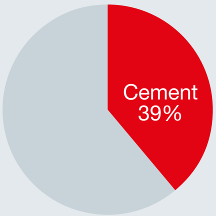
We produced 15.7 million tonnes of asphalt in the past financial year, compared to 16.2 million tonnes in 2021. Most of this amount was produced in Germany, Austria, Poland, the Czech Republic and Hungary. Of the asphalt produced, 58% (2021: 60%) was sold within the Group at the usual market rate. The rest was sold to third parties.



Concrete

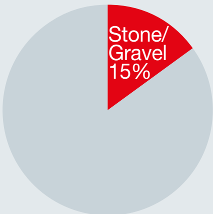
The production of concrete – more than 91% of which takes place in Hungary, the Czech Republic, Austria, Romania and Germany – amounted to 3.3 million m³ in 2022, compared to 3.4 million m³ in 2021. Some 25% of the concrete produced was sold within the Group (2021: 30%).[2]

1 Own facilities and investments
2 The relatively high percentage of third-party sales and purchases is explained by the fact that the desired construction material type and quality were not available in the region where they were needed or that the projects at times lie outside of the supply radius of the production facilities. This highlights the importance of area-wide access to construction materials in a given geographic area.



Cement

We started operations of our first proprietary cement factory in Hungary in September 2011. These cement activities were brought into Lafarge Cement CE Holding GmbH, our joint venture with construction materials manufacturer Holcim. We hold 30% of the joint venture, so that it is reported in the consolidated financial statements using the equity method. In addition to the Hungarian site, the company also owns two production facilities in Austria (Mannersdorf and Retznei) as well as one in the Czech Republic (Cizkovice), among others. Thanks to the joint procurement and administration handled by this joint venture, STRABAG benefits from economies of scale and from the know-how of global cement market leader Holcim. We also hold a minority interest in the Slovakia-based cement firm Cemmac a.s.



Stone/Gravel

The STRABAG Group produced around 33.3 million tonnes of stone and gravel in 2022 and thus just a little more than in the previous year. Some 26% of these resources were used by Group companies (2021: 3%).[1] Being active in the production of stone and gravel, STRABAG is considered to be part of the extractive industries.

With the exception of asphalt, where our coverage is already very high, our aim is to continuously cover more of our construction material needs with own resources. For us, increasing our independence from construction materials suppliers is a priority. In comparison, raising the revenues from construction materials sales to third parties is not an objective per se. Nevertheless, revenues in this area reached about € 800 million (2021: € 660 million).

#4 – DRIVING INNOVATION AND DIGITALISATION

An important step in 2021 was the definition of the digital strategy and the systematic roll-out, monitoring and evaluation of digital transformation projects by the central division STRABAG Innovation & Digitalisation (SID). Combining knowledge, data, technologies and innovations across the Group enables SID to

- drive forward the digital transformation with strategically important flagship projects (e.g., SPS – Strategic Procurement Solution),
- utilise potential efficiency gains and cost savings (e.g., through further process standardisation and networking of IT systems),
- implement a structured innovation process,
- foster internal collaboration through the identification and application of best practice approaches,
- carry out data-based risk analyses, and
- ensure sustainable supply chains.

As part of the ongoing digitalisation initiatives, SID is also focusing on topics such as robotics and automation to continuously enhance productivity and reduce CO_2 emissions.

STRABAG sees data as a strategic resource. At the same time, it is fully aware of the risks of cyberattacks, unauthorised data access and data leaks, regulatory intervention and not least the environmental impact of large IT and server capacities. In 2022, the company-wide information security management system was recertified to the ISO/IEC 27001 standard. In addition to the organisational measures surrounding the annual recertification, STRABAG further expanded the existing IT security infrastructure and carried out regular awareness-raising activities throughout the Group to enhance digital skills and establish a security-focused data culture. As an example, IT security was a key topic at the STRABAG Innovation Day 2022.

1 The relatively high percentage of third-party sales and purchases is explained by the fact that the desired construction material type and quality were not available in the region where they were needed or that the projects at times lie outside of the supply radius of the production facilities. This highlights the importance of area-wide access to construction materials in a given geographic area.

#5 – REBALANCING SUSTAINABILITY AND RISK MANAGEMENT

Against the backdrop of increasingly more frequent and increasingly severe climate change-related natural events (e.g. wildfires, heat, floods, storms) and the demands placed on the Group by customers and employees, STRABAG adopted a new sustainability strategy in the first half of 2021. The sustainability strategy was integrated into the existing long-term corporate strategy and individually aligned to each of the business units.

See chapter "Our Sustainability Management"

Having set ourselves the target of becoming climate neutral along the entire value chain by 2040, STRABAG recognises its responsibility as one of Europe's leading technology companies for construction services. In the design and build phases of its construction projects, STRABAG places a particular focus on environmentally compatible and sustainable construction methods and on the efficient use of resources and their recyclability in order to limit as much as possible any negative impact on the environment.

The new STRABAG sustainability strategy is founded on the three pillars of economy, environment and social welfare, with a special focus on activities in the four key areas of action: CO_2 emissions, materials and waste, supply chain and construction life cycle. As the driving force behind the necessary transformation, technology is an indispensable tool for leveraging the potential in all three pillars.

Our strategic programme

The **FASTER TOGETHER 2022** strategy programme ended with the end of the last Management Board period. A notable achievement was the profitability target, a 4% EBIT/revenue margin, which has remained above the set level since 2021. This is clear evidence of the successful implementation of the Action Plan in the area of **Project Risk Management,** but also in the areas of **BIM 5D®, SMART.Construction, LEAN.Construction** and **Strategic Procurement Solution,** which have enabled us to continuously streamline and digitalise our processes.

In terms of the **People First** domain, we continued to work on making our industry and our company more attractive to employees. With the establishment of a separate Health, Safety & Wellbeing central staff division, we are setting an important course for the future by giving even more weight to the topic of occupational safety and health.

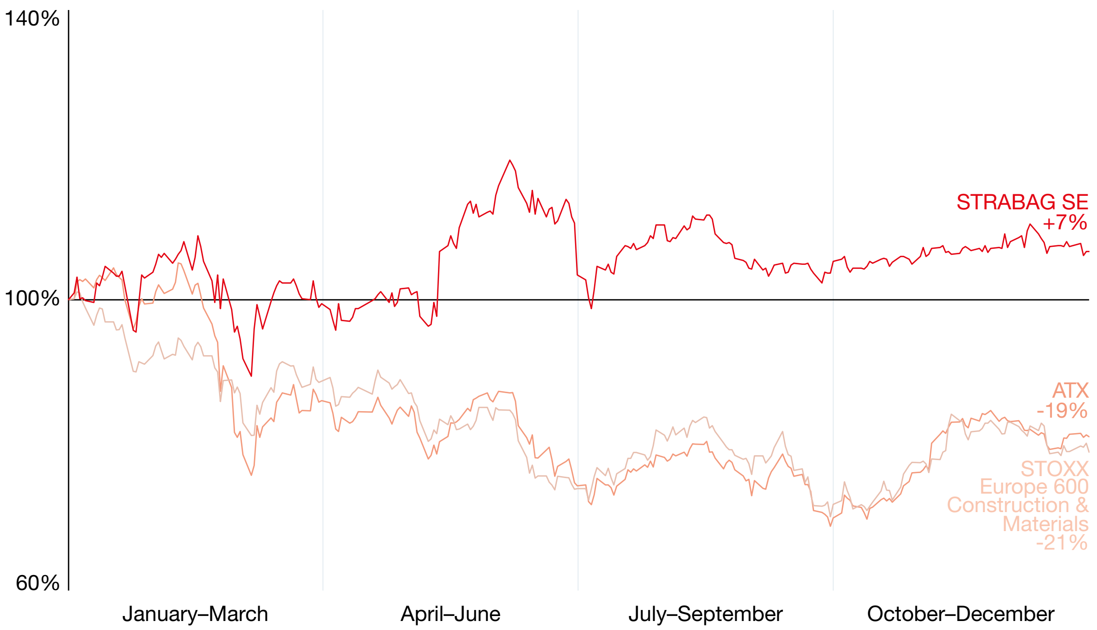
For our clients, our **TEAMCONCEPT** partnering model is the ideal means of collaborating with us on complex construction projects. In recent years, we have not only succeeded in implementing several lighthouse projects in this regard; we have also established many more client relationships in which TEAMCONCEPT is the preferred contract model.

The new Management Board team led by our new CEO Klemens Haselsteiner has already initiated the strategy process for the years ahead.

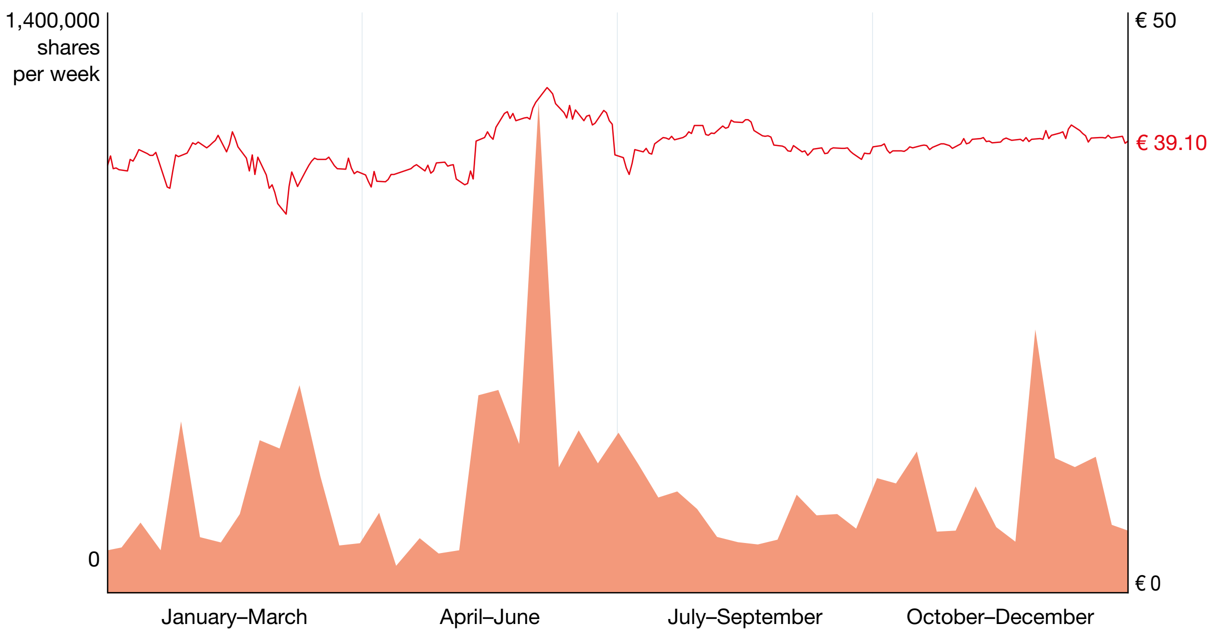
SHARES, BONDS & INVESTOR RELATIONS

The STRABAG SE share

DEVELOPMENT OF THE STRABAG SE SHARE PRICE AND OF THE BENCHMARK INDEXES 2022

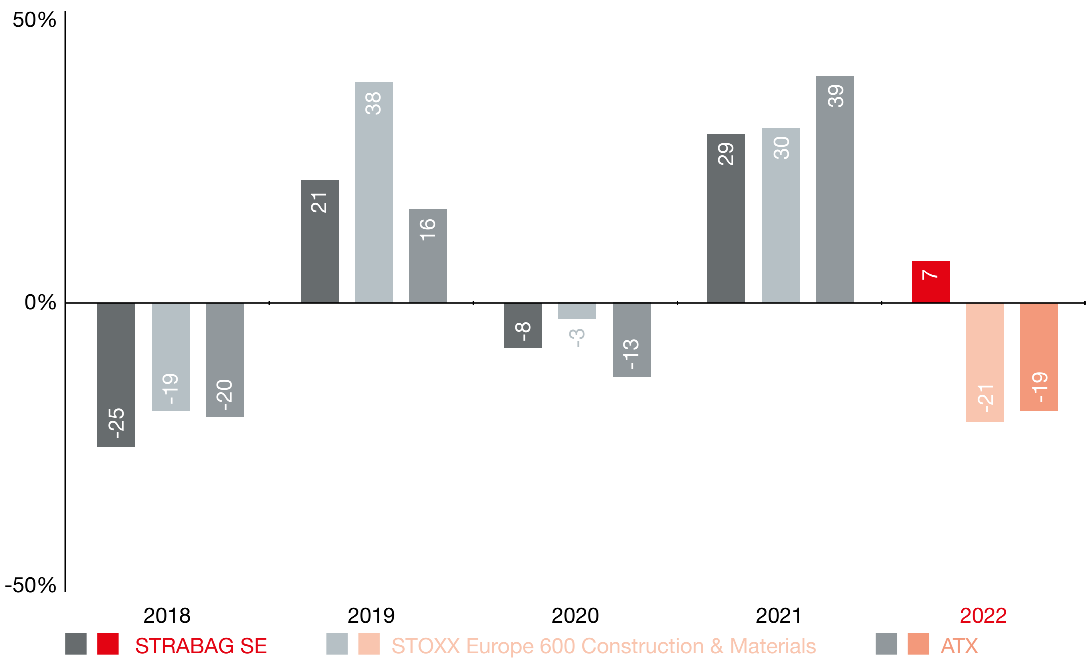


TRADE VOLUME OF STRABAG SE SHARES VERSUS SHARE PRICE 2022



LONG-TERM DEVELOPMENT OF THE STRABAG SE SHARE PRICE

MULTI-YEAR DEVELOPMENT OF THE STRABAG SE SHARE PRICE AND THE BENCHMARK INDEXES



The 2022 stock market year was heavily influenced by geopolitical crises and a turnaround in monetary policies. In the first half of the year, Russia's invasion of Ukraine led to significant price falls on all stock exchanges. The subsequent sanctions imposed by the EU and other countries against Russia caused energy prices in Europe to rise, further fuelling an already high inflation. In light of the accelerating price momentum, especially in the second half of the year, the European Central Bank (ECB) gradually raised its key interest rate. To combat inflation, the US Federal Reserve (Fed) also raised its key interest rate sharply. Unlike in Europe, however, the increased price levels in the United States were driven more by demand and rising wages. In view of the current situation, and due to lingering fears of a recession, investors are being rather cautious about 2023.

Overall, 2022 was one of the least favourable years for the stock markets. The extremely negative price development was also reflected in the 19% decline of the **MSCI World Index**. Although the

US benchmark index **Dow Jones Industrial** performed somewhat better, it also fell by 9% in the past trading year. The pan-European stock index **EURO STOXX 50** and the German stock index DAX each recorded a decline of 12%. Only the British benchmark index **FTSE 100** was able to record a marginal increase of 1% for the year as a whole.

STRABAG SE's share price at year's end: € 39.10

The negative development did not spare the Vienna Stock Exchange either. Analogous to the global stock index, the Austrian benchmark index **ATX** fell by 19%. The construction sector index **STOXX Europe 600 Construction & Materials** was hit even harder, losing 21% in the same period. The **STRABAG SE share** ended the year at € 39.10 with a respectable performance of +7%. The anticipatory mandatory offer of the Austrian core shareholders in the amount of € 38.94 per share certainly contributed to the stability of the share. The mandatory offer was necessary to remove the restriction on the voting rights of the Austrian core shareholders under the Austrian Takeover Act following the sanctioning of Oleg Deripaska, who controls the shareholder MKAO "Rasperia Trading Limited". The lowest value of € 32.75 was reached on 7 March 2022 immediately after the start of the Russia–Ukraine war. Subsequently, however, the STRABAG SE share recovered quickly and reached a high of € 43.75 on 7 June 2022.

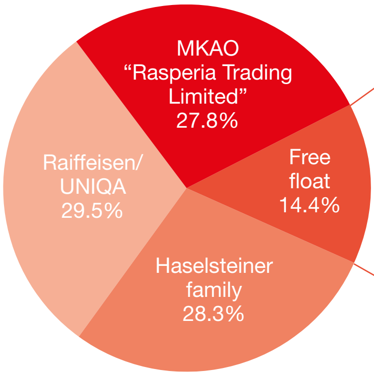
KEY SHARE INDICATORS

Share figures	**2018**	**2019**	**2020**	**2021**	**2022**
Closing price at year's end (€)	25.65	31.00	28.45	36.65	39.10
Year's high (€)	36.55	32.30	31.50	43.20	43.75
Year's low (€)	25.45	26.85	16.02	27.90	32.75
Year's average (€)	33.16	29.84	26.18	35.19	38.56
Number of outstanding bearer shares at year's end (shares)	102,599,997	102,599,997	102,599,997	102,599,997	102,599,997
Number of outstanding bearer shares, weighted (shares)	102,599,997	102,599,997	102,599,997	102,599,997	102,599,997
Market capitalisation at year's end (€ billion)	2.6	3.2	2.9	3.8	4.0
Average trade volume per day (€ million)[1]	0.7	0.6	0.8	1.4	2.0
Number of STRABAG SE shares traded (shares)[1]	5,532,640	4,774,282	8,008,702	10,162,508	13,220,734
Volume of STRABAG SE shares traded (€ billion)[1]	0.2	0.1	0.2	0.4	0.5
P/E ratio on 31 December	7	9	7	6	9
Earnings per share (€)	3.45	3.62	3.85	5.71	4.60
Book value per share (€)	35.3	37.3	39.8	39.4	39.0
Price-to-book ratio	0.7	0.8	0.7	0.9	1.0
Cash flow from operating activities per share (€)	7.7	10.5	12.5	11.9	7.9
Dividend per share (€)	1.30	0.90	6.90	2.00	2.00[2]
Dividend payout ratio (%)	38	25	179	35	43
Dividend yield (%)[3]	3.9	3.0	26.4	5.7	5.2
Share capital (€ million)	110	110	110	103	103
Weight in ATX-Prime (%)	1.23	1.24	1.28	1.13	1.46
Weight in WBI (%)	2.83	2.92	3.03	2.73	3.53

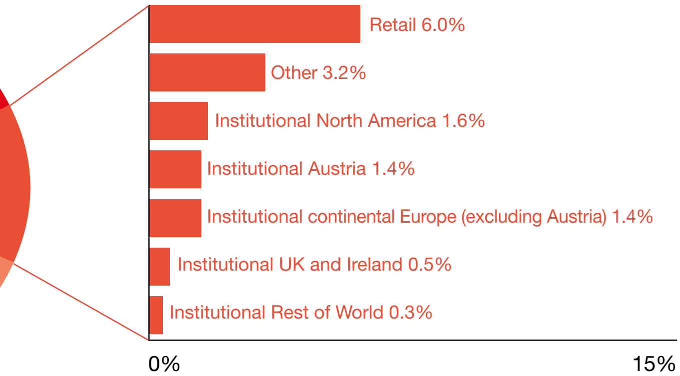
1 Double count
2 Proposed dividend
3 Calculated on the basis of the year's average share price

Shareholder structure

SHAREHOLDER STRUCTURE AS AT 1 JANUARY 2023



DISTRIBUTION OF THE FREE FLOAT AS AT JANUARY 2023



The **shareholder structure** of STRABAG SE did not change in the 2022 financial year. The shareholdings of the Haselsteiner family, Raiffeisen Group, UNIQA Group and MKAO "Rasperia Trading Limited" remained unchanged. To our knowledge, no investor other than the core shareholders holds more than 5% of the company.

In January 2023, we commissioned a shareholder ID to determine the composition of the **free float.** The percentage of retail investors was on the decline at 6.0% (2021: 6.8%), while institutional investors remained nearly unchanged from the previous year at 5.2%. The regional focus was on North America (1.6%), followed by Austria and continental Europe with 1.4% each.

Oleg Deripaska was added to the EU sanctions list on 8 April 2022 and is subject to Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine (EU Sanctions Regulation). As a consequence, all funds and economic resources belonging to, owned, held or controlled by Oleg Deripaska or by natural or legal persons associated with him are to be frozen ("asset freeze"). This asset freeze must also be ensured with regard to the STRABAG SE shares held by MKAO "Rasperia Trading Limited", which is controlled by Oleg Deripaska. MKAO "Rasperia Trading Limited" has therefore since 8 April 2022 been excluded from exercising control (voting rights, right to information, right to participate, right to propose resolutions) and asset rights (e.g. dividend distribution) in connection with the shares of STRABAG SE until the sanctions cease to apply.

As at 9 February 2023, STRABAG SE holds 2.7% of the share capital as own shares, so that the free float amounts to 11.7%. The own shares were acquired from contributions to the mandatory offer. The anticipatory mandatory offer was made by the Austrian core shareholders due to the acquisition of control as a result of the conclusion of a new syndicate agreement.

Further details can be found in the management report under "Disclosures pursuant to Section 243a Para 1 UGB", item 4.

Extraordinary General Meeting

At the request of the shareholder Haselsteiner Familien Privatstiftung, an Extraordinary General Meeting was convened on 5 May 2022. Due to the EU sanctions imposed on Oleg Deripaska on 8 April 2022, there was a need for action to prevent any possible (even indirect) influence by Oleg Deripaska on STRABAG SE and thus avert disadvantages and damages for the company. The Extraordinary General Meeting passed the only item on the agenda with the required majority: Thomas Bull, the Supervisory Board member delegated by shareholder MKAO "Rasperia Trading Limited", was recalled and the Supervisory Board was reduced from four to three members elected by the General Meeting. Hermann Melnikov, who had been nominated for the Supervisory Board by MKAO "Rasperia Trading Limited", had already resigned his mandate of his own accord on 13 April 2022. Both MKAO "Rasperia Trading Limited" and Thomas Bull filed a lawsuit with the Klagenfurt Regional Court against the resolutions of this extraordinary general meeting. The proceedings in this regard are still ongoing.

General Meeting

The agenda of the 18th Annual General Meeting, which was held on 24 June 2022 as a virtual meeting in keeping with the provisions of the Covid-19 Corporate Law Act ("Covid-19-GesG") and the Covid-19 Corporate Law Ordinance ("Covid-19-GesV") enacted on its basis, had eight resolution items. With a majority of the votes cast, the Annual General Meeting approved the actions of the Management Board and of the Supervisory Board for the 2021 financial year, resolved to pay a dividend of € 2.00 per no-par share for the 2021 financial year, selected the financial auditor for the 2022 financial year, and elected Erwin Hameseder, Andreas Brandstetter, Kerstin Gelbmann (again) and Gabriele Schallegger (for the first time) to the Supervisory Board. The remuneration report on the principles for remuneration of the members of the Management Board and Supervisory Board was presented to the Annual General Meeting, which also authorised the Management Board to acquire, withdraw and sell own shares. MKAO "Rasperia Trading Limited" filed a lawsuit with the Regional Court of Klagenfurt against a number of resolutions of the 18th Annual General Meeting. The proceedings in this regard are still ongoing.

ANNUAL GENERAL MEETING TO BE HELD ON 16 JUNE 2023

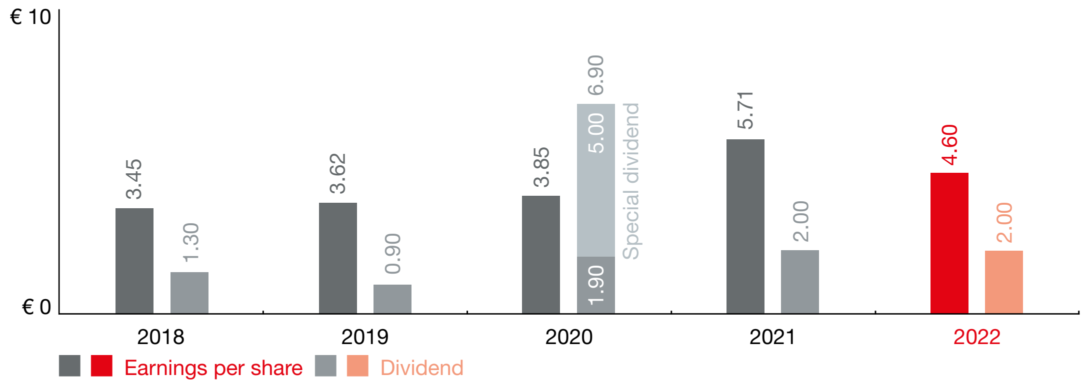
The next Annual General Meeting will be held on 16 June 2023. The record date for confirmation of shareholding is 6 June 2023. Details regarding the correct procedure can be found on our website at www.strabag.com > Investor Relations > Annual General Meeting.

Dividend

Proposed dividend: € 2.00 per share

STRABAG places great value on a constant dividend policy. The Management Board is keeping to its goal of paying out 30–50% of the net income after minorities to company shareholders in the form of a dividend once a year. The exact payout ratio is determined by the general development of the business as well as by the Group's opportunities for growth. Accordingly, the Management Board will propose to the Annual General Meeting on 16 June 2023 a dividend of € 2.00 per share for the 2022 financial year. This brings the payout ratio to 43%. The dividend yield is 5.2% based on the average price of the STRABAG SE share. The ex-dividend day has been set for 21 June 2023, the dividend payout date for 27 June 2023.

EARNINGS PER SHARE AND DIVIDEND



Bonds and bonded loans

STRABAG SE (and its predecessor, FIMAG) has issued twelve corporate bonds to date, none of which remain listed on the market. The last outstanding corporate bond in the amount of € 200 million was paid back in 2022.

S&P CONFIRMS CORPORATE CREDIT RATING OF BBB

STRABAG SE and any bonds it issues are regularly rated by the international ratings agency Standard & Poor's (S&P). In November 2007, S&P raised the corporate credit rating for STRABAG SE from BB+ to BBB-, thus elevating STRABAG SE to "investment grade". In June 2015, S&P raised the credit rating another level to BBB with stable outlook. The rating was last confirmed in August 2022. The key indicators that had led to the ratings increase continued to develop well, according to S&P. STRABAG SE's strengths and opportunities are seen above all in the stable margins in an otherwise quite cyclical market environment, the strategic access to raw materials, the strong market positions and the very good reputation in the credit markets.

Investor relations

Because of the restrictions still in place due to the Covid-19 pandemic, conferences and roadshows were held in a hybrid form last year. In addition to the mandatory semi-annual reporting and the trading statements for the first and third quarters, we informed, both virtually and in person, 57 capital market participants (2021: 63) in 28 (2021: 31) one-on-one and group talks last year. We took part in six (2021: six) **roadshows and investor conferences** organised by Erste Group, Kepler Cheuvreux, ODDO BHF and Raiffeisen Bank International as well as by the Vienna Stock Exchange. In November 2022, we held a hybrid financial market update under the motto "Building for Generations". In the presence of Thomas Birtel and Klemens Haselsteiner, we welcomed around 30 capital market participants – both in person at the STRABAG building in Vienna and via livestream.

Our corporate calendar contains all the dates for upcoming earnings announcements and the Annual General Meeting. The calendar is available on our website at www.strabag.com > Investor Relations.

WE ARE IN CONTINUOUS DIALOGUE WITH OUR INVESTORS

Complete and transparent information

Not only are we in constant e-mail and telephone contact with our institutional investors and analysts, we also provide extensive information to our private investors. We do so, among other things, by offering web and audio broadcasts of parts of our Annual General Meeting on our website, and we try to reach our private shareholders and interested parties through a variety of different channels.

Every individual investor benefits from our taking the time to communicate with the market and to strive for constant improvement in our investor relations work – because excellent investor relations have a positive effect on the share price and reduce the amount of time required to form an opinion of the company. It is our goal to maintain the strength of our investor relations efforts, to keep a steady flow of information and, in so doing, to help the analysts of banks and institutional investors make correct assessments of STRABAG SE's shares.

Analyst research provides current as well as potential shareholders with a first indication of the assessment of STRABAG SE. We are therefore delighted that five banks regularly analyse STRABAG SE – at no cost to the company – in order to issue target prices and recommendations for our share:

- Deutsche Bank, Vienna (Matthias Pfeifenberger)
- Erste Group, Vienna (Michael Marschallinger)
- Kepler Cheuvreux, Vienna (Torsten Sauter)
- LBBW, Stuttgart (Jens Münstermann)
- Raiffeisen Bank International, Vienna (Markus Remis)

HOW TO RECEIVE INFORMATION ABOUT STRABAG SE

STRABAG SE's Investor Relations department reports directly to the CEO and sees itself as the service department for existing and potential private shareholders, institutional investors and analysts, as well as the point of contact for capital market issues for the Group's operating units. For us, quick response times, comprehensive information and a constant dialogue with the capital market and the general public are a matter of course. We place great importance on informing all shareholder groups quickly and simultaneously. To achieve this, we publish all company-relevant news on our website at the same time that we send our Investor Relations newsletter per e-mail. If you would also like to receive this information, please register on the Investor Relations page on our website www.strabag.com or give us a call.

Your questions and suggestions are important to us for the continued improvement of our services. We look forward to hearing from you:

STRABAG SE
Investor Relations
Marco Reiter
Head of Investor Relations

Donau-City-Str. 9, 1220 Vienna/Austria
IR-Hotline: +43 800 880 890 (freephone service in Austria)
Fax: +43 1 22422-1177
@ investor.relations@strabag.com

Corporate Governance

CONSOLIDATED CORPORATE GOVERNANCE REPORT

General principles

CONSOLIDATED REPORT

The present report is a consolidated corporate governance report as defined by Sec 267b UGB (Austrian Commercial Code) which also covers the corporate governance report as defined by Sec 243c UGB.

COMMITMENT TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE

The consolidated corporate governance report explains the rules, structures and processes implemented by STRABAG SE in the interest of a well-functioning corporate governance system. We are fully and without exception committed to the Austrian Code of Corporate Governance (ÖCGK) and its aims and we see compliance with all the rules contained within the Code as a top priority. This commitment represents a self-obligation on the part of STRABAG SE with the aim to boost shareholder confidence and to constantly optimise our high internal legal, behavioural and ethical standards. We are further obligated to fulfil the standards of the Code due to the listing of our shares in the Prime Market segment of the Vienna Stock Exchange.

The Austrian Code of Corporate Governance is a set of rules for good corporate governance and control systems on the Austrian capital market. It was introduced in 2002 in line with international standards and has been revised several times since. The aim of the Code is to establish a responsible system of management and supervision of companies that is geared towards creating sustained, long-term value while ensuring a high level of transparency for all stakeholders. Investors and issuers therefore value the Code and recognise it as an indispensable part of the Austrian system of corporate governance and of Austrian business life.

The Austrian Code of Corporate Governance defines three categories of rules: L-Rules refer to legal requirements with mandatory compliance on the part of publicly listed companies in Austria. Deviation from C-Rules (comply or explain) must be explained publicly and the reasons stated. R-Rules are recommendations requiring neither disclosure nor explanation. The version of the Code that was valid for the 2022 financial year is the January 2021 version. It is available for download from the website of the Austrian Working Group for Corporate Governance (www.corporate-governance.at) and from STRABAG SE (www.strabag.com > Investor Relations > Corporate Governance > Formal Obligation and Evaluation).

The Management Board and the Supervisory Board of STRABAG SE declare that STRABAG SE fulfils all L-Rules of the Austrian Code of Corporate Governance and complies with all C-Rules with the exception of those rules stated and explained below. The company furthermore endeavours to abide not only by the minimum requirements but also by all of the Code's R-Rules without exception.

NON-COMPLIANCE WITH THE AUSTRIAN CODE OF CORPORATE GOVERNANCE[1]

C-Rule 2: On the basis of a resolution passed by the Annual General Meeting, the shares of STRABAG SE include two special registered shares with an associated right to nominate one member of the Supervisory Board each. Registered share No. 1 is held by Klemens Peter Haselsteiner and No. 2 by MKAO "Rasperia Trading Limited". As MKAO "Rasperia Trading Limited" is subject to EU sanctions, its right to nominate a member of the Supervisory Board is currently suspended. The right to nominate associated with registered share No. 1 binds a significant shareholder group more strongly to the company and guarantees the availability of know-how for the

1 January 2021 version

Supervisory Board. This is in the interest of good corporate governance and represents a long-term advantage for STRABAG SE, which further benefits especially from the commitment, expertise and experience of the respective Supervisory Board member.

C-Rule 27: It is a key concern for STRABAG SE that the remuneration of the Management Board members be made according to measurable criteria in a way that is transparent and easily comprehensible. The remuneration of the Management Board is based on the specific tasks and responsibilities as well as the size and the economic situation of the company. Another factor that is considered is the competitiveness of the remuneration on the market. The variable component of the remuneration takes into account the shareholders' interest in a positive development of the company and increases the motivation of the Management Board to take measures that sustainably improve the net income in the long term. The variable remuneration is measured on the basis of the financial indicators. Measuring the impact of non-financial criteria in relation to the financial success of the company remains a major challenge. A differentiated and separate definition of non-financial criteria for each division would be detrimental to transparency and ease of understanding. As a result of thorough debate in the Executive Committee of the STRABAG SE Supervisory Board, the decision was made not to use non-financial criteria to calculate the remuneration of the members of the Management Board.

Boards

MANAGEMENT BOARD

From left to right: Alfred Watzl, Jörg Rösler (Member of the Management Board since 1 January 2023), Klemens Haselsteiner (CEO since 1 January 2023), Siegfried Wanker, Christian Harder; not pictured: Thomas Birtel (CEO until 31 December 2022), Peter Krammer (Member of the Management Board until 12 June 2022)

Name	Year of birth	Citizen of	Position held	Responsible for[1]	First appointment	End of current period of office	Supervisory board mandates or similar functions in national or foreign companies not included in the consolidated financial statements	Management and supervisory tasks at important[2] subsidiaries
Dr. Thomas Birtel	1954	Germany	CEO	Central Staff Divisions and Central Divisions BMTI, CML and TPA	1 January 2006 (Member of the Management Board) 15 June 2013 (CEO)	31 December 2022	Deutsche Bank AG, Germany (Member of the Advisory Board) HDI-Global SE, Germany (Member of the Advisory Board) VHV Allgemeine Versicherung AG, Germany (Member of the Supervisory Board) VHV Vereinigte Hannoversche Versicherung a.G., Germany (Member of the Supervisory Board) VHV Holding AG, Germany (Member of the Supervisory Board) Wienerberger AG, Austria (Member of the Supervisory Board)	Ed. Züblin AG, Germany (Chairman of the Supervisory Board) STRABAG AG, Germany (Chairman of the Supervisory Board) STRABAG AG, Austria (Chairman of the Supervisory Board) STRABAG Property & Facility Services GmbH, Germany (Chairman of the Supervisory Board) STRABAG Sp. z o.o., Poland (Chairman of the Supervisory Board) STRABAG Property and Facility Services GmbH, Austria (Chairman of the Supervisory Board) Böhm Stadtbaumeister & Gebäudetechnik GmbH, Austria (Chairman of the Supervisory Board)
Mag. Christian Harder	1968	Austria	CFO	Central Division BRVZ	1 January 2013	31 December 2022	Syrena Immobilien Holding AG, Austria (Vice Chairman of the Supervisory Board) Kreditschutzverband von 1870 (Member of the Executive Board)	Ed. Züblin AG, Germany (Member of the Supervisory Board) STRABAG AG, Germany (Member of the Supervisory Board) STRABAG AG, Austria (Vice Chairman of the Supervisory Board) STRABAG Property & Facility Services GmbH, Germany (Member of the Supervisory Board) STRABAG Property and Facility Services GmbH, Austria (Vice Chairman of the Supervisory Board) Böhm Stadtbaumeister & Gebäudetechnik GmbH, Austria (Vice Chairman of the Supervisory Board) AKA Alföld Koncessziós Autópálya Zártkörüen Müködo Részvénytársaság, Hungary (Member of the Supervisory Board)
Klemens Haselsteiner, BBA, BF	1980	Austria	Member of the Manage-ment Board (Chief Digital Officer)	Central Divisions STRABAG Innovation & Digitalisation and Zentrale Technik, Winding up Russia	1 January 2020	31 December 2022	None	Ed. Züblin AG, Germany (Member of the Supervisory Board) STRABAG AG, Germany (Member of the Supervisory Board) STRABAG AG, Austria (Member of the Supervisory Board since 14 June 2022) STRABAG Property & Facility Services GmbH, Germany (Member of the Supervisory Board) STRABAG Property and Facility Services GmbH, Austria (Member of the Supervisory Board since 14 June 2022) Böhm Stadtbaumeister & Gebäudetechnik GmbH, Austria (Member of the Supervisory Board since 14 June 2022)

1 Situation until 31 December 2022
2 € 10 million minimum average consolidated output volume over past two years

Name	Year of birth	Citizen of	Position held	Responsible for[1]	First appointment	End of current period of office	Supervisory board mandates or similar functions in national or foreign companies not included in the consolidated financial statements	Management and supervisory tasks at important[2] subsidiaries
Dipl.-Ing. Dr. Peter Krammer	1966	Austria	Member of the Management Board	Segment South + East[3]	1 January 2010	12 June 2022	None	Ed. Züblin AG, Germany (Member of the Supervisory Board until 12 June 2022) STRABAG AG, Germany (Member of the Supervisory Board until 12 June 2022) STRABAG AG, Austria (Member of the Supervisory Board until 12 June 2022) STRABAG a.s., Czech Republic (Chairman of the Supervisory Board until 12 June 2022) STRABAG Property & Facility Services GmbH, Germany (Member of the Supervisory Board until 12 June 2022) STRABAG AG, Switzerland (Member of the Board of Directors until 12 June 2022) STRABAG Property and Facility Services GmbH, Austria (Member of the Supervisory Board until 12 June 2022) Böhm Stadtbaumeister & Gebäudetechnik GmbH, Austria (Member of the Supervisory Board until 12 June 2022
Dipl.-Ing. Siegfried Wanker	1968	Austria	Member of the Management Board	Segment International + Special Divisions[4]	1 January 2011	31 December 2022	None	Ed. Züblin AG, Germany (Member of the Supervisory Board) STRABAG AG, Germany (Member of the Supervisory Board) STRABAG AG, Austria (Member of the Supervisory Board) STRABAG Property & Facility Services GmbH, Germany (Member of the Supervisory Board) STRABAG Sp. z o.o., Poland (Member of the Supervisory Board) STRABAG Property and Facility Services GmbH, Austria (Member of the Supervisory Board) Böhm Stadtbaumeister & Gebäudetechnik GmbH, Austria (Member of the Supervisory Board) AKA Alföld Koncessziós Autópálya Zártkörüen Müködo Részvénytársaság, Hungary (Chairman of the Supervisory Board)
Dipl. Ing. (FH) Alfred Watzl	1970	Germany	Member of the Management Board	Segment North + West[5], Segment South + East[6]	1 January 2019	31 December 2022	None	Ed. Züblin AG, Germany (Member of the Supervisory Board) STRABAG AG, Germany (Member of the Supervisory Board) STRABAG AG, Austria (Member of the Supervisory Board) STRABAG a.s., Czech Republic (Chairman of the Supervisory Board since 13 June 2022) STRABAG INFRASTRUKTURA POLUDNIE Sp. z o.o., Poland (Member of the Supervisory Board) STRABAG Property & Facility Services GmbH, Germany (Member of the Supervisory Board) STRABAG Sp. z o.o., Poland (Member of the Supervisory Board) STRABAG Property and Facility Services GmbH, Austria (Member of the Supervisory Board) Böhm Stadtbaumeister & Gebäudetechnik GmbH, Austria (Member of the Supervisory Board)

1 Situation until 31 December 2022
2 € 10 million minimum average consolidated output volume over past two years
3 South + East: Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe, Environmental Technology
4 International + Special Divisions: Tunnelling, Construction Materials, Services, Real Estate Development, Infrastructure Development, Direct Export
5 North + West: Germany, Poland, Benelux, Scandinavia, Ground Engineering
6 From 13 June 2022

Klemens Haselsteiner, BBA, BF

Klemens Haselsteiner completed a bachelor's degree in business administration at DePaul University in Chicago and the Advanced Management Program at the Wharton School of the University of Pennsylvania before starting his career in 2004 at the auditing firm KPMG in Austria. After completing his civil service and gathering work experience at a Russian industrial group, he joined the STRABAG Group in Russia in 2011, where he worked as a commercial project manager, among other things. From 2015, he was employed at the Stuttgart subdivision of the German STRABAG Group company Ed. Züblin AG – initially as commercial business unit manager for turnkey construction, as of 2018 as commercial subdivision manager. Klemens Haselsteiner has been a member of the Management Board of STRABAG SE since 1 January 2020 with responsibility for the areas of innovation, digitalisation and sustainability. Since 1 January 2023, he has been entrusted with the function of CEO of STRABAG SE.

Dr. Thomas Birtel (until 31 December 2022)

Thomas Birtel graduated with a doctorate degree in economics from Ruhr-University Bochum in 1982. He began his career in 1983 at the former German trading and industrial plant construction group Klöckner & Co, where he advanced to head of accounting for Klöckner Industrie-Anlagen GmbH. In 1989, he moved on to the managing director's position at Sweden's Frigoscandia Group. He joined the STRABAG Group in 1996 as a member of the Management Board of STRABAG Hoch- und Ingenieurbau AG, was appointed to the Management Board of STRABAG AG, Germany, in 2002 and to the Management Board of STRABAG SE in 2006. From 15 June 2013 to 31 December 2022, he held the position of CEO of STRABAG SE. Thomas Birtel retired from the Management Board of STRABAG SE with effect from 1 January 2023 after reaching the maximum age limit.

Mag. Christian Harder

Christian Harder completed a degree in applied business administration at the University of Klagenfurt before joining the STRABAG Group through its predecessor Bau Holding Group in 1994. He advanced to director of accounting, to head of financial accounting and, finally, to central division director of Bau-, Rechen- und Verwaltungszentrum Gesellschaft m.b.H. (today STRABAG BRVZ GmbH). From 2008, he held the position of chairman of the central division management of BRVZ. He was appointed CFO of STRABAG SE effective 1 January 2013.

Dipl.-Ing. Dr. Peter Krammer (until 12 June 2022)

Peter Krammer graduated with a doctorate degree in engineering sciences from the Faculty of Civil Engineering at TU Wien in 1995. He gained his first professional experience at Porr Technobau AG, STRABAG and Swietelsky Bau GesmbH before returning to STRABAG AG, Austria, in 2005. As a member of the Management Board of STRABAG AG, he was in charge of building construction and civil engineering in Eastern Europe and of environmental engineering for the entire Group. Peter Krammer was a member of the Management Board of STRABAG SE from 1 January 2010 until his resignation on 12 June 2022.

Dipl.-Ing. (FH) Jörg Rösler (since 1 January 2023)

Jörg Rösler studied civil engineering at Bauhaus University in Weimar and at the Engineering School for Construction in Gotha. He started his career in 1988 as a construction foreman at a local municipal agency for road construction in the Erfurt district. From 1991 to 2000, he deepened his professional experience in management positions at Hochtief AG in Thuringia and Saxony. Rösler joined the STRABAG Group in 2001, where he was entrusted with various management positions. In 2011, he advanced to become a member of the Management Board of the German subsidiary STRABAG AG. Effective 1 January 2023, Rösler was appointed to the Management Board of STRABAG SE, where he is responsible for the segment North + West.

Dipl.-Ing. Siegfried Wanker

Siegfried Wanker studied civil engineering at Graz University of Technology before joining the STRABAG Group as site manager in 1994. Between 2001 and 2004, he held the position of managing director at several engineering service providers before rejoining the STRABAG Group in 2005. As a member of the Management Board of STRABAG AG, Austria, he was initially in charge of the international building construction business, then for corporate development and services, and finally for infrastructure project development. Siegfried Wanker has been a member of the Management Board of STRABAG SE since 1 January 2011.

Dipl.-Ing. (FH) Alfred Watzl

Alfred Watzl studied civil engineering at the Deggendorf Institute of Technology before beginning his professional career as site manager for STRABAG Sp. z o.o., Poland, in 1999. After several different management positions at the Polish subsidiary – including technical subdivision manager for Building Construction and Civil Engineering – he was a member of the Management Board of STRABAG Sp. z o.o. with responsibility for the Group's Polish activities from 2013 to 2018. Alfred Watzl has been a member of the Management Board of STRABAG SE since 1 January 2019.

Working method of the Management Board: open exchange in meetings usually every two weeks

The Management Board of STRABAG SE – like the Supervisory Board – sees it as a priority obligation and task to comply with all the rules of the Austrian Code of Corporate Governance and to continually optimise the high internal legal, behavioural and ethical standards of STRABAG SE. Collegiality, openness, a constant exchange of experience and short decision-making chains are among the main guiding principles. In line with the rules of the Code, the Management Board of STRABAG SE works closely together with the Supervisory Board. In particular,

- the Management Board regularly and extensively informs the Supervisory Board as to all relevant matters concerning the development of the company's business, including the risk situation and risk management in the company and the important Group entities;
- a regular exchange of information and opinions takes place between the CEO and the Chairman of the Supervisory Board concerning strategy, the development of the business, risk management and important business transactions, particularly acquisitions and disposals;
- the Chairman of the Supervisory Board is informed immediately of any important occurrences;
- the Management Board reports to the Supervisory Board at least once a year on the provisions taken to fight corruption.

The Management Board of STRABAG SE and its individual members conduct their business in accordance with the prevailing laws and legislation, the Articles of Association, and the Management Board's Rules of Procedure as approved by the Supervisory Board. The Rules of Procedure obligate the Management Board and its individual members to provide extensive information and reporting to the Supervisory Board. The Rules of Procedure also define an extensive catalogue of measures and legal transactions requiring approval by the Supervisory Board in addition to the legally prescribed measures. Coordination within the Management Board occurs during regular meetings held approximately every two weeks as well as in the form of the daily informal exchange of information. Matters discussed at the Management Board meetings include the current operations and the long-term company strategies. Also coordinated are any current or outstanding management measures to be implemented by the relevant Management Board members.

SUPERVISORY BOARD

Name	Year of birth	Citizen of	Position held	First appointment	End of current period of office	Other supervisory board mandates or similar functions in national or foreign listed companies	Independent pursuant to Rule 53 ÖCGK
Shareholder representatives							
Dr. Alfred Gusenbauer	1960	Austria	Chairman	18 June 2010	Indefinite since 24 June 2022	None	Yes
Mag. Erwin Hameseder	1956	Austria	Vice Chairman	10 September 1998	Until 2028 Annual General Meeting	AGRANA Beteiligungs-AG, Austria (Chairman) Raiffeisen Bank International AG, Austria (Chairman) Südzucker AG, Germany (2nd Vice Chairman)	Yes
Dr. Andreas Brandstetter	1969	Austria	Member	15 June 2018	Until 2028 Annual General Meeting	None	Yes
Thomas Bull	1964	Germany	Member	9 February 2017	Until 5 May 2022 (recalled by Extraordinary General Meeting)	None	Yes
Mag. Kerstin Gelbmann	1974	Austria	Member	18 June 2010	Until 2028 Annual General Meeting	Binder+Co AG, Austria (Chairwoman)	Yes
Dr. Hermann Melnikov	1961	Germany	Member	18 June 2021	Until 13 April 2022 (resigned)	Kabel Deutschland Holding AG (Chairman)	Yes
Mag. Gabriele Schallegger	1972	Austria	Member	24 June 2022	Until 2028 Annual General Meeting	None	Yes
Delegated by the works council							
Dipl.-Ing. Andreas Batke	1962	Germany	Member	1 October 2009	Indefinite	None	Yes
Miroslav Červený	1959	Czech Republic	Member	1 October 2009	Until 5 May 2022	None	Yes
Magdolna P. Gyulainé	1962	Hungary	Member	1 October 2009	Until 5 May 2022 and since 24 June 2022 again indefinite	None	Yes
Georg Hinterschuster	1968	Austria	Member	13 October 2014	Indefinite	None	Yes
Wolfgang Kreis	1957	Germany	Member	1 October 2009	Indefinite	None	Yes

Shareholder representatives

Dr. Alfred Gusenbauer
Chairman of the Supervisory Board

Alfred Gusenbauer studied law, philosophy, political science and economy at the University of Vienna, completing his doctorate in 1987. In 1991, he became a member of the Austrian senate, two years later a member of parliament. From 2000 to 2008, Alfred Gusenbauer was President of the Social Democratic Party of Austria, serving as Federal Chancellor of the Republic of Austria and member of the European Council from 2007 to 2008. In addition to his current activities at Brown University and Columbia University, Alfred Gusenbauer is President of the Austrian-Spanish Chamber of Commerce. Alfred Gusenbauer has been a member of the Supervisory Board since 2010. In 2022, he was delegated to the Supervisory Board of STRABAG SE for an indefinite period of time by the authorised holder of registered share number 1.

Mag. Erwin Hameseder
Vice Chairman of the Supervisory Board

Erwin Hameseder received a master of law degree from the University of Vienna. From 1975 to 1987, he served as an officer in the Austrian Armed Forces, where he achieved the rank of colonel in the directorship services in 2002 and of brigadier in 2006. In 2017, he was promoted to major general in the militia of the Austrian Armed Forces. In 1987, he joined the legal department of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. From 1988 to 1994, he was responsible for investment management, from 1991 as head of the department. He was managing director of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. from 1994 to 2001 and director-general of RAIFFEISENHOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H (a spin-off from RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG) from 2001 to 2012. From 2007 to 2012, Erwin Hameseder also assumed the position of Chairman of the Management Board of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG. He has been chairman of RAIFFEISENHOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. since 4 May 2012 and was elected Advocate General of the Austrian Raiffeisen Association on 30 June 2022. Erwin Hameseder, who has been a member of the Supervisory Board since 1998, was elected to the Supervisory Board of STRABAG SE at the Annual General Meeting of 24 June 2022 with a term in office until the end of the Annual General Meeting that resolves on formally approving the actions of the Supervisory Board for the 2027 financial year. *Pursuant to Annex 1 of the Austrian Code of Corporate Governance 2021, Supervisory Board members who are shareholders with a direct investment in the company or represent the interests of such a shareholder, are still deemed as independent after a period of 15 years on the Supervisory Board.*

Dr. Andreas Brandstetter

Andreas Brandstetter has been CEO of UNIQA Insurance Group AG since 2011. Before entering the insurance business in 1997, where he has held various leadership positions, he was head of the EU office of Österreichischer Raiffeisenverband. From 1993 to 1995, he was active in politics. Andreas Brandstetter graduated from the University of Vienna in 1994 with a doctorate degree in political science, also holds an Executive MBA from the California State University, Hayward, and completed further courses at the Stanford Graduate School of Business and the Harvard Business School. Since 2018, he has been the president of Insurance Europe, the European insurance and reinsurance federation in Brussels.

Mag. Kerstin Gelbmann

Kerstin Gelbmann studied trade and commerce in Vienna. After graduating, she began her career at Auditor Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH, which was first a representative, then a full member of Arthur Andersen in Vienna. Kerstin Gelbmann has worked for E.F. Grossnigg Finanzberatung und Treuhandelsgesellschaft m.b.H. since 2002, most recently as managing director, and for grosso holding Gesellschaft mbH since 2007, currently as managing director. In January 2010, she was also appointed managing director at Austro Holding AG.

Mag. Gabriele Schallegger (since 24 June 2022)

Gabriele Schallegger studied business administration at the University of Graz and the University of Exeter and has completed an executive management course in St. Gallen. She started her career in auditing and tax consulting before moving on to management positions in finance and controlling in international companies such as Baxter, Orkla ASA, KHD Humboldt Wedag, Lantiq Beteiligungs GmbH & Co KG and Mondi PLC. Since 2021, Schallegger has been Managing Director Finance & Controlling at MM Board & Paper, a division of Mayr-Melnhof Karton AG.

Thomas Bull (until 5 May 2022)

Thomas Bull has 25 years of experience in international project management, M&A projects and corporate investment management in Russia, Central and Eastern Europe, and the United States. After graduating from Voronezh State University in Russia in 1987, he held various management positions at Hochtief, E.ON and Enel Russia, among others. From 2013 to 2014, he was Director of the Central Department for Construction Projects at OAO Sberbank. Since 2014, Thomas Bull has been a member of the Supervisory Board of engineering company NGI Group. He holds a Master of Business Administration from the University of Dresden. Supervisory Board member Thomas Bull, who was delegated by the shareholder MKAO “Rasperia Trading Limited”, was recalled at the Extraordinary General Meeting of STRABAG SE on 5 May 2022.

Dr. Hermann Melnikov (until 13 April 2022)

Dr. Hermann Melnikov was born on 15 May 1961 in Kassel. He studied law at the University of Giessen, receiving his doctorate degree in 1987. Commencing his career in 1989 as a judge in Kassel, he joined the commercial law firm Clifford Chance in 1990, where he became a partner in 1995. In 2004, he joined White & Case in the same function. He practiced law in Frankfurt, Moscow, Düsseldorf and Hamburg and, since 2021, again in Frankfurt. Since 2010 he has been a licensed solicitor in England and Wales. He represents companies in public and private transactions with a focus on corporate law and M&A. Hermann Melnikov has been a Counsel at White & Case as well as Chairman of the Supervisory Board of Kabel Deutschland Holding AG since 2019. He was elected to the Supervisory Board of STRABAG SE in 2021. Dr. Hermann Melnikov resigned from the Supervisory Board of STRABAG SE with effect from 13 April 2022.

Delegated by the works council

Dipl.-Ing. Andreas Batke

Andreas Batke joined STRABAG AG, Cologne, as a land surveyor in 1991. He has been a member of the works council since May 1998 and currently serves as chairman of the general works council and chairman of the group works council of STRABAG AG, Cologne, vice chairman of the STRABAG SE works council and member of the Supervisory Board of STRABAG AG, Cologne.

Miroslav Červený (until 5 May 2022)

Miroslav Červený joined a predecessor company of STRABAG in the Czech Republic in 1988 as a data processing specialist, is currently chairman of the employee representative organisation of the Czech group companies and works as a work safety expert.

Magdolna P. Gyulainé

Magdolna P. Gyulainé joined a predecessor company of STRABAG in Hungary as a bookkeeper in 1981 and is currently chairwoman of the employee representative organisation of the Hungarian group companies.

Georg Hinterschuster

Georg Hinterschuster completed an apprenticeship in commercial site management at STRABAG Bau GmbH from 1984 to 1987 before starting his professional career as a group clerk in civil engineering in St. Valentin, Austria. From 1997 to 2000, he took over a commercial management task for the Transportation Infrastructures and the Building Construction & Civil Engineering segments in the Czech Republic, and from 2000 to 2008, he worked as a commercial group manager in building construction and civil engineering in Upper Austria. Georg Hinterschuster was elected to the works council in 1991 and is currently a member of the group and central works council of STRABAG in Austria as well as a member of the STRABAG SE works council.

Wolfgang Kreis

Wolfgang Kreis joined Ed. Züblin AG as a commercial clerk in 1979. He was elected to the works council in 1987 and is currently a member of the Supervisory Board of STRABAG AG in Germany and Vice Chairman of the STRABAG SE works council.

All members independent in accordance with the Austrian Code of Corporate Governance

All members of the Supervisory Board of STRABAG SE and its committees are independent in accordance with the conditions contained within the Austrian Code of Corporate Governance (see also www.strabag.com > Investor Relations > Corporate Governance > Supervisory Board > Independence of the Supervisory Board) and have declared in writing explicitly to adhere to all conditions of the Austrian Code of Corporate Governance. New members of the Supervisory Board receive detailed information regarding the avoidance of conflicts of interest upon assumption of their activities. The independence of the Supervisory Board members is defined by the following guidelines (excerpt from the Rules of Procedure for the Supervisory Board as amended on 5 May 2022):

Guidelines for the independence of Supervisory Board members of STRABAG SE ("the company") in accordance with C-Rule 53 of the Austrian Code of Corporate Governance

A member of the Supervisory Board of the company shall be deemed independent if he or she has no business or personal relations with the company or its Management Board which would constitute a material conflict of interest and thus could influence the member's behaviour. Moreover, the members of the Supervisory Board shall comply with the following guidelines adapted from the Austrian Code of Corporate Governance:

- The Supervisory Board member shall not have served as a member of the Management Board or as a manager of the company or one of its subsidiaries in the past five years.
- The Supervisory Board member shall not maintain or have maintained in the past year any business relations with the company or one of its subsidiaries to an extent of significance for the Supervisory Board member. This shall also apply to relationships with companies in which the Supervisory Board member has a considerable economic interest, but not for the performance of board functions within the Group. The approval of individual transactions by the Supervisory Board according to L-Rule 48 does not automatically mean the person is qualified as not independent.
- The Supervisory Board member shall not have been auditor of the company or have owned a share in the auditing company or have worked there as an employee in the past three years.
- The Supervisory Board member shall not be a member of the Management Board of another company, in which a Management Board member of the company is a Supervisory Board member.
- The Supervisory Board member shall not be a member of the Supervisory Board for more than 15 years. This does not apply to Supervisory Board members who are shareholders with a direct investment in the company or who represent the interests of such a shareholder.
- The Supervisory Board member shall not be a close relative (direct offspring, spouse, partner, parent, uncle, aunt, sibling, niece, nephew) of a Management Board member or of persons in one of the aforementioned positions.

It shall be the responsibility of each member of the Supervisory Board of the company elected by the Annual General Meeting or delegated by the shareholders to declare his or her independence according to the criteria defined. In the period under report, no contracts subject to approval by the Supervisory Board were concluded by the company with members of the Supervisory Board (L-Rule 48 of the Austrian Code of Corporate Governance).

Working methods of the Supervisory Board: Five meetings in 2022

Details > Supervisory Board Report

In the 2022 financial year, the Supervisory Board diligently performed the duties incumbent upon it under Austrian law, the Articles of Association, the Austrian Code of Corporate Governance (ÖCGK), and the Rules of Procedure. It met for a total of five meetings last year and so complied with the Code's minimum requirement to meet at least once every three months (C-Rule 36). All members personally attended at least half of the meetings during their period in office (C- Rule 58). Besides these regular meetings, there is a constant open discourse and exchange of opinion among the individual members of the Supervisory Board as well as between the individual members of the Supervisory Board and the Management Board.

Committees: Executive Committee, Presidential and Nomination Committee, and Audit Committee

There were three meetings of the Audit Committee, one meeting of the Presidential and Nomination Committee and one meeting of the Executive Committee.

Details > Supervisory Board Report

In accord with its tasks and obligations, the Audit Committee dedicated itself to monitoring the accounting procedures (including the preparation of the consolidated financial statements) and the work of the auditor (including the audit of the consolidated financial statements). During the review of the effectiveness of the internal control system and the risk management system, the Audit Committee focused on specific selected projects. Also reviewed and monitored were the function of the audit system and the qualification and independence of the auditor (group financial auditor), especially with respect to the additional services provided to the company being audited. The internal audit department informed the Audit Committee of the auditing plan and of material findings pursuant to C-Rule 18 of the Austrian Code of Corporate Governance. The meeting of the Presidential and Nomination Committee was held to discuss the appointments to the Management Board and the allocation of responsibilities within the Management Board. The Executive Committee met to discuss the Management Board contracts.

The individual committees have the following composition[1] and tasks:

1 Situation as at 31 December 2022

Committee	Members	Tasks
Executive Committee	• Dr. Alfred Gusenbauer (Chairman) • Mag. Erwin Hameseder	The Executive Committee deals with all matters affecting the relations between the company and the members of the Management Board, especially matters relating to the remuneration of Management Board members but excluding decisions regarding the appointment or removal of a Management Board member or regarding the granting of stock options.
Presidential and Nomination Committee	• Dr. Alfred Gusenbauer (Chairman) • Mag. Erwin Hameseder • Wolfgang Kreis	The Presidential and Nomination Committee submits proposals to the Supervisory Board for filling new mandates or ones that become free on the Management Board, deals with issues relating to successor planning and makes decisions in urgent cases. In addition, it is authorised to give its consent to the disposal of registered shares in accordance with Sec 4 Para 4 of the Articles of Association.
Audit Committee	• Dr. Alfred Gusenbauer (Chairman) • Mag. Erwin Hameseder • Dr. Andreas Brandstetter • Georg Hinterschuster • Wolfgang Kreis	The responsibilities of the Audit Committee include the tasks assigned to it under Sec 92 Para 4a (4) of the Austrian Stock Corporation Act (AktG) as well as by Regulation (EU) No. 537/2014, namely: 1. monitoring the accounting procedures, as well as making recommendations or proposals to ensure their reliability 2. monitoring the effectiveness of the internal control system, the internal audit system and the risk management system of the company, in particular through consideration of the report of the auditor on the efficacy of the risk management system 3. monitoring the statutory audit and the audit of the consolidated financial statements and incorporating findings and conclusions in reports to be published by the Audit Oversight Body in accordance with Sec 4 Para 2 (12) of the Austrian Audit Oversight Act (APAG) 4. assessing and monitoring the independence of the auditor (group financial auditor); in particular, the Audit Committee accepts the annual report of the Management Board on the non-audit-related services actually provided following its prior approval 5. reporting to the Supervisory Board on the audit findings with a description of how the audit has contributed to the reliability of the financial reporting and of the role of the Audit Committee 6. assessing the annual financial statements and preparing their approval, assessing the proposal for the appropriation of net income, of the management report and of the corporate governance report, as well as reporting on the audit findings to the Supervisory Board 7. assessing the consolidated financial statements and the group management report, the Consolidated Corporate Governance Report as well as reporting on the audit findings to the Supervisory Board 8. preparing the procedure to select the auditor (group financial auditor) in consideration of the adequacy of the fee as well as recommending the choice to the Supervisory Board 9. assessing the report on specific requirements regarding statutory audits under Article 11 of Regulation (EU) No. 537/2014; 10. in accordance with C-Rule 81a of the Austrian Code of Corporate Governance, defining a mode of mutual communication during a meeting with the auditor

ANNUAL GENERAL MEETING AND SHAREHOLDERS

The shareholders, as owners of the company, exercise their rights by vote at the Annual General Meeting. More information about the Annual General Meeting and the shareholder structure is available in the chapter “Shares, Bonds & Investor Relations”.

Transparency through constant communication

In the interest of an open communication with shareholders, creditors, clients, analysts, employees and the interested public, transparency is of great importance to STRABAG SE. Important elements of this open communication are the quarterly reporting of STRABAG SE, ongoing direct investor and analyst contacts, the participation in roadshows and conferences, which took place virtually in 2022, as well as publications and disclosures online and especially on the company website. More details about the company’s extensive information activities in this regard is available in the chapter “Shares, Bonds & Investor Relations”.

CONFLICTS OF INTEREST

Conflicts of interest must be reported immediately

Both the Management Board and the Supervisory Board are required to disclose conflicts of interest. The members of the Management Board must immediately disclose to the Supervisory Board any material personal interests in transactions of the company and group companies as well as any other conflicts of interest. Furthermore, they must also inform the other members of the Management Board of this. Members of the Management Board who hold management positions at other companies must work towards a fair balance of interests of the companies involved. Supervisory Board members who find themselves in a conflict of interest must immediately disclose this to the Chairperson of the Supervisory Board. If the Chairperson of the Supervisory Board finds himself or herself in a conflict of interest, he or she must immediately disclose this to their deputy. The conclusion of contracts with members of the Supervisory Board in which such members are committed to the performance of a service outside of their activities on the Supervisory Board for the company or a subsidiary for a remuneration not of minor value requires the consent of the Supervisory Board. This also applies to contracts with companies in which a member of the Supervisory Board holds a considerable economic interest.

DIRECTORS' DEALINGS

No transaction subject to directors' dealings disclosure in 2022

Proprietary transactions with STRABAG SE shares and/or bonds by members of the company's boards, by persons or companies who maintain a close relationship to the board members, and by other management-level employees with corporate-wide responsibilities are reported as required by law and continually posted on the website of STRABAG SE (www.strabag.com > Investor Relations > Corporate Governance > Directors' Dealings). In 2022, there were no transactions with STRABAG SE shares or bonds involving members of the above-mentioned group of persons. The following persons from the aforementioned group held shares and/or bonds of STRABAG SE on 31 December 2022:

Person subject to disclosure obligation	Board member	Number of shares	Number of bonds
Haselsteiner Familien-Privatstiftung	Dr. Alfred Gusenbauer Mag. Christian Harder Mag. Kerstin Gelbmann	29,017,451	0
Mag. Erwin Hameseder		210	0
Klemens Haselsteiner		1,200 + 1 registered share/1,201	0

Diversity concept

Seeing and judging things from different perspectives helps to comprehensively identify the risks of a situation or decision. This is one reason why STRABAG is so interested in diversity with regard to **age, gender, and educational and professional background** especially – but not exclusively – among its directors and officers.

On 31 December 2022, the Supervisory Board included three women and two non-Austrian nationals. The members of the Supervisory Board were between 48 and 66 years old. With their expertise, they cover the fields of law, business management, taxes, engineering, accounting and information technology. They also have experience working in various sectors of construction, industry, banking, insurance and public administration.

At the end of 2022, the Management Board of STRABAG SE consisted of five men between 42 and 68 years of age of which two – including the CEO – are not Austrian. The members of the Management Board bring together managerial and engineering know-how and have many years of experience within the company, among the competition and in related industries.

Several mechanisms govern **appointments to the Supervisory Board:**

- The registered shares No. 1 and No. 2 are each associated with the right to nominate one person to the Supervisory Board of STRABAG SE.[1]
- Four further members are elected per vote by the Annual General Meeting. They are usually proposed by shareholders' representatives to the Supervisory Board, which in turn passes a draft resolution to the Annual General Meeting.
- The employee representatives delegate up to five persons to the Supervisory Board, depending on the number of shareholders' representatives.

The Supervisory Board is responsible for **appointments to the Management Board**. The Supervisory Board's Presidential and Nomination

1 Council Implementing Regulation (EU) 2022/581 of 8 April 2022 implementing Regulation (EU) No 269/2014 of 17 March 2014 added Oleg Deripaska to the EU sanctions list. As Oleg Deripaska controls MKAO "Rasperia Trading Limited", its rights as a holder of registered share No. 2 are currently suspended.

Committee makes proposals for filling vacant seats on the Management Board and deals with issues relating to successor planning. It submits a recommendation to the Supervisory Board after comparing the qualifications and experience of suitable candidates to a previously defined job description. The selection of a Management Board member is then made in the Supervisory Board.

Prerequisites for an appointment to the Management Board and Supervisory Board of STRABAG SE include the right expertise and personal qualifications as well as sufficient years of experience in management positions. The Management Board can best fulfil its management function and the Supervisory Board its supervisory and consulting functions with the broadest possible spectrum of skills and experience. This is achieved through diversity in terms of internationalism, educational and professional background, the representation of both genders to an appropriate degree, and the age structure.

The job profile for a position on the Management Board calls for a minimum of ten years of experience in the construction industry or a related sector and preferably at least five years of management experience within the Group. The board should consist of a good balance of members from both technical and commercial backgrounds. New appointees may be no older than 65 years of age.

The current nomination process has so far effectively addressed these requirements, with the result of a certain level of diversity on the boards. Through its draft resolutions to the Annual General Meeting, and through its decisions based on Presidential and Nomination Committee recommendations, the Supervisory Board helps to maintain the diversity of the Supervisory Board and the Management Board. This contribution to diversity is considered separately on a case-by-case basis. To allow a review of the implementation of the diversity criteria, short CVs of the current members of the Management Board and Supervisory Board are published in the Consolidated Corporate Governance Report.

The Supervisory Board supports the efforts being made by the Group to raise the **percentage of women** in the company and in management and endeavours to increase the percentage of women on the Supervisory Board. With the election of Gabriele Schalleger, the medium-term goal of at least three women on the Supervisory Board has been achieved.

At this time, there still seems to be no point in imposing a voluntary self-obligation for a certain percentage of women on the Management Board: Management positions within the Group are filled primarily internally, and currently women remain underrepresented in management. The Supervisory Board is convinced that, in the medium term, successful measures to promote women's careers will result in a higher percentage of women in management, which will end up being reflected at the higher hierarchy levels.

Measures for the advancement of women[1]

The construction industry employs predominantly men in the technical professions. Women are therefore underrepresented at all hierarchy levels. Among other things the shortage of skilled personnel, however, requires the sector to build on female labour in the future more strongly than before. STRABAG SE is also convinced that diversity sustainably increases the success of the company. STRABAG SE understands diversity to include different nationalities, cultures and educational backgrounds, a balanced age structure and men and women working together. Diversity needs fertile ground in which to grow – a working environment that is free from discrimination, harassment and retaliation. STRABAG has a system of ombudspersons in place and actively takes measures to allow diversity to thrive, for example with respect to the promotion and inclusion of women.

RULES, RESPONSIBILITIES AND DUE DILIGENCE

Since 2012, an internal team has been hard at work to elaborate and implement measures to promote women and their careers within the Group. In 2021, this team was partially restaffed and expanded so that it now includes four women and two men. In addition, the range of topics was expanded from the "advancement of women" to the "management of diversity". The team was

1 This section deals with the management approach to the issue of "Equal treatment of women and men".

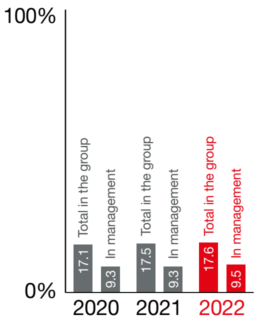
renamed Gender Diversity Team (GDT) and meets more frequently than before.

The GDT held six meetings in 2022, one of which was used to collect feedback gathered by five female colleagues in so-called resonance groups on the topic of working time models. This feedback is used to

- assess the employees' information needs with regard to existing measures,
- derive specific activities to promote gender diversity,
- incorporate the experience of female employees in the design of relevant initiatives.

These measures and activities are finally submitted to the Management Board of STRABAG SE for approval. The Management Board of STRABAG SE is aware that the company must continue existing initiatives and remain open to new ones in order to raise the percentage of women in higher qualified positions and to benefit from the different perspectives of the respective sexes.

SHARE OF WOMEN IN THE GROUP



OBJECTIVES AND INDICATORS

To maintain our competitiveness and to benefit from the diversity of different points of view, STRABAG in 2013 set itself the goal to annually increase the global percentage of women in the Group – i.e., to ensure a higher level of representation of women in the Group. By signing the UN Women's Empowerment Principles, the former CEO of STRABAG SE Hans Peter Haselsteiner demonstrated the company's commitment to this goal.

In 2022, the number of women as a percentage of employees within the entire Group amounted to 17.6% (2021: 17.5%). Women make up 9.5% (2021: 9.3%) of the group management – i.e. persons with a management position as defined by Sec 80 of the Austrian Stock Corporation Act (AktG). There are still no women on the five-member Management Board of STRABAG SE. It is noteworthy, however, that three women sit on the nine-member Supervisory Board of the company Kerstin Gelbmann, Gabriele Schallegger and Magdolna P. Gyulainé. Women therefore made up 33% of the Supervisory Board and accounted for 25% of the members delegated by the works council. As the percentage of women both at STRABAG SE and within the Group as a whole is under 20%, a mandatory quota for the Supervisory Board as laid out in Sec 86 Para 7 of the Austrian Stock Corporation Act is not applicable.

PROJECTS AND INITIATIVES

Group directive on working from home

If we can interest more women in a career in construction and/or with STRABAG, then we will have laid the foundation for a higher representation of women at the management levels. The activities to date to increase the number of female employees and to promote the careers of women within the STRABAG Group focus on three areas:

- **Targeted marketing:** STRABAG consistently uses gender-appropriate wording in its texts and job announcements in order to target female students and graduates and so secure a higher percentage of female applicants especially from the technical universities. Student surveys testify to the effectiveness of these measures and that women with a technical education rank STRABAG high up in the list of attractive employers. According to the Universum Student Survey for 2022, STRABAG ranked in 7th place (2021: 7th) among women and 15th (2021: 15th) among men studying in the engineering and IT fields in Austria. Some of our activities target potential female employees even earlier on, namely at school age: Several of the Group's organisational units in Germany and Austria regularly organise events on "Töchtertag" ("Take Your Daughter to Work Day") or Girls' Day.
- **Compatibility of career and family:** Especially with regard to high potentials and top performers, STRABAG is in competition with other construction companies for workers that are flexible and as mobile as possible. But if you want flexibility, you have to offer flexibility. STRABAG is therefore increasing its attractiveness as an employer through a better compatibility of family and career. Employees who are sent abroad, for example, have the possibility of taking their families with them. In 2014, a set of guidelines and a process were developed for parental leave, part-time work for parents and return management. The corresponding pilot project to put this family-friendly idea into practice was launched in Austria in 2015 and in Germany in 2016 before being rolled out across the corporate group and established in regular operations in 2020. Another way to promote the compatibility of career and family is mobile working (working from home). A framework in this

regard, defined in a group directive in 2018, was revised and made more flexible in 2022.

Approx. 22% women in the high-potential management pool

- **Career promotion:** There are no salary differences in the company between men and women who perform comparable work and have the same level of education. Based on the results of internal surveys, workshops and analyses, STRABAG is also working towards adequately considering women in promotion and further education by specifically focusing on qualifications and using gender-neutral job descriptions. Attention is therefore given to the adequate representation of women within the management of high potentials and in the mentoring programme that was established in 2018. Moreover, the results of all measures in this regard are constantly being evaluated. When it comes to developing management employees, STRABAG SE sees joint measures for men and women as the most promising way. In addition to the events organised for members of the high-potential management pool, which is already around 22% female, the Group supports its female employees especially in their career planning and in further education The Group Academy, for example, also offers seminars designed especially for women. Among the trade-specific training offers for all employees, those on technology and IT registered an above-average participation by women. Coaching also plays an important role, with women in management positions being able to choose between personal coaching and mentoring as well as so-called eBusiness coaching in order to explore career prospects. As networking helps boost career opportunities, an internal STRABAG site offers female employees the opportunity to network with each other. By the end of 2022, 741 people had communicated with each other on the new platform (2021: 518).

As the goal to annually increase the percentage of female employees is a Group goal, the above-stated applies to the Group as a whole.

Sustainability

See chapter “Our Sustainability Management”

High priority, long-term perspective

As a leading technology group for construction services, we take responsibility for the impact our business activities have on the environment and strive to contribute to achieving the global climate targets. In 2021, the Management Board of STRABAG SE for the first time adopted a corporate-wide sustainability strategy. As part of this strategy, the Group commits to becoming climate neutral along the entire value chain by 2040 and laid out a pathway to reducing carbon emissions. In recent years, we have developed a data basis to measure our emissions. For a company of our size with its extensive diversification, both regionally and by construction sector, this is a complex task, as it requires compiling, consolidating, evaluating and analysing an immense amount of data from different countries, different production facilities and individual construction sites.

See chapter “Our Path to Becoming Climate Neutral”

Starting in 2025, we want to first achieve our goal in five-year stages, starting with the goal of a climate-neutral administration, then moving on to climate-neutral construction sites, climate-neutral building operation and, from 2040, climate-neutral construction materials and climate-neutral infrastructure.

Our sustainability management entity, assigned to the central division STRABAG Innovation & Digitalisation (SID) under the responsibility of CEO Klemens Haselsteiner, is responsible for corporate-wide sustainability management. Its tasks include the development of the sustainability strategy as well as the management and governance of sustainability and the non-financial reporting in accordance with the legal requirements.

STRABAG SE’s sustainability management is based on globally recognised rules and frameworks, such as the Global Reporting Initiative (GRI), the Sustainable Development Goals (SDGs) and the principles of the UN Global Compact. At the heart of our sustainability management is the materiality analysis, which we use to identify the greatest levers for targeted sustainability performance.

Under the leadership of our Sustainability Management, a four-tier corporate-wide governance structure involving all management levels from the Management Board to site management was established in 2022. In addition to the Management Board and the division and central divisions, the Sustainability Steering Committee steers the corporate-wide sustainability management while monitoring the achievement of both the strategic sustainability goal and the sub-goals. A newly established sustainability network offers, among other things, the opportunity for an overarching exchange and definition of best practices. The members of the four groups[1] meet regularly to discuss their respective activities and establish the next steps. At the same time, the exchange enables any negative effects to be identified at an early stage.

New proposals for strategic topics, as well as associated indicators, targets and risks to be identified, are developed by the specialist managers, with the support of Sustainability Management and in coordination with the relevant Management Board member and the CEO, and subsequently discussed by the STRABAG SE Management Board before being reworked if necessary and finally cleared for release. Strategically critical incidents are addressed ad hoc during the Management Board meetings.

The Group's clear commitment to climate-neutral business practices keeps us competitive and aligns our portfolio of services to future demands and developments on the market. At the same time, the company remains alert to innovative solutions outside the Group that could create fresh forward momentum in the core business.

Continuous development of the corporate governance system

Self-evaluation of the Supervisory Board

STRABAG strives to constantly improve its corporate governance system in the interests of the company and all stakeholders. In the year under review, the Supervisory Board again performed a self-evaluation of its activity pursuant to C-Rule 36 of the Austrian Code of Corporate Governance. At its meeting on 21 December 2022, the Supervisory Board examined in detail the efficiency of its work, especially of its organisation and working methods, which were largely evaluated as positively as in the years before. The evaluation corresponded in many areas with the one from the previous year. The board again seized the opportunity to make concrete proposals on how to raise efficiency.

Risk management and audit

RISK MANAGEMENT

The STRABAG Group is subject to a number of different risks in the course of its business activities. These risks are systematically identified and assessed using an active risk management system and dealt with using an appropriate risk policy. More information is available in the Management Report.

INTERNAL AUDIT REPORT

Internal audit as part of risk management

The STRABAG Group's internal audit department is a neutral and independent authority which again conducted approximately 151 (2021: approximately 170) internal audits in all corporate divisions worldwide in the 2022 financial year. In accordance with the rules of the Austrian Code of Corporate Governance, the internal audit department is set up as a staff unit of the Management Board of STRABAG SE and so enjoys the greatest possible amount of independence.

The internal audit department – after planning the audits independently and making continual adaptations to risk assessment – conducts process-independent and neutral audits across all of the Group's divisions and regions both nationally and abroad. Given its technical and commercial competence, the internal audit department is an important element of the Group's internal control systems. The internal audits serve to monitor the effectiveness of the risk management and controls, and to evaluate the management and monitoring processes. The comprehensive approach, the use of uniform auditing standards and the neutral reporting further contribute to the standardisation of processes and structures.

The routine and special audits serve to recognise and avoid risks, to reveal opportunities, and to constantly monitor proper conduct and compliance with the Group's value and business compliance system. In 2022, the internal audit department

1 STRABAG SE sustainability governance structure: Management Board, Sustainability Steering Committee, Sustainability Network as well as the divisions and central divisions

again audited both individual projects as well as entire organisational units. The audits covered the Group's subdivisions as well as the most important contracts and orders of the year.

The internal audit department reported regularly to the CEO and to the Audit Committee of the Supervisory Board regarding the audit plan and significant results of its work. The audit reports were sent to the audited operating units, to the division managers, and to the Management Board, and were also made available to the financial auditors.

FINANCIAL AUDIT

The Annual General Meeting of STRABAG SE on 24 June 2022, upon proposal of the Supervisory Board, designated KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditor of the financial statements and of the consolidated financial statements for the 2022 financial year. The expenses for KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft in the 2022 financial year amounted to T€ 799 excl. VAT (2021: T€ 746 excl. VAT) for the auditing of the separate and consolidated financial statements as well as T€ 707 excl. VAT (2021: T€ 629 excl. VAT). for the auditing of financial statements at subsidiaries of STRABAG SE. For additional consulting services, it received a fee of T€ 178 excl. VAT (2021: T€ 90 excl. VAT).

EXTERNAL EVALUATION

Details as to the results of the evaluation are available at www.strabag.com

In keeping with C-Rule 62 of the Austrian Code of Corporate Governance, STRABAG SE regularly subjects its compliance with the Code to an external evaluation every three years. The last evaluation, for the 2022 financial year, was performed in 2023 by THALER.legal Rechtsanwälte GmbH, Vienna. The evaluation revealed no indications that the declarations provided by the Management and Supervisory Board members regarding observation of and compliance with the C-Rules of the Austrian Code of Corporate Governance were untrue. The C-Rules of the Code were complied with – inasmuch as these were included in the formal obligation of STRABAG SE. Some rules did not apply to STRABAG SE during the evaluation period. The complete report including the results of the evaluation is available at www.strabag.com > Investor Relations > Corporate Governance > Formal Obligation and Evaluation. The next external evaluation will be conducted in 2026 for the 2025 financial year.

Corporate governance reports of publicly listed subsidiaries

No subsidiaries were required to prepare and issue a corporate governance report during the year under report.

Villach, 6 April 2023

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Responsibility Central Staff Divisions and Central Divisions BMTI, CML, TPA, STRABAG Innovation & Digitalisation as well as Zentrale Technik, Winding up Russia

Mag. Christian Harder
CFO
Responsibility Central Division BRVZ

Dipl.-Ing. (FH) Jorg Rösler
Responsibility Segment North + West

Dipl.-Ing. Siegfried Wanker
Responsibility Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Responsibility Segment South + East

SUPERVISORY BOARD REPORT

Dr. Alfred Gusenbauer

Dear shareholders, associates and friends of STRABAG SE!

We experienced a multitude of challenges in 2022. Russia's invasion of Ukraine not only marked a turning point for the European continent, but also led to massive price increases for key commodities such as energy and building materials. The central banks countered the sharp rise in inflation with noticeable increases in the key interest rate. Despite the many challenges, STRABAG SE was able to hold its ground well in 2022 – both in terms of its output as well as earnings. There are many reasons for this: Among other things, the Austrian core shareholders and the Management Board of STRABAG SE quickly and decisively implemented sweeping measures to prevent any possible, even indirect, influence by Oleg Deripaska on the company. The effects of cost inflation were also cushioned by our partnership-based cooperation with suppliers and customers. This once more demonstrates the importance and stabilising effect of having a diversified business model with strong market positions in the public-sector infrastructure segment.

Open exchange of information and opinion in the Supervisory Board meetings

In the 2022 financial year, the Supervisory Board duly fulfilled the responsibilities assigned to it by law, by the Articles of Association, by the Austrian Code of Corporate Governance (ÖCGK) and by the Rules of Procedure. It fulfilled its supervisory duty primarily during the regular board and committee meetings, some of which were still held virtually due to the Covid-19 pandemic. An exchange of information also took place between the Management Board and the Supervisory Board, in particular with the Chairman of the Supervisory Board, outside of the regular board and committee meetings.

During the Supervisory Board meetings, the Management Board regularly and extensively informed the Supervisory Board as to the market situation, the business development and the company's situation.

Open discussions in each session further enhanced the extensive exchange of information and opinions. As a result, the Supervisory Board was constantly informed about STRABAG's strategic direction, its cash flows and financial performance, the personnel situation, the investment and project development plans, and large-scale projects, and it had a complete overview of the business development. The Supervisory Board monitored and questioned the corporate planning and its foundations and also analysed unplanned developments together with the Management Board.

The Management Board always obtained consent from the Supervisory Board for important business transactions.

The members of the Supervisory Board were duly represented at the respective board and committee meetings. All members of the Supervisory Board act and make decisions independently as stipulated by the Austrian Code of Corporate Governance.

Key activities of the Supervisory Board and the committees in 2022

The following agenda items of the meetings of the Supervisory Board and its committees are particularly noteworthy:

SUPERVISORY BOARD (PLENARY MEETING)

The Supervisory Board held five meetings in the 2022 financial year. One of these was a constituent Supervisory Board meeting following the elections to the Supervisory Board at the 18th Annual General Meeting on 24 June 2022. The Supervisory Board advised the Management Board in its management function, reviewed and monitored the management agendas and dealt with measures requiring approval.

The Supervisory Board dealt in detail with the annual financial statements, the management report, the Consolidated Corporate Governance Report, the consolidated non-financial report, the consolidated report on payments to governments, the consolidated financial statements, and the group management report of STRABAG SE for 2021.

On 5 May 2022, the Supervisory Board acknowledged completion of the annual financial statements for 2021 and passed a resolution on the appropriation of net income.

Also discussed and approved were the report of the Supervisory Board to the Annual General Meeting, the appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditor of the financial statements and of the consolidated financial statements for the 2022 financial year, and the agenda and proposed resolutions for the 18th Annual General Meeting. The Supervisory Board also approved the remuneration report for the Management Board and Supervisory Board for the 2021 financial year.

The same Supervisory Board meeting also discussed the appointments to the Management Board for the period from 2023 to 2026, including a new allocation of responsibilities to the individual board members. The Supervisory Board further amended its rules of procedure at this meeting as well.

In several meetings, the Supervisory Board dealt with the current financial situation, the short- and medium-term planning, and the investment plan of the company. Discussions also took place on the strategic orientation of the company, in particular with regard to the Group's sustainability and digitalisation strategies.

The Supervisory Board again dealt with the Austrian cartel case in the 2022 financial year and took note of the report as to the precautions to be taken to combat corruption in the company as well as on occupational safety. The Supervisory Board approved several projects requiring approval and also dealt with selected (large-scale) projects in detail.

In autumn 2022, the Supervisory Board dealt with the anticipatory mandatory offer of Haselsteiner Familien-Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft m.b.H. and UNIQA Österreich Versicherungen AG of 29 September 2022. It also dealt with the actions of MKAO "Rasperia Trading Limited" and Thomas Bull against the resolutions of the Extraordinary General Meeting held on 5 May 2022 and the Annual General Meeting of 24 June 2022.

The self-evaluation of the Supervisory Board was carried out in the last meeting of 2022 with the support of an external lawyer.

AUDIT COMMITTEE

The Audit Committee met for three sessions in 2022 and in the spring of 2022 performed its duties with regard to the audit of the annual financial statements, the consolidated financial statements, the management reports and the Consolidated Corporate Governance Report, each for the 2021 financial year. It also prepared the draft resolution on the appropriation of net income and on the appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditor of the financial statements and of the consolidated financial statements for the 2021 financial year.

The Audit Committee also reported to the Supervisory Board on the results of the financial audit for the 2021 financial year in accordance with Sec 92 Para 4a (4) lit e) of the Austrian Stock Corporation Act (AktG) and presented the degree to which the financial audit contributed to the reliability of the financial reporting and the role played by the Audit Committee in the process. There were no objections to the audit by the financial auditor and all questions of the Audit Committee could be answered satisfactorily.

In another meeting, the Audit Committee dealt with the report by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, on the evaluation of the risk management system and heard the report from the internal audit department. The committee also adopted a resolution on the audit approach of the financial statements as at 31 December 2022 and took note of the IFRS Management Board reporting.

In its last meeting, the Audit Committee commenced with the preparation of a selection process for proposing an auditor to the Annual General Meeting in 2024, as the appointment of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as auditor of STRABAG SE was permissible for the last time for the 2023 financial year.

PRESIDENTIAL AND NOMINATION COMMITTEE

The Presidential and Nomination Committee held one meeting in the 2022 financial year. At this meeting in May 2022, the Presidential and Nomination Committee dealt with the Management Board appointments for the period from 2023 to 2026 and the new allocation of responsibilities among the individual board members.

EXECUTIVE COMMITTEE

The only meeting of the Executive Committee in May 2022 dealt with the Management Board contracts to be prepared and concluded in connection with the Management Board appointments for the period from 2023 to 2026. In June 2022, the Executive Committee also dealt with the premature departure of Peter Krammer from the Management Board.

Consolidated financial statements awarded unqualified audit opinion

In accordance with C-Rule 18 of the Austrian Code of Corporate Governance, the internal audit department reported to the Audit Committee on the auditing plan and on any material findings. The Audit Committee also monitored the accounting procedures (including Group accounting) and the financial audit and convinced itself of the effectiveness of the internal control system, the risk management system and the audit system. The Audit Committee also reviewed and monitored the independence of the auditor of the financial statements (and of the consolidated financial statements), especially as regards the additional services provided to the audited company.

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, audited the annual financial statements and the management report of STRABAG SE for the 2022 financial year. The findings of the audit did not give rise to any issues of concern and the financial auditor awarded an unqualified audit opinion.

The consolidated financial statements and the group management report of STRABAG SE for the 2021 financial year were prepared by the Management Board under application of Sec 245a of the Austrian Commercial Code (UGB) in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) that were applicable at the end of the reporting period. These were reviewed by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, and awarded an unqualified audit opinion.

The audit reports of the auditor of the financial statements and of the consolidated financial statements were presented to the Supervisory Board. In the presence of the financial auditor, the Audit Committee thereupon reviewed the 2022 annual financial statements and the management report including the proposal for the appropriation of net income and the Consolidated Corporate Governance Report as well as the additional report of the financial auditor to the Audit Committee as required by Article 11 of Regulation (EU) No. 537/2014, and prepared the approval of the annual financial statements as well as the acknowledgement of the 2022 consolidated financial statements and group management report by the Supervisory Board. The Audit Committee also duly performed its obligations in accordance with Sec 92 Para 4a (4) lit e) of the Austrian Stock Corporation Act (AktG) and reported to the Supervisory Board on the result of the financial audit. The report presented the degree to which the financial audit contributed to the reliability of the financial reporting and the role played by the Audit Committee in the process.

The Consolidated Corporate Governance Report was audited externally by Dr. Christian Thaler (THALER.legal Rechtsanwalts GmbH), Vienna. This audit did not give rise to any issues of concern. This was taken note of by the Audit Committee and the Supervisory Board.

The Supervisory Board reviewed all documents as well as the report by the Audit Committee. In its meeting of 26 April 2023, the board declared its agreement with the 2022 annual financial statements and consolidated financial statements and approved – and so adopted – the 2022 annual financial statements. The Management Board and the Supervisory Board have agreed on an identical proposal for appropriation of net income. The Supervisory Board proposed appointing, for the last time, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditor of the financial statements and of the consolidated financial statements for the 2023 financial year, in accordance with the proposal of the Audit Committee. Also presented at the meeting of 26 April 2023 were the consolidated report on payments to governments pursuant to Sec 267c of the Austrian Commercial Code (UGB) in connection with Sec 243d UGB, consolidated non-financial report pursuant to Sec 267a UGB and the report on the non-audit-related services provided by the financial auditor. The reports were reviewed by the Supervisory Board and taken note of without cause for complaint.

Word of thanks to the Management Board and all employees

The Supervisory Board thanks the entire Management Board of STRABAG SE and all employees for their valuable contribution in the past financial year.

Chairman of the Supervisory Board of STRABAG SE,

Dr. Alfred Gusenbauer

Vienna, 26 April 2023

Consolidated Non-Financial Report

OUR PATH TO BECOMING CLIMATE NEUTRAL

STRABAG SE operates primarily in Europe, but also on the other continents, and offers services along the entire construction value chain. The impacts of our business activities are therefore many. But we are committed to taking responsibility for these impacts. By taking into account the needs of people, the environment and society in our strategic decisions, we also ensure the long-term continuity of our company.

The climate crisis is one of the most pressing challenges of our time. Not only does the construction industry contribute significantly to global greenhouse gas emissions, it is also responsible for a large volume of waste and has high energy and material requirements. As a leading construction technology group, we take responsibility and create awareness by making an effective contribution to climate protection and combating climate change. In 2021, STRABAG for the first time adopted a sustainability strategy that sets out the goal of climate neutrality for the entire group by 2040. Our own processes will be designed in such a way that they no longer have a negative impact on the climate in their entirety. Our goal is to become climate neutral by 2040 – just like our home market of Austria.

In recent years, we have developed a robust data basis to measure our CO_2e emissions – Initial Scope 1 and Scope 2. This is a major challenge for a group of our size with a high degree of diversification, as it requires compiling, consolidating, evaluating and verifying an immense amount of data from different countries, different production facilities and individual construction sites. This database is necessary to develop pathways for reducing our emissions and to design our own processes in such a way that they do not have a negative impact on the climate in their entirety. We have divided our path to zero emissions into five subgoals:

2025 – Climate-neutral administration

This subgoal covers all our stationary administrative locations. Main sources of emissions here include working electricity, energy for heating and cooling as well as fuel for the vehicle fleet.

2030 – Climate-neutral construction project

The climate-neutral construction project refers to the construction process of structures, i.e., of buildings as well as infrastructure projects. The calculation also includes services provided by us in relation to the construction process. In addition to fuels and electrical energy for the construction site vehicle fleet, construction machinery and equipment, the operating energy consumption of portable container offices is also included. The transport to and from our suppliers and subcontractors forms part of the analysis as well.

2035 – Climate-neutral building operation

The high importance of this subgoal is reflected in the fact that building operation is responsible for around 28% of all carbon emissions in the world. We assume responsibility for the buildings we construct and for the emissions they cause during their use. In the future, we resolve as much as possible to hand over buildings to our customers with the option of climate-neutral operation.

2040 – Climate-neutral construction materials

This subgoal encompasses all sourced materials for the construction of buildings – materials from our own production facilities as well as those from subcontractors and suppliers. This means that all building materials sourced by us will become climate neutral.

2040 – Climate-neutral infrastructure

Analogous to the subgoal of climate-neutral building operation by 2035, we have set the same goal for infrastructure for 2040. We want to hand over the infrastructure we have built to our customers in such a way that it can be operated in a climate-neutral manner.

Our sustainability management entity, assigned to the central division STRABAG Innovation & Digitalisation (SID) under the responsibility of CEO Klemens Haselsteiner, is responsible for corporate-wide sustainability management. Its tasks include the elaboration and development of the sustainability strategy as well as the governance of sustainability and the non-financial reporting in accordance with the legal requirements. One of the core tasks is data collection and reporting and subsequent analysis. The unit is responsible for initiating and implementing corporate-wide sustainability projects, e.g., in the areas of circularity and the circular economy, decarbonisation of building materials or sustainability in the supply chain.

STRABAG SE's sustainability management is based on globally recognised rules and frameworks, such as the Global Reporting Initiative (GRI), the Sustainable Development Goals (SDGs) and the principles of the UN Global Compact. It is based on a three-pillar model consisting of economic, environmental and social aspects. At the heart of our sustainability management is the materiality analysis, whereby the GRI requirements for the materiality analysis have increased significantly compared to the previous reporting period. The new methodology now additionally includes information on the scale, scope and irremediable character of an issue's impact on the environment, on people and on the economy. More information can be found in the chapter "Our Sustainability Management". The materiality analysis is used to identify the greatest levers for targeted sustainability performance. The central instrument for raising potential in all three pillars and enabling a sustainable transformation is technology.

Implementing our sustainability strategy requires the support of all corporate and central divisions as well as every single employee. In addition to numerous successfully implemented projects, we are also working on a corporate-wide roadmap. The actions to effectively decarbonise the entire value chain have been prioritised. The roadmap covers the entire value chain and is divided into numerous clusters of actions, each of which impacts on the goals of the sustainability strategy.

In line with our mission to "Work On Progress", we are publicly committed to our customers, to our employees and to society to become climate neutral along our entire value chain by 2040.

Although we have already reached our first milestones with regard to our climate neutrality target, we still have a long way to go. STRABAG will pursue this path with determination and regularly inform its stakeholders about its progress and achieved goals.

OUR SUSTAINABILITY MANAGEMENT

The key factor to becoming climate neutral by 2040 and to achieving the subgoals on our path to zero emissions is to anchor sustainability in STRABAG's core business. Given the STRABAG Group's decentralised structure and the international dimension of its business activities, this is a complex task. This chapter describes the structure and organisation of our corporate-wide Sustainability Management as well as the most important methodological pillars on which our activities are based, namely stakeholder management and the identification and evaluation of material topics.

STRABAG Sustainability Management

The Sustainability Management team, established in 2020, forms a separate entity at STRABAG that manages and coordinates the central sustainability activities within the Group. Sustainability Management reports directly to the CEO as a hub for all Group stakeholders. Its activities focus on the initiation and successful implementation of strategic as well as practical sustainability projects with the goal of becoming climate neutral along the entire value chain by 2040. Sustainability Management is in charge of the corporate-wide exchange on sustainability as laid down in a defined governance structure.

In 2022, Sustainability Management oversaw the pursuit and implementation of the following priority issues:

- Strengthening the corporate-wide network as well as the sustainability-related topics and projects by establishing a governance structure involving all management levels from the Management Board down to site management.
- Initiation and implementation of projects to become climate neutral in 2040, e.g., through the continuous expansion and promotion of alternative energy sources in production, on construction sites and in administration buildings.
- Positioning STRABAG as a sustainable construction group and communicating its sustainability performance externally through our Work On Progress mission, through ESG ratings and through sustainability-related networks, in addition to regular reporting.

In addition, Sustainability Management is continuously working on the increased integration of sustainability-related aspects into risk management and other strategic decisions that affect the entire Group. In the year under review, STRABAG was not only rated by EcoVadis, but also for the first time participated in the ESG ratings issued by Sustainalytics and CDP. While EcoVadis and Sustainalytics conduct an end-to-end review of the Group, CDP focuses on a specific issue, e.g., on climate-related indicators such as greenhouse gas emissions. A full range of data was collected and consolidated across the Group for the rating process. CDP confirmed our progress in sustainability management and gave STRABAG SE a rating of B- for climate change, which corresponds to "management level" (B-/B) on CDP's scoring scale. A decisive factor behind this rating was our progress made towards achieving our strategic goal of becoming climate neutral across the Group as well as the broad disclosure and verification of our greenhouse gas emissions.

The overall EcoVadis score for STRABAG increased from 58 to 70 points (out of a possible 100) in 2022. The decisive factor here was our improved score for environmental performance, labour and human rights, and sustainable procurement.

Governance structure

The inclusion of representatives from different areas of the company creates a participatory and active working environment that promotes the strategic orientation of the Group towards sustainable business practices. Involving the Management Board, the middle management and the operating entities results in a corporate-wide governance structure which

- creates a clear organisational framework for the implementation of the sustainability strategy,
- establishes short communication and decision-making paths, and
- involves representatives from different competence areas that are relevant to achieving the strategic goals.

Within the four-tier governance structure, the tasks and competences needed to achieve the sustainability goals are divided as follows:

1. **Management Board: focus on strategic decisions**
   - Setting the strategic framework for the Group
   - Decisions on implementation of large-scale projects

2. **Steering Committee Sustainability: focus on steering**
   - Steering of the corporate-wide sustainability management
   - Monitoring achievement of the strategic sustainability goal and the various subgoals
   - Adoption of policies and frameworks

3. **Sustainability Network: focus on coordination and exchange of information**
   - Interdisciplinary exchange and definition of best practices
   - Development of new ideas and generation of projects
   - Steering of individual measures and activities in the operating entities

4. **Divisions and Central Divisions: focus on operationalisation and implementation**
   - Development and implementation of policy packages and individual measures
   - Initiation and supervision of projects to pursue the sustainability strategy and achieve its goals

The members of these four groups meet regularly to discuss their respective activities and establish the next steps. At the same time, the exchange enables any potential negative impacts to be identified in the early phases. Among other things, these committees determine which issues and decisions are to be passed on to other committees or decision-making bodies for the purpose of involvement, cooperation or further decision-making. This promotes interdepartmental work, helps to develop measures for dealing with identified impacts and ultimately strengthens cooperation across the Group to achieve the sustainability goals. Experts regularly inform the Management Board of current relevant aspects of sustainability during board presentations, project presentations and events with internal and external stakeholders. In addition, we are also actively anchoring and expanding our sustainability management in order to identify and avoid at an early stage any actual or potential negative impacts of our business activities on the economy, environment and people.

Stakeholder engagement

Work On Progress

Partnership and trust are central values of the STRABAG Group. In keeping with these guiding principles, we constantly, and with transparent communication, attend to the concerns and needs of our stakeholders – those groups that are influenced by our services or who, for their part, influence the business activity of our company.

With the launch of our new Work On Progress mission, which highlights sustainability and innovative strength as strategic pillars of STRABAG's core business, we are helping to raise awareness for the topic of sustainability both within the company and among the general public. A wide reach was ensured with thematic campaigns in social media and traditional outlets as well as on billboards in public spaces. A user-friendly website presents our sustainability strategy along with a selection of lighthouse projects as well as our goals and activities in this regard. Enquiries, comments and criticism are welcomed and processed by experts and specialists within the Group in order to meet the great interest in obtaining information and engaging in dialogue.

Another important pillar for engaging our stakeholders in an exchange of ideas and promoting this exchange in the long term is our **Stakeholder Dialogue.** The aim of this event is to bring together representatives of our most important external stakeholder groups with our Management Board in order to discuss and prioritise issues of strategic relevance to STRABAG. The dialogue offers us new ways of looking at things, which we incorporate into our strategic considerations in order to add to our list of the most pressing topics for the future.

Information on the Stakeholder Dialogue

In 2021, we organised a Stakeholder Dialogue on Waste and Circularity with internal and external participants representing private and public clients as well as suppliers, environmental organisations and research institutions. The event, which was held in Cologne, focused on concrete solutions for the transformation to a circular construction industry. An alternation of different interactive dialogue formats such as lectures, workshops and Q&A sessions formed the basis for an open and trusting discussion. The positive feedback and the intense exchange of knowledge at eye level encourage us to continue the Stakeholder Dialogue in the future.

Our communication with stakeholders is founded on a **stakeholder analysis** that helps us to identify the most important stakeholder groups with regard to their level of influence by and on our organisation. These include our employees, clients, investors and suppliers. Furthermore, we maintain contacts to universities, the media and political institutions as well as to the people living in direct proximity to our projects. To promote the exchange between STRABAG and the identified stakeholder groups, we pursue various engagement formats.

This year, investors and analysts were given a financial market update on the CEO transition and the sustainability strategy. Representing the customer side, Austrian motorway company ASFINAG highlighted its ambitious emission targets as well as the need for innovative solutions from the construction industry. The public, represented by the general media and trade press, was informed of our latest sustainability and innovation projects in the form of press events. Using the example of Austria's first 3D-printed house, a STRABAG office extension at Hausleiten, we explained and demonstrated the technology of 3D concrete printing. At the former oil harbour in Bremen, STRABAG Environmental Technology presented a large circular economy project that includes soil remediation works, the establishment of a building materials recycling centre and the construction of a competence centre for materials recycling.

STRABAG is not only an organiser of but also a participant in various events that aim to provide a discussion platform for stakeholders. These include specialist conferences and trade fairs as a way to engage with peers and a wide range of experts. Particularly with regard to strategic human resource development, participation in career fairs and university events offers a valuable opportunity to position STRABAG as an attractive employer.

Using a structured client survey (see chapter "Client Satisfaction"), we involve our clients and customers in this process along the entire project life cycle.

FINDING NEW WAYS TO COMMUNICATE WITH RESIDENTS

We work closely with our clients to inform the people who are directly affected by our construction activities. For the most part, this is still done in a low-key, analogue manner using public notices and billboards. In the Küsnacht pilot project in Switzerland, however, we were able to show that the data created in a BIM model during the design process is not only useful for clients or for the trades involved, but that local residents can benefit from this as well. Using our proprietary development software STRABAG.Maps, built on the basis of geographic information systems (GIS), the residents of Schiedhaldensteig in Küsnacht were not only kept up to date with general information of the progress of the works but were also able to see when exactly they would be affected by traffic restrictions near their property.

Construction work in Küsnacht (CH) with digitally accessible resident communication updated on a daily basis.

Materiality analysis

We use the materiality analysis to systematically identify the most important sustainability topics and to evaluate them in terms of their relevance for STRABAG's business activities. We then work on these topics and present them in our reporting. The materiality analysis thus forms the basis of our sound sustainability management.

The methodology of the materiality analysis is based on the principles of the updated **GRI Standards 2021**, in which the actual and potential impacts of STRABAG's business activities on the economy, environment and people, including impacts on their human rights, are identified, assessed in terms of their materiality and prioritised based on their significance. The assessment of materiality was carried out on the basis of the three dimensions of scale, scope and irremediable character of the impacts.

For the 2022 financial year, the materiality analysis from the previous year was used and reviewed in terms of its relevance, completeness and plausibility. Changes in stakeholder expectations as well as current external developments, e.g., the energy crisis, the Covid-19 pandemic, extreme weather events in Europe and the increased supply chain due diligence requirements, were taken into account. Many of the material topics that were identified have thus gained in relevance compared to the previous year. The results of the updated materiality analysis were reviewed by internal experts and validated and approved by the Management Board. Overall, the impact of STRABAG's business activities on the economy, environment and people was assessed using the following 19 topics:

Environmental topics	Social topics	Economic topics
• Energy and emissions • Materials • Waste and circularity	• Occupational safety • Strategic human resource development • Health protection	• Digitalisation and innovation • Client satisfaction • Fair competition
MATERIALITY THRESHOLD		
• Water • Land use and impervious cover • Biodiversity	• Supply chain • Human rights[1] • Equal treatment of women and men[2]	• Contribution to local economy • Capital market appeal • Building design

For 2022, the assessment revealed nine key topics that are of material relevance for our competitiveness and long-term existence. Ranked according to their importance for STRABAG, these are

- Energy and emissions
- Materials
- Digitalisation and innovation
- Waste and circularity
- Client satisfaction
- Occupational safety
- Strategic human resource development
- Health protection
- Fair competition

For these nine topics, the Management Board has appointed experts responsible for reporting on each topic and for developing the relevant management approach while taking into account the GRI Standards. The management approach clarifies our approach to the material topics and how we determine relevant responsibilities and resources, define regulations and fulfil our duty of care. It also sets out the respective indicators and targets as well as measures and activities to be taken. Targeted, measurable action serves both to maintain competitiveness and to reduce the negative impacts of the Group's business activities in the long term.

More information on STRABAG's performance with regard to the respective topics can be found in the "Sustainability Progress" section and in the Data Appendix.

Besides the nine identified material topics, we also report on the following:

- Project risk management
- Human rights
- Societal engagement
- Equal treatment of women and men (in Corporate Governance Report)

In addition, we comply with the reporting requirements laid down in the EU Taxonomy Regulation and publish the required information in a separate chapter.

Our material topics and the concerns specified by the Sustainability and Diversity Improvement Act (NaDiVeG) are related as follows:

1 Topic is reported in the Non-Financial Report as a NaDiVeG concern
2 Topic is reported in the Corporate Governance Report as a NaDiVeG concern

Mandatory disclosures according to NaDiVeG and EU Taxonomy	
Environmental concerns Energy and emissions Materials Waste and circularity	**Social and employee concerns** Strategic human resource development Occupational safety Health protection
Respect for human rights Human rights	**Fight against corruption and bribery** Fair competition
Equal treatment of women and men	**EU taxonomy**
Additional material topics for STRABAG	
Digitalisation and innovation	**Client satisfaction**
Additional disclosures	
Project risk management	**Societal engagement**

GENERAL EMPLOYMENT FIGURES

Around the world, approximately 79,000 people (approximately 74,000 FTE) are putting their expertise and skill into practice at our more than 700 workplaces and construction sites. Our employees work with combined effort and commitment to complete their projects on time and in the desired quality. For this task to succeed day after day, STRABAG, in its function as employer, must ensure fair and equitable employment conditions by guaranteeing occupational safety and health, promoting the equal treatment of women and men, and observing human rights at all locations.

In 2022, the total number of employees increased slightly by 1.3% to 79,452 (73,740 FTE). In line with the higher output, increases were recorded in Germany and the UK, among other places, which more than offset the slight decreases in the Americas and in Poland.

Figures[1]

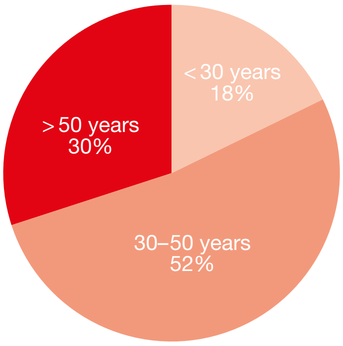
NUMBER OF EMPLOYEES IN 2022 BY SEGMENT AND COUNTRY[2]

	North + West	South + East	International + Special Divisions	Other	Group
Germany	19,998	546	5,385	2,958	**28,887**
Austria	134	8,124	1,956	1,392	**11,606**
Poland	4,613	7	851	664	**6,135**
Americas	0	0	5,592	3	**5,595**
Czech Republic	6	3,049	672	428	**4,155**
Hungary	7	2,097	491	383	**2,978**
Romania	154	1,177	241	196	**1,768**
Middle East	1	6	1,695	7	**1,709**
Slovakia	0	1,043	353	206	**1,602**
Croatia	0	1,237	68	179	**1,484**
Serbia	0	1,116	41	186	**1,343**
United Kingdom	53	0	1,064	31	**1,148**
Rest of Europe	121	701	81	20	**923**
Asia	0	2	904	0	**906**
Africa	2	25	791	0	**818**
Switzerland	2	597	4	87	**690**
Russia[3]	0	396	31	102	**529**
Bulgaria	0	378	46	74	**498**
Benelux	255	0	31	44	**330**
Sweden	249	0	36	7	**292**
Slovenia	0	102	17	19	**138**
Denmark	96	0	2	10	**108**
Italy	2	22	53	21	**98**
Total	**25,693**	**20,625**	**20,405**	**7,017**	**73,740**

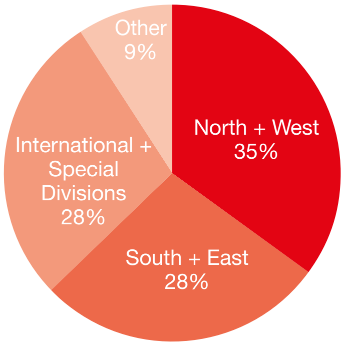
1 The employee numbers shown in this chapter were determined by including all associated Group companies and represent annual average values.
2 Employee numbers expressed as FTE
3 All activities in Russia are being wound up.

Balanced age structure

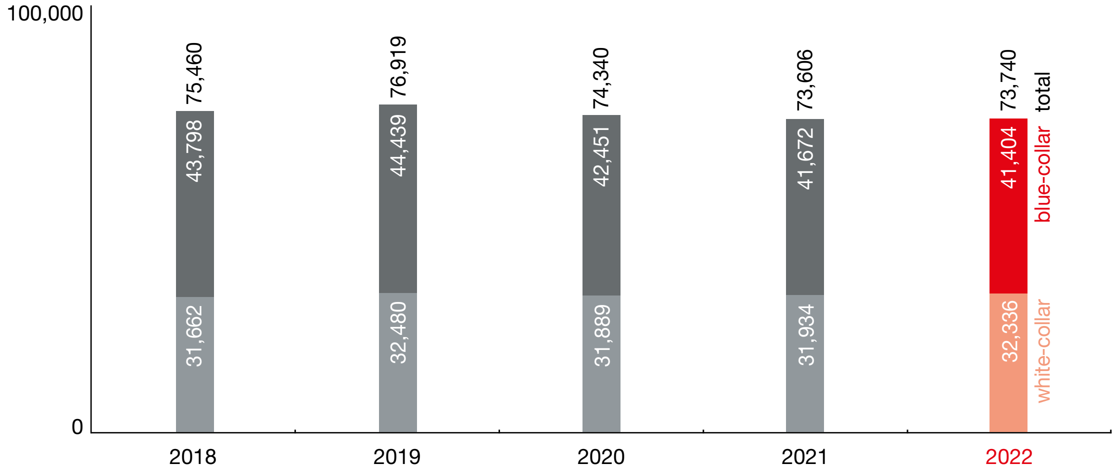
EMPLOYEE AGE STRUCTURE 2022[1]



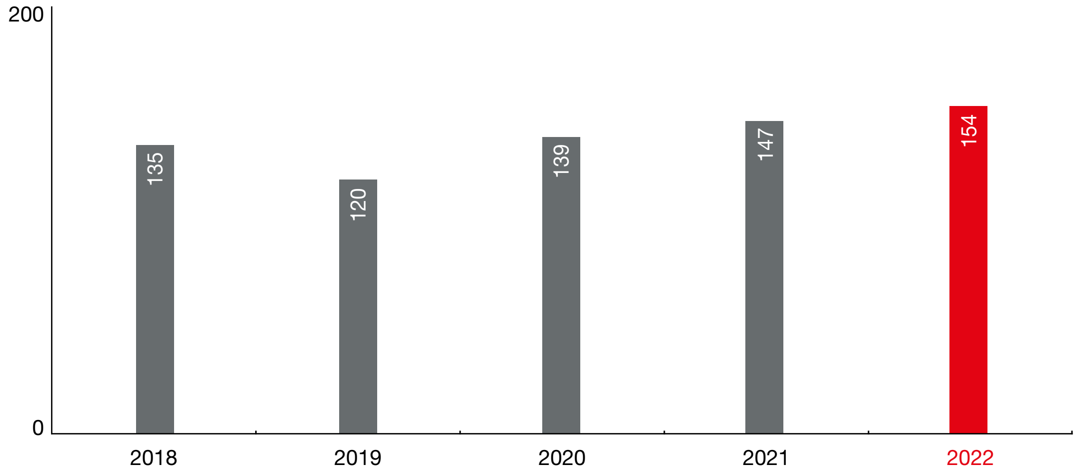
EMPLOYEES BY SEGMENT 2022[2]



DEVELOPMENT OF EMPLOYEE NUMBERS[2]

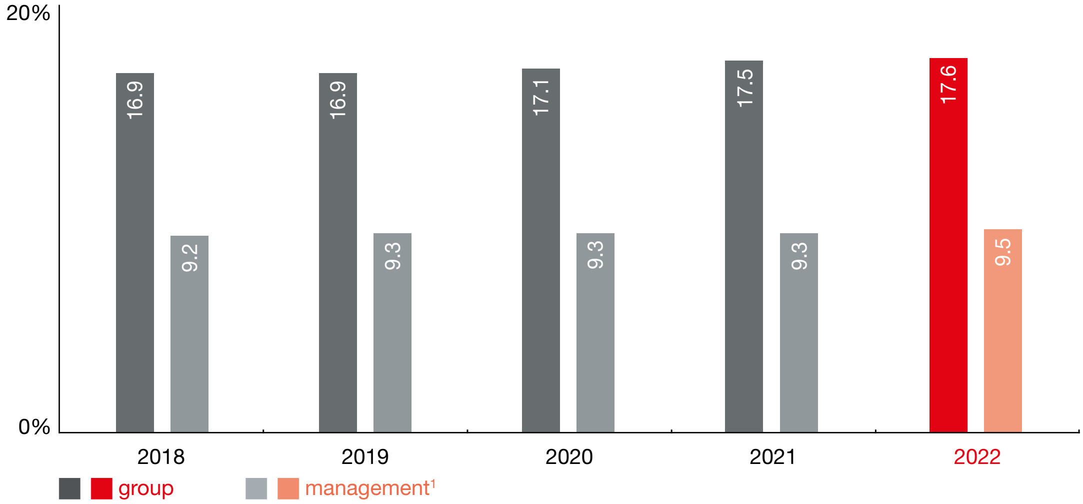


NUMBER OF NATIONALITIES WITHIN THE GROUP



1 Employee numbers expressed as head count
2 Employee numbers expressed as FTE

PERCENTAGE OF WOMEN IN THE GROUP AND IN MANAGEMENT



STRABAG Employment and Social Fund Private Foundation

Around 20 years ago, the STRABAG Group set up the Employment and Social Fund Private Foundation to support employees experiencing **financial hardship through no fault of their own**, e.g., as a result of accidents, illness, natural disasters, flood, etc. As at 31 December 2022, the foundation's equity capital amounted to approximately € 11.4 million (31 December 2021: € 11.5 million). The foundation board is composed of four employer and four employee representatives under the chairmanship of an employee representative.

The application for financial assistance can be submitted by the affected employees, by their supervisors or by an employee representative. These applications are reviewed by the foundation's board on the basis of the facts presented, whereby the board is guided in its decision-making by the respective social context. Financial assistance is primarily provided in the form of monthly payments to employees or their dependants, but it may also take the form of one-off payments earmarked for a specific purpose.

1 Definition of management: hierarchy levels from business unit management up

CLIENT SATISFACTION

Long-term, sustainable success is our goal. This is why the demands and **expectations** of our **clients** are at the heart of each and every project. With specialised business units that integrate and take responsibility for a wide range of services, we create added value for our clients. Our intention is to bring people, materials and machinery together at the right place and at the right time in order to realise even complex construction projects – on schedule, of the highest quality and at the best price. Because **on-time delivery, quality and costs** are all decisive factors for the economic success of each individual project and for the company as a whole. It is not for nothing that reliability and partnership are two of our guiding values.

From prequalification and bidding to contract award to repeat orders and **long-term customer relationships**, the satisfaction of our clients has a decisive influence on our image, which substantially increases our opportunities and is ultimately reflected in our order backlog. We systematically counter risks – such as those arising from non-fulfilment of our clients' quality expectations or non-compliance with legal and normative requirements – within the framework of our STRABAG management system and its measures for **quality assurance, environmental protection** and **project risk management**. In this way, we aim to prevent the negative impacts our business activities may have on the safety of users, on the environment and, consequently, on our reputation.

Rules, responsibilities and due diligence

In the course of our efforts to increase client satisfaction, the management, as part of the operational corporate planning and assessment, defines, implements and evaluates specific targets, structures, tools and measures in the corporate entities, taking into account the relevant markets and business fields. The systematic measurement and evaluation of client satisfaction is laid out in the STRABAG Management Manual and in STRABAG's common project standards for construction projects. The officers for the management system coordinate the uniform measuring and reporting at the Group level. At the country level, the respective officers monitor implementation as part of internal audits. Additional client satisfaction measurement procedures can be implemented by the operating units.

Objectives and indicators

The overarching objective defined by the Management Board is to increase client satisfaction in order to win and maintain the highest possible share of regular customers.

The measurement of client satisfaction via a **client survey** has been carried out for construction projects using a uniform corporate standard since 2005. This standard was amended in 2021 and again rolled out across the Group. An online questionnaire is sent to clients in all Group countries, asking for their project-specific or contract-related evaluation of the following aspects:

- organisational efficiency and technical realisation
- responsible and sustainable handling of people and resources
- professional competence as well as communication and cooperation in and with our team

The new online survey with 18 questions on the three aforementioned aspects also takes into account issues of occupational safety, the environment and energy, and the clients' perception of STRABAG's core values.

The questions themselves, as well as the structure and scope of the survey, also take into account the results of a study conducted among STRABAG clients and leaders together with the Graz University of Technology in 2018.

RESULTS OF THE CLIENT SURVEY

Aspects	Index 2022
Organisational efficiency and technical realisation	4.3
Responsible and sustainable handling of people and resources	4.3
Team: professional competence as well as communication and cooperation	4.5
Total	**4.4**

Degree of fulfilment of expectations according to clients' assessment:
0 = not fulfilled; 1 = barely fulfilled; 2 = partly fulfilled; 3 = mostly fulfilled; 4 = fulfilled; 5 = exceeded

With an average response rate of 42%, the survey can be considered highly representative. There is still potential with regard to the number of mailings, however, which amounted to 1,417 in 2022. A higher number of mailings would further improve the data situation.

The Covid-19 pandemic did not result in any significant changes regarding customer contact or client satisfaction measures.

Projects and initiatives

In addition to managing the client survey process, the Group's in-house **STRAthek** application has offered not only comprehensive information on client feedback at the project level since the second half of 2022, but also has a dashboard that paints a meaningful picture of current client satisfaction at any organisational level while identifying potential for improvement in the process.

At the same time, it is important to organise the partnering relationship with clients already during project preparation and implementation in such a way that corresponding positive assessments can be expected after project completion. Two important levers here are partnering models in the design of the working relationship as well as LEAN.Construction methods in the implementation.

Our **TEAMCONCEPT** partnering model has the clear goal of significantly increasing the efficiency and cost-effectiveness of construction projects through constructive, open and mutually trusting cooperation between all project participants. The model is especially suited for private clients who want to realise challenging or highly stressed road surfaces without sacrificing cost, schedule or quality assurance. Under the TEAMCONCEPT scheme, client and contractor form a team already during the design and planning phase – much earlier than in a classic construction project. Together, they incorporate the interests of all project participants right from the start, creating a clear framework, establishing a binding set of rules and defining common goals. This creates security and ensures that costs are kept under control. As more and more public clients are starting their projects under partnership-based contract models, TEAMCONCEPT projects already accounted for 10.4% of STRABAG's output in the 2022 business year.

LEAN.Construction makes construction processes not only more economical, but also more sustainable. The more efficient use of available resources has a positive impact on value creation and on the satisfaction of our customers, construction partners and employees. To familiarise as many employees as possible with LEAN.Construction, STRABAG offers basic online training, which has already been completed by more than 28,000 people, throughout the Group. The company also has more than 400 LEAN experts in over 15 countries who have been trained as part of an internal qualification programme. These LEAN ambassadors support the construction teams in all LEAN-relevant aspects from design to construction. Different LEAN working methods are used to optimise the various processes. For example, takt time planning and control, combined with a last planner system, make it possible to optimally control all design and construction activities up to a project's completion date. Simultaneous time studies allow the actual status of a construction process to be precisely analysed as a solid basis for subsequent optimisations. At the same time, digital logistics solutions simplify the optimal supply of resources for construction production. The STRABAG Group sees LEAN.Construction as a leadership topic. To be able to determine and evaluate the current LEAN maturity of our organisational units, we are planning to roll out a LEAN maturity model in 2023 that will form the basis for continuously measurable improvement in the future.

DIGITALISATION AND INNOVATION

STRABAG strives to be the leading technology partner for the construction of tomorrow. Digitalisation is changing our world to an unprecedented extent, and STRABAG wants to move things along instead of being moved along by them. This can be achieved by pursuing concrete digitalisation goals and includes the removal of information silos, standardising and promoting digital business processes, and systematically automating and ensuring suitable digital equipment for all Group employees. At the same time, the sorts of societal and environmental challenges that the European Union is addressing with the Green Deal require innovative responses from companies as well.

STRABAG sees digitalisation as an essential tool to support people in their work. Advancing standardisation and automation within the Group reduces the number of repetitive tasks, relieves employees of unnecessary burden and noticeably increases efficiency. Digital solutions and tools enable faster knowledge transfer and more efficient and transparent collaboration. This leaves significantly more time for the truly important tasks.

STRABAG is helping to shape the digital transformation of the entire construction industry. This enables us to create comfortable living space at low cost, manage infrastructure intelligently, use resources effectively and reduce emissions. We are open to new forms of collaboration between external teams and internal divisions.

The pandemic has led to the digital transformation in the company being driven forward even more decisively. We are therefore continuing to increase our focus on digital meetings and the digitalisation of workplaces. To live up to our vision, the IT development work in the STRABAG Group must be systematically organised and centralised. By actively shaping this process, the entire Group will benefit from innovations even more quickly than before. Digitalisation and the associated automation of certain processes will lead to the development of new job profiles. Supporting our colleagues in these processes and changes is an essential part of STRABAG's work. We use structured change activities to involve employees in the design processes and provide them with comprehensive information in advance. One example is a series of workshops organised at several office locations as part of the introduction of new office concepts with shared desks and workstations.

The transition to new digital working environments also creates new risk factors. We address the opportunities of digitalisation through ongoing training, but also train our employees to avoid stress-related risks that can arise, for example, through increased accessibility or the constant change of work content and processes.

STRABAG is aware of the risks associated with cyberattacks and unauthorised data access. In 2022, the company further expanded its existing IT security infrastructure and carried out regular awareness campaigns throughout the Group to improve digital capabilities and establish a security-focused data culture.

Rules, responsibilities and due diligence

On 1 January 2020, the topics of digitalisation, innovation and business development were concentrated at the Management Board level under the responsibility of the Chief Digital Officer (CDO), Klemens Haselsteiner, who assumed responsibility for the newly created central division STRABAG Innovation & Digitalisation (SID) in addition to the already established central division Zentrale Technik. These responsibilities remain with Klemens Haselsteiner following his appointment as CEO on 1 January 2023.

SID is leading the way in initiating developments and provides expert support while establishing a comprehensive overview of the corporate-wide innovation activities. Because digitalisation must not be an end in itself, operating needs have priority and digital tools should be made available without delay. We are also working on robotics and automated applications to increase our productivity.

Two typical characteristics of our business activity – the project focus and our decentralised organisation – are proving to be an advantage for us. By involving as many stakeholders as possible in our future projects, we create new agile structures and methods. In this way, we not only promote knowledge and a wealth of ideas within the Group, but also strengthen the sense of personal responsibility and creativity of our employees. At the same time, we are intensifying our networking activities to bring innovations and know-how to the entire company with the aim of creating added value.

We create structures, spaces and possibilities that enable agile work based on rapid iteration steps. With this in mind, we have established cross-functional departments, so-called functions, which are bundled in the following three subdivisions:

- **Transformation & Innovation (T&I)** supports the digital transformation process from idea generation to further development on different channels. The T&I functions reflect all services that are necessary for close cooperation between the units of the STRABAG Group.
- **Application Services & Data Science** covers the entire process chain for the implementation of software: from the collection of operational requirements to the identification, development and roll-out of applications.
- **BIM 5D®** uses a group-wide BIM strategy to bring together the activities of model-based work and develops them further in coordination with the operating needs.

Together with the CEO, the SID management team aims to ensure intense internal communication within the Group, with strategically important topics brought directly to the Management Board. Fundamental strategies, processes and objectives are jointly defined and continuously developed. These include the overarching strategies on digitalisation and sustainability, as well as topics such as data, robotics, BIM and geographic information systems (GIS). The rules and responsibilities as well as the organisational structure and workflow management, which were redefined in 2021, were further strengthened and consolidated to promote the necessary STRABAG innovation and digitalisation initiatives in the long term. At the same time, the specifications that were defined for the systematic evaluation, prioritisation, coordination and processing of ideas and projects were refined and enhanced.

GROUP STRATEGIES IN THE CONTEXT OF DIGITALISATION AND INNOVATION

Digital strategy

Together with the sustainability strategy, the digital strategy adopted in April 2021 forms one of two strategic pillars to position STRABAG as a leading technology partner for the construction of tomorrow. The implementation of the strategy is based on five specific cornerstones:

- removal of information silos
- standardisation of business processes and applied technologies
- further advancement of digital business processes
- consistent automation through new technologies
- ensuring the availability of suitable digital equipment

Important elements of the digital strategy are:

- understanding the needs of internal customers
- a stable traditional IT area combined with a new, flexible digital area for new processes and projects
- transformation of processes and innovations into business models and services
- targeted utilisation of the data available in the group
- an agile organisation with low response times and high adaptability

Robotics strategy

The robotics strategy sets clear goals as well as measures for implementation to ensure a technological lead in the core markets. The focus is on applications for the operating units in construction site operations. This includes both semi-autonomous machines as well as the complete automation of individual tasks along the entire value chain.

Building Information Modelling: BIM 5D®

BIM 5D® is a digital way of working designed for the construction industry that makes it possible to plan the construction process at an early stage using a digital model. The method allows errors to be detected and corrected early on and information to be made available to all project participants simultaneously and in an up-to-date form.

BIM 5D® has been a key feature of the digital construction site for several years. Nevertheless, a targeted strategy is needed to ensure that the philosophy behind BIM 5D® not only reaches the people involved in construction, but also that the processes and projects on the construction sites benefit from it.

Objectives and indicators

STRABAG is actively driving forward the digital transformation of construction site processes and is also working on the resulting new digital business models. The focus is on client expectations and the more efficient design of existing processes. One focus of this process optimisation is the higher penetration of digital methods, while another is on the further development of efficient and collaborative, digitally supported working methods with customers and partner companies. At the same time, we are investing in the **continuous qualification** of our employees and are strengthening our teams with the right specialists. The indicators therefore refer to the digital penetration on the construction site and at the workplace. Digital transformation not only influences the construction project and everyone involved, it also changes the processes within the corporate organisation:

- **Collection and analysis of machine data since 2019:** Increasingly higher expectations are being placed on quality and performance documentation and on a more sustainable use of environmental resources. For this reason, we increased our use of telematics systems with key equipment in 2019 to record and analyse their movement and operation. In 2022, we already achieved a rate of 45% (2021: 44%). In addition, telematics systems were installed in 1,157 commercial vehicles and approximately 25,000 other devices were equipped with position recognition (beacons).

  Objective: continued annual increase of this rate

- The share of pre-fitting of **machine control systems** in key equipment used for power control and recording (with a simultaneous increase of approx. 10%) increased to 19% in 2022 (2021: 15%), while the share of machine control systems, at 15%, was higher than in the previous year.

- **BIM 5D® workstations:** STRABAG is gradually upgrading its CAD workstations for use with BIM 5D® technology in building construction and civil engineering as well as in transportation and infrastructure projects. The number of BIM-capable workstations has been growing continually and in 2022 reached 2,435 across the entire Group. That corresponds to a year-on-year increase of 12%.

  Objective: double-digit growth in 2023

- **Mobile end devices for a more flexible work design:** Digitalisation is changing the work routine – for example, with a shift towards mobile working. Provided with end devices such as tablets, employees can benefit from the more flexible work design that digitalisation makes possible. The percentage of employees using tablets for work purposes in 2022 stood at 28% (2021: 25%).

  The following further indicators, defined during the establishment of SID, help STRABAG to measure its innovation activities:

- Expenditure on research, development and innovation activities in the group: approx. € 16 million (2021: approx. € 16 million)

  Objective: maintain at least the previous year's level

- Number of development projects with funding: 25

  Objective: Maintain the funding rate at the previous year's level

- Ideas submitted to the ideas@strabag idea management system: 328

  Objective: increase the number of ideas submitted

- Implementation rate of ideas submitted to the ideas@strabag idea management system: 18.9%

  Objective: increase the rate over the previous year

Projects and initiatives

innovation.strabag.com

The central division SID has already helped realise more than 400 development projects throughout the STRABAG Group covering the entire value chain of the construction industry. The following sections present an excerpt of individual innovative projects. Further current projects can be viewed at any time on the STRABAG innovation website innovation.strabag.com.

DATA-DRIVEN RISK ANALYSIS

As with the granting of bank loans to private individuals, a risk assessment is now also possible for construction projects on the basis of the master data, the work to be performed and the data gathered during the construction phase. An assessment model equipped with artificial intelligence (AI) estimates the commercial project risk on the basis of the commercial data both when the bid is submitted and during the ongoing project. In order to make the text from the bill of quantities accessible to the model, an AI language model is connected upstream to standardise the project description.

CLIMATE-NEUTRAL QUARRY IN EIGENRIEDEN

The climate-neutral quarry in Eigenrieden is a pilot project designed to gain experience and knowledge on the sustainable operation of our quarrying operations. The limestone quarry, which has been part of the STRABAG Group since 2009, currently has a deposit of approx. 6 million tonnes of rock in the Lower Muschelkalk strata. The annual production volume of building material aggregates and crushed stone is around 220,000 tonnes.

With an end-to-end view of the quarry that takes into account effectiveness, efficiency, sustainability, environmental protection and connectivity, the aim is to use innovative technologies to create a forward-looking, climate-neutral opencast mine. A key piece on the way to becoming climate neutral is the introduction of electrically operated, self-driving haul trucks for the raw materials transport. This is also the main goal of the ELMAR research project, of which STRABAG Mineral Baustoffe GmbH is involved as part of a consortium. The project's focus is on moving away from load-and-carry operations to load and autonomous electric haul and transitioning from diesel-powered mobile equipment to electric-powered processing plant technology. Three autonomous electric haul trucks will successively enter trial operation at Eigenrieden, the first as early as winter 2023. The sustainability plan for the quarry also includes a potential transition to climate-neutral fuels for construction machinery and the use of photovoltaics. This aim of the project is to show that it is possible to conduct quarrying operations in a climate-neutral manner in the long term.

GENERATIVE DESIGN CUTS CARBON EMISSIONS AND LOWERS COSTS

The potential for reducing carbon emissions and costs is greatest in the early design phase. The aim here is not to calculate precise values, but to create a wide range of building alternatives for clients as quickly as possible. Using an interactive design tool, the CO_2 emissions and costs of building construction projects along the entire life cycle are examined and evaluated already during the early concept phase. The analysis compares different building systems, such as timber versus reinforced concrete, as well as corresponding carbon emission and cost values. The consultants can either configure the building manually or display optimised variants using evolutionary algorithms.

PAPER-FREE CONSTRUCTION SITE

What will builders, contractors and project owners think of digitalisation and BIM in the future? Is a paper-free construction site possible in road construction and civil engineering? What are the challenges and advantages for us as a design-and-build contractor? How can we use digitalisation and BIM 5D® in the future to successfully acquire projects and complete them in a cost-effective manner? A project in Switzerland is giving STRABAG some initial answers to these key questions.

A recent road repair project in the municipality of Küsnacht near Zurich was tendered, designed, realised and operated entirely using BIM methodology. The project, executed digitally from end to end, is being carried out with more than ten different digital components, including GIS integration. Highlights include the model-based design, construction management and execution (design-and-build model in infrastructure construction), paper-free realisation and feedback (BIM-2Field/Field2BIM), the use of BIM 5D® in costing and execution as well as an as-built model for operation and maintenance management. With this project, STRABAG was able to gain valuable experience regarding the scalability and importance of BIM for the entire group.

CONPASS – CONSTRUCTION PARTS COMPASS

STRABAG specifies general standards that internal employees and external project partners should work with. The standards are reviewed and tested several times by independent bodies, but also by our STRABAG team of experts. So far, however, they have not been available anywhere in a collective form. We developed the STRABAG Construction Parts Compass, or ConPass for short, to give our partners and employees access to all current STRABAG standards for them to rely on. The web application collects and makes available all standards for products, details and construction designs.

SAM – SMART ASSET MANAGER

The Smart Asset Manager (SAM) is intended to optimise the use of equipment and make charging and billing processes transparent. Its use is also intended to enable an end-to-end digital process in a single application as the sole communication channel without the production of paper documents. The software, from Syniotec, is a planning and billing software with live tracking of construction equipment using geofencing in combination with telematics hardware and the transfer of billing data to the accounting system via a direct interface.

SMART SITE ONE – TAKT PLANNING AND CONTROL IN ASPHALT PAVING

Smart Site One (SSO) is an innovative logistics control system for digital road construction that minimises key risk factors and ensures a high-quality, stress-free asphalt paving process. With SSO, asphalt construction sites can be designed and documented quickly and easily by entering the relevant geometries. The software also includes job site control through dynamic takt planning. The result is a constant on-site overview of the truck fleet, material flows, paving progress and outstanding deliveries. Through a direct connection to the asphalt mixing plant, everyone involved is linked by cloud and is given transparent insight into the paving progress.

PMH – PROJECT MANAGEMENT HUB

The aim of the Project Management Hub (PMH) is to support employees as a digital standard tool in construction site management – starting with small and micro-projects in transportation infrastructures. The primary goal of the hub is to increase efficiency and quality while simultaneously achieving STRABAG's digitalisation goals. The PMH provides a central project-based repository in the form of a document management system including project mailbox. Work is carried out automatically according to corporate standards. The hub also makes standard templates available for legally compliant documentation, with file folders automatically created in accordance with group guidelines when a project is set up. Important data can be imported from the central STRABAG project database at the same time. A mobile app also enables forms to be entered offline. The PMH is available as a web and mobile application on iOS and Android and is being continuously refined within the Group as needed.

SPS – THE DIGITALISATION OF PURCHASING IN THE STRABAG GROUP

For STRABAG, close cooperation with suppliers, subcontractors and service providers is of crucial importance. The supplier processes in purchasing are digitally mapped using platform functionalities in the group project **Strategic Procurement Solution (SPS)**. In addition to the structured and GDPR-compliant recording of supplier, subcontractor and service provider data, SPS pursues the goal of simplifying the process for everyone involved in purchasing and to provide a transparent view of the respective cooperation with STRABAG. The supplier and purchasing portal is already available today as the **STRABAG Portal for Suppliers** in Austria and Germany with portal functions up to the submission of offers and will gradually be completed into a digitally integrated source-to-pay process and introduced in the group regions.

IDEA MANAGEMENT – IDEAS@STRABAG

ideas@strabag has been made accessible to national and international corporate entities since 2021, first through a pilot project and, with the beginning of 2022, as part of a gradual roll-out. In this way, new ideas, improvements and innovative solutions can be bundled centrally and transparently, evaluated, refined and ultimately implemented. On the one hand, the degree of problem solving is used as evaluation criteria; on the other hand, the ideas are checked for economic viability. The further establishment of the platform will facilitate the corporate-wide exchange of ideas. The aim is to promote an increased exchange between the corporate entities, to avoid redundancies, and to give employees the opportunity to contribute their ideas and solutions to the Group in order to promote innovation and increase our future viability.

INNOVATION DAY 22 – INNOVATION DAY DIGITAL

Innovation Day 22, held in the Polish city of Pruszków, illustrated the number of places, the many countries and the intensity with which research and innovative work is carried out within the STRABAG Group. The Innovation Day was also used as an opportunity to further communicate the new corporate mission Work On Progress and how innovative, sustainable and digital design-build-operate solutions will help us to achieve our goal of becoming climate neutral by 2040. In total, more than 70 innovation projects from the STRABAG Group were presented to over 1,400 visitors at 43 exhibition stands. The event gave visitors a chance to look beyond the horizons of their own departments, to make new contacts and to exchange ideas with colleagues from across the Group. The event took into account the international background of the visitors by strictly focusing on English as the language of communication.

Employees who were unable to attend the Innovation Day in person could learn more about the innovative projects thanks to a special web-based forum. For our Innovation Day Digital, the participating divisions presented their projects online and answered questions from their colleagues from all over the world. The high level of employee participation demonstrated the success of the format.

adASTRA – INTRAPRENEURSHIP PROGRAMME

Encouraged by the success of our first adASTRA intrapreneurship programme in 2021, we launched a second round of the adASTRA programme in 2022. From more than 90 ideas submitted, 30 ideas were elaborated in a qualification phase by the ideators before the adASTRA board selected the six best ideas for the prototyping phase. The six teams then further elaborated their ideas until the end of the year with the support of external venture architects who helped the teams to turn their business idea into a minimum viable product (MVP). The teams were introduced to the adASTRA board, to the mentors from the departments and to the audience present at the adASTRA Pitch Day in early December. The aim of the adASTRA intrapreneurship programme is to promote entrepreneurial thinking and action among our employees, to meet future challenges with new business models, and to support start-ups from within the company.

OUTLOOK

The focus in 2023 will be on the systematic refinement of the central division SID and the further establishment of the Project Management Office. The introduction and roll-out of digital tools onto construction sites and the reinforcement of agile working methods within the STRABAG Group remain a key priority. We will also continue to move forwards with implementing the innovation, sustainability and digitalisation processes that have already been initiated.

The development of external networks and partnerships with universities, think tanks and research institutes in the construction industry remains an important milestone on the way to becoming a technology leader in the construction industry.

We also aim to further increase target focus and efficiency with the introduction of key performance indicators in the implementation of our innovation, sustainability and digitalisation processes.

OCCUPATIONAL SAFETY

Occupational safety is a key concern for the company and an integral part of the corporate culture at STRABAG. The most important prerequisite for a satisfying working day – either on the construction site or at the office – is staying healthy and safe. For this reason, STRABAG took up the challenge of "Vision Zero – Zero Accidents" by launching the corporate initiative "1>2>3 Choose Safety". "1>2>3 Choose Safety" sounds simple enough, but it is not always easy to put into practice in our day-to-day working routine. Due to constant changes in the working environment, high levels of physical stress and unpredictable weather conditions, workers in the construction sector are exposed to a particularly high risk of accidents and health hazards compared to other sectors of the economy.

In 2022, the Health, Safety and Environment (HSE) staff unit, which is responsible for occupational safety, decided to include the aspect of resource conservation in the procurement of personal protective equipment. Starting in 2023, a gradual transition will be made to the use of sustainable materials, such as recycled and reclaimed fibres and organic cotton fabrics, in the protective workwear. All future workwear must be made of organic cotton, recycled PET recovered by our waste management or PET Seaqual yarns from recycled ocean plastic.

In the spirit of waste avoidance, the packaging for our protective workwear has also been designed to be more environmentally friendly. With the replacement of plastic polybags by recycled cardboard sleeves, we managed to save around 1.5 tonnes of plastic in 2022 alone. Additionally, only recycled adhesive tape and recycled cardboard boxes were used for shipping.

Rules, responsibilities and due diligence

With the establishment of a separate **Health, Safety & Wellbeing central staff division** effective 1 January 2023, we are setting an important course for the future by giving even more weight to the topic of occupational safety and health.

The STRABAG Group is certified to ISO 45001 (occupational health and safety management systems) and is regularly audited internally and externally in this regard. An obligation to comply with these standards is laid down in a group directive that applies to all employees within the Group as well as to our external contractors.

The necessary protective measures, rescue concepts, and training and instruction needs with regard to health, safety and environment (HSE) are derived from the risk assessment of each construction site. HSE information and training is carried out at all levels and for all employees. In addition to the company's in-house staff, all external contractors and their employees are also required to ensure a safe working environment. Everyone, including the external staff, must help to responsibly implement the protective measures in their own area of work. Additional activities as part of the 1>2>3 campaign include the regular setting of safety priorities as well as safety discussions held on the basis of the HSE calendar.

Serious accidents are processed from lessons learned, with appropriate measures derived in cooperation with the national HSE officers. For 2023, for example, corporate-wide measures were defined concerning safety in the handling of construction machinery.

For reasons of data privacy, it is not possible to show the lost time due to work-related illnesses of employees and subcontractors. Health protection measures are derived from the anonymised indicators provided by the accident insurance institutions. These include recognised occupational illnesses such as skin diseases, back pain, hearing loss and asbestosis. Protective measures are also derived from workers' disregard of health precautions, for example regarding work in hot weather, heat stroke or sunburn.

The HSE group directive, which defines **corporate-wide minimum standards** for occupational safety, has already been rolled out in all Group countries. It includes the standardisation, among other things, of organisational structures, accident reporting processes, accident investigations and personal protective equipment. The effectiveness of the group directive was reviewed in 2022.

The following bodies are necessary to advise on the issues of safety, health protection, health promotion and human-centred work design:

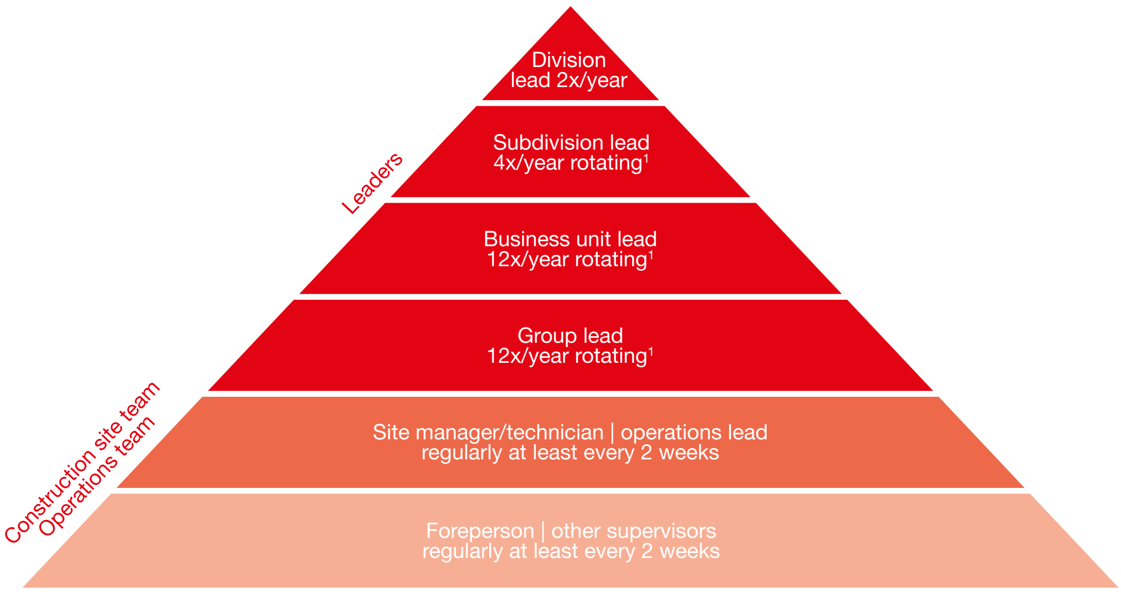
- HSE Group Committee (once a year)
- State Labour Protection Committee (LASA) (once a year)
- Occupational Health and Safety Committee (at least once a year)

The safety committees consist of employer representatives, prevention experts and employees from different levels. Country-specific requirements regarding the composition or frequency of meetings are taken into account with regard to the committees' work in each respective country. The management is responsible for convening and conducting the meetings.

The HSE inspection pyramid commits our leaders at all levels to perform monitoring activities, which in turn leads to the introduction of additional protective measures. The goal is to achieve **zero tolerance for non-compliance with specified safety regulations.** The inspection form for leaders is to be used by division leads, subdivision leads, business unit leads and group leads as documentation of the regular HSE inspections.

The construction site team, which includes site managers, technicians, plant managers, forepersons and other supervisors, uses a separate and more detailed form for this purpose.

MINIMUM NUMBER OF DOCUMENTED INSPECTIONS



Occupational health services are ensured in accordance with the respective legal requirements in the EU countries where we operate. Compliance with the EU's OSH Framework Directive 89/391/EEC is precisely defined, as are the requirements and basic principles for prevention measures and risk assessment, and the occupational safety and health obligations of employers and employees. To ensure and continuously improve the quality and effectiveness of the occupational protection management system, certified occupational safety and health management systems (ISO 45001, Safety Certificate Contractors) are implemented and certified throughout the Group.

1 Rotating means: inspections carried out at different construction sites/workplaces.
2 Other supervisors can be: crew leaders, leading hands, charge hands, managers etc.

Objectives and indicators

STF hazards (slips, trips and falls) are the most common cause of accidents at work, responsible for around 25% of all incidents. Our primary goal is therefore to continuously reduce the number of STF accidents on our construction sites. To help us measure the effectiveness of our safety efforts, we attach great importance to the exact determination of the lost time accident rate and the accident incident rate (= lost time injury frequency).

The **lost-time accident rate** – calculated as the number of working hours lost to accidents versus productive working hours – decreased to 0.24% in 2022 compared to the previous year, with 0.37% among blue-collar (wage-earning) and 0.05% among white-collar (salaried) workers (2021: 0.26% in the Group, 0.40% blue-collar, 0.07% white collar).

Since 2022, an additional focus has been placed on lost time injuries with severe consequences. This focus considers occupational accidents that lead to 43 or more days of lost time due to broken bones, multiple injuries, burns, poisoning or electrocution.

The **accident incident rate** (LTIF) – calculated as the number of accidents at work per 1 million productive working hours – decreased in 2022 compared to previous years to 14.8 accidents per 1 million productive working hours across the Group (2021: 15.6 in the Group, with 23.9 among blue-collar and 4.4 among white-collar workers). Unfortunately, two fatal occupational accidents were recorded in 2022. To better reflect the broad positioning of the STRABAG SE Group and its regional differentiation, an accident incident rate under 35 was last year declared as the absolute upper limit for all subdivision and corporate entities.

LOST-TIME ACCIDENT RATE[1]

	2018	2019	2020	2021	2022
Blue-collar	0.33	0.37	0.41	0.40	0.37
White-collar	0.05	0.05	0.07	0.07	0.05
Total	**0.22**	**0.24**	**0.27**	**0.26**	**0.24**

ACCIDENT INCIDENT RATE[2]

	2018	2019	2020	2021	2022
Blue-collar	22.5	23.9	24.1	23.9	22.6
White-collar	5.8	4.3	4.9	4.4	4.1
Total	**15.9**	**15.9**	**15.9**	**15.6**	**14.8**

Projects and initiatives

As part of our ongoing corporate-wide initiative “1>2>3 Choose Safety”, we set ourselves the goal of raising awareness for occupational safety and health among all of our stakeholders and launched the message of “Vision Zero – Zero Accidents” with the aim for everyone involved to make a personal contribution to occupational safety. Safety and health at work, as well as a safe working environment that helps prevent accidents and work-related illnesses, are important prerequisites for the performance of our employees so they can remain committed to significantly contributing to our productivity and quality.

STF hazards continued to be a focus of our safety activities in 2022. One of the activities in this regard was a test of our safety shoes. Together with our supplier, we developed a new outsole for the shoes and, over a period of several weeks, subjected the product to a wear-and-tear field test in Austria. The results were evaluated in a written report as a basis for optimising the shoe. A more widespread test is to be rolled out across internationally in 2023.

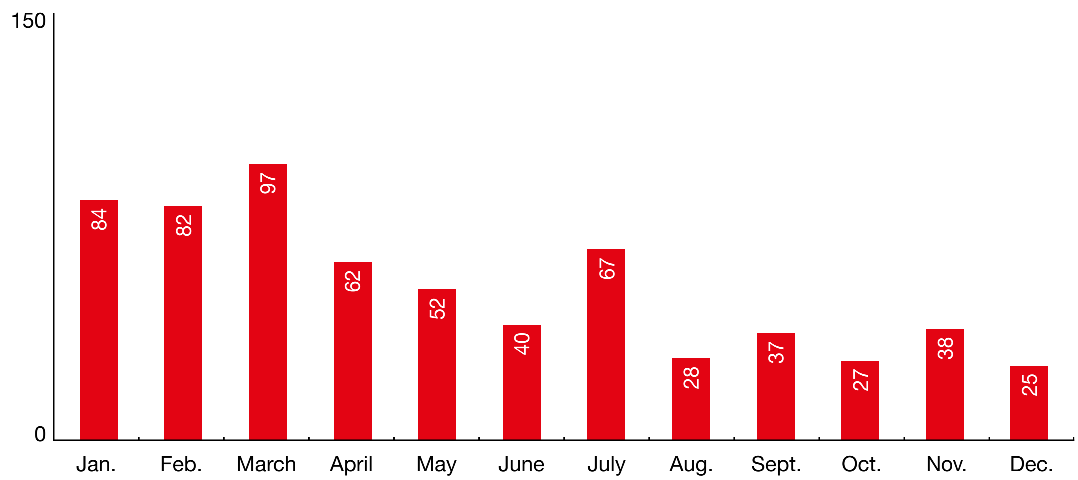
1 Productive working hours 2022: blue-collar: 78,960,602; white-collar: 58,647,904
2 The figures include accidents at work (excluding accidents occurring on the way to or from work as well as occupational illness) with lost time of at least one calendar day, counted from the day after the accident incident.

Because of the ongoing pandemic, the implementation and adaptation of Covid-19 protective measures also constituted another relevant field of activity for our HSE department. Due to the exemplary implementation of the defined and proven Covid-19 protective measures, work on the construction sites and at the workplaces could continue undiminished. The measures are regularly adapted or redefined on the basis of specific national rules and regulations and in line with the requirements of the national health authorities. These include, for example:

- Adaptation of the Covid-19 risk assessment for construction sites and office workplaces
- Adaptation of the guidelines for office locations and offices on construction sites
- Revision of the information on infection control and hygiene measures
- Implementation of opportunities for working from home
- Initiation of vaccination offerings
- Use of the Covid-19 app for site inspections

The following chart shows the number of Covid-19 inspections documented via the app per month (as of 31 December 2022).

NUMBER OF COVID-19 INSPECTIONS IN 2022



We are also looking at the development and implementation of a digital 1>2>3 HSE platform to allow us to record and evaluate relevant HSE data in a standardised manner throughout the Group. The platform should help to keep the corresponding HSE construction site processes simple and transparent and to derive any appropriate measures. In the future, the platform will serve as an essential management tool in the area of occupational safety.

The contents of the platform are currently divided into three work packages:

1. Risk assessment
2. Instruction and HSE training
3. Accident and incident management

The basic content and technical requirements are still being defined at this time with the aim of getting the development work off to a quick start.

In addition to the 1>2>3 HSE platform, STRABAG uses other digital tools to ensure occupational safety within the Group. To further increase the quality of occupational safety among our subcontractors, for example, we ask that they upload accident indicators and occupational safety documents to the Group's purchasing platform using the **Strategic Procurement Solution (SPS).** SPS is a tool developed by the STRABAG Group with which to query key data of commercial and management relevance from potential subcontractors.

Many more occupational safety projects were carried out across the Group in 2022. The national HSE officers remain called upon to work together with the management and the safety experts to continuously reinforce the "1>2>3 Choose Safety" initiative and to maintain awareness for its message among employees.

- The smartphone app for HSE site inspections that was introduced in 2018 was used more than 82,000 times in 2022 (as of 31 December 2022). In addition, the apps for the inspection of stationary plants and facilities such as mixing plants, quarries, etc. were rolled out for the construction site teams in seven more Group countries: Poland, Slovakia, Slovenia, Romania, Croatia, Bulgaria and Serbia.

- A working group consisting of representatives from different countries in which the Group operates designed the 1>2>3 occupational safety instruction calendar for 2023 with a different topic every month. The calendar will again be translated into 16 languages.

- The protective workwear collection was expanded to include a new knitted sweater and polo shirts, in addition to improvements made to existing products. A separate women's collection was also established for the first time.

HEALTH PROTECTION

Maintaining the health and productivity of our employees is a central concern for us and inevitable for the long-term success of the company. Health is a state of individual well-being and subjectively felt productivity.

The general public usually associates construction sector work with hard physical labour. But psychological stress can also be an issue. In the construction sector, the main documented stress factors are time and price pressure, unwanted interruptions during work, and long working hours. Strengthening psychosocial health through stress prevention and stress management is an important field of action in **workplace health management (WHM)**. Our measures, initiatives and projects always aim to prevent negative and to promote positive health outcomes among all employees – both on the construction site and in the office. Analytical approaches such as the stress–strain model are used to assess workloads and their health outcomes. Health models that take into account the interaction of health resources and factors of working conditions (biopsychosocial model, salutogenesis/resilience model) form the essential theoretical basis of workplace health management (WHM) and workplace health promotion (WHP). STRABAG's holistic, sustainable approach to health management is based on the equal consideration given to both behavioural and situational prevention.

Rules, responsibilities and due diligence

Our task is to systematically, specifically and sustainably promote the health of our employees and to firmly anchor WHM within the Group. Through management at the Group level, WHM is coordinated and systematically disseminated in the individual countries by national WHM coordinators and national WHM committees in each country consisting of management, occupational safety, HR consultants and employee representatives (Germany/Austria). The following countries each have a joint national committee: Czech Republic and Slovakia; Romania, Croatia and Bosnia–Herzegovina; Serbia, North Macedonia and Montenegro. The national committees meet twice a year, once in the spring and once in the autumn.

WHM is already established in Germany, Austria, Switzerland, Poland, Czech Republic, Slovakia, Croatia, Hungary, Serbia, Slovenia, Romania and Bulgaria and is being rolled-out in Montenegro, North Macedonia and Bosnia–Herzegovina. The first step in these last three countries was to set up occupational **medical examinations and health screenings at construction sites** and to organise a running event. These activities were implemented by committed colleagues together with the respective WHM coordinators.

Objectives and indicators

Our overriding objective is to maintain the health and productivity of our employees. The aim of the measures is to improve the working conditions and strengthen the personal workplace resources of all employees and members of the management. We use the **lost-time illness rate**[1]**,** among other things, to observe our progress in reaching this goal. In 2022, this figure stood at 6.1% in the Group, with 7.6% among blue-collar and 4.1% among white-collar workers (2022: 5.8% in the Group, 7.5% blue-collar, 3.5% white-collar).

1 Ratio of sick leave days to working days

LOST-TIME ILLNESS RATE

	2018	2019	2020[1]	2021	2022
Blue-collar	6.8	5.8	6.7	7.5	7.6
White-collar	3.7	3.6	3.4	3.5	4.1
Total	**5.2**	**4.9**	**5.3**	**5.8**	**6.1**

Projects and initiatives

The cooperation between WHM, occupational safety and the occupational health services foresees, among other things, the organisation and expansion of health campaigns at business locations and construction sites. Prevention measures, including hearing and vision exams, pulmonary function tests, and spinal, heart and mobility screenings, as well as custom health campaigns, expand the offer for our blue-collar workers. WHM also offers a broad range of targeted measures for our office locations. Besides eye, stress and preventive examinations, the offer also includes different health courses such as back training or yoga as well as lectures and workshops related to the main issues of exercise, nutrition and stress prevention.

Thanks to a full-scale evaluation using digital as well as analogue surveys, including open-answer fields for new suggestions and ideas, we always know what's going on with our employees. These ideas, along with employee initiatives, have already led to several lighthouse projects, such as Baggercards ("Excavator Card") or Water4Workers. The members of the respective national committees also have the opportunity to contribute suggestions for new projects or processes and to drive future developments.

We tailor our preventive health services to the needs of our employees and target groups. Our measures are evaluated at regular intervals to determine the need as precisely as possible. In the spirit of best practice, health projects that have proven their worth should be designed for international roll-out and implemented across all countries. Positive examples of this are the Employee Assistance Programmes (EAP), mobile health solutions for construction sites and multilingual webinars on health topics. For these health projects, STRABAG was awarded the special prize of the Corporate Health Award in the category Target Group Specificity in Germany in 2022.

After our WHM controlling showed a significantly lower participation rate among blue-collar workers, we intensified our efforts for mobile health solutions at the construction sites and included their costs in our budgeting. The realisation that live webinars alone achieve only a relatively low degree of penetration led us to respond with multilingual offerings that are stored in a permanently accessible media library. Due to their high level of acceptance, these digital offerings will remain an essential part of the WHM portfolio even after the pandemic.

Another preventive measure in Germany is the so-called **Health Mobile.** The idea behind this service is to offer the same health check-ups provided at our office locations at the construction sites as well. The programme involved more than 1,340 participants at almost 300 construction sites, with more than 2,600 measurements taken with regard to back health, core stability, cardiovascular health, stress and fitness levels. The Health Mobile concept was also successfully rolled-out in Switzerland in 2022.

The STRABAG Employee Assistance Programme (EAP) was very well received in Germany. The focus of the counselling services was on topics such as anxiety, psychological strain, alcohol and addiction problems as well as stress. In 2022, a similar assistance programme was also implemented in Poland.

1 Values were adjusted retroactively due to a change in the calculation method.

STRATEGIC HUMAN RESOURCE DEVELOPMENT

The construction sector is a human-resource-intensive industry in which the commitment shown by our workers has a significant influence on business success – not least because, in light of shortages of skilled personnel and seasonal bottlenecks, they represent a critical factor. But increasing digitalisation and the lack of qualified applicants are also seen as an opportunity to implement strategic HR planning and to promote the targeted training and development of our employees. When designing and revising processes around HR development topics, an agile approach is pursued wherever possible and necessary, characterised by iterative loops and the gathering of feedback from relevant stakeholders.

Rules, responsibilities and due diligence

Human Resource Development (HRD) is a corporate-wide organisational unit tasked with providing the best possible support to all parts of the STRABAG Group in all matters of human resource development. For a successful human resource development strategy, the unit elaborates and implements guidelines and standards for the search, selection, qualification, promotion and development of leadership and employees. Our focus at STRABAG SE is on the individual employee and on a corporate culture that reflects our values. To highlight this fact, to further demonstrate our appreciation of current and future employees, and to continue to offer promising prospects and exciting career opportunities at our company, the decision was made to change the name to **People & Culture Development** effective 1 January 2023 (P&C Dev).

The responsibilities and tasks are governed by a group directive for the HRD employees. Their tasks include:

- HR marketing and recruiting
- HR consulting
- Training
- Talent management

A dialogue on development measures takes place between employees and leaders in a regular exchange, at least once a year in the **appraisal interview.** In addition, employees can always address their concerns to the higher-level manager, the responsible HR consultants or the ombudsperson's office.

Objectives and indicators

To counter the lack of skilled labour, we aim to promote and optimise the needs-oriented professional and personal development and qualification of our employees. In this way, we can guarantee our clients the on-time, professional realisation of their projects. Training needs are to be ascertained mainly during the appraisal interviews. This essential employee management tool, which is to be conducted by supervisors at least once annually, is an opportunity for **mutual feedback.** It supports leadership and employees in

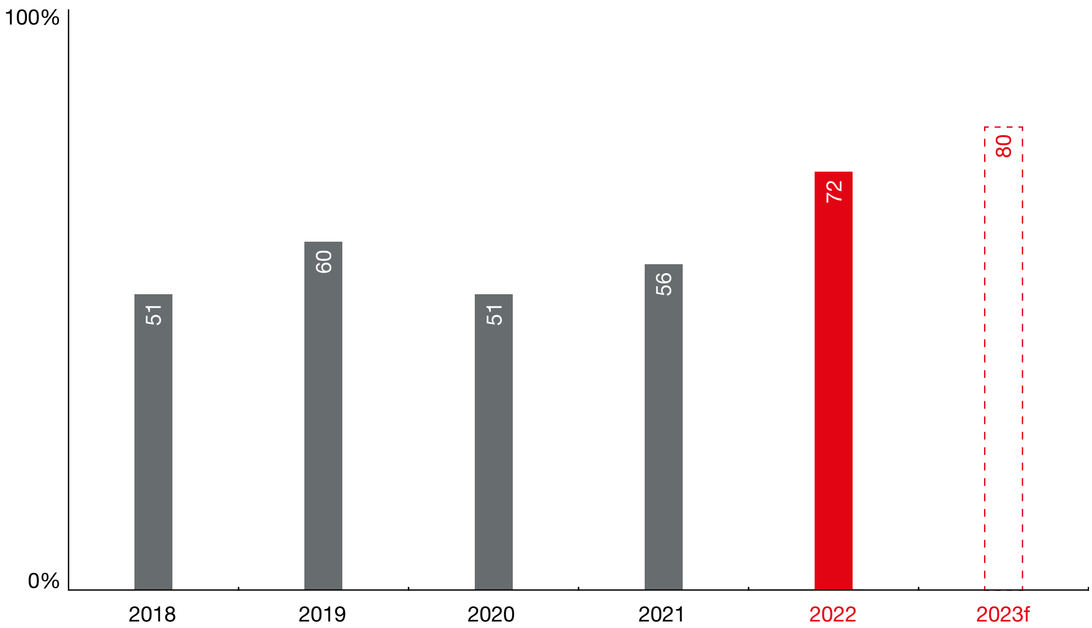
- strengthening their personal identification with the tasks and with the company,
- intensifying cooperation through a culture of open dialogue,
- discussing and recognising the performance of the past period, and
- defining future tasks and goals as well as development steps together.

The preparation and documentation of the interviews were digitised in 2019. The Group also offers leadership employees the possibility of a skills assessment as well as the creation of an individual development plan. In 2022, structured employee appraisal interviews were held with 71.7% of all employees (2021: 56.2%) including 71.6% of the men and 72.1% of the women in the Group. The target of 80 % was not reached in 2022. However, the significant year-on-year increase shows that the measures taken are effective. The training needs identified in the interviews are worked on individually in the form of seminars.

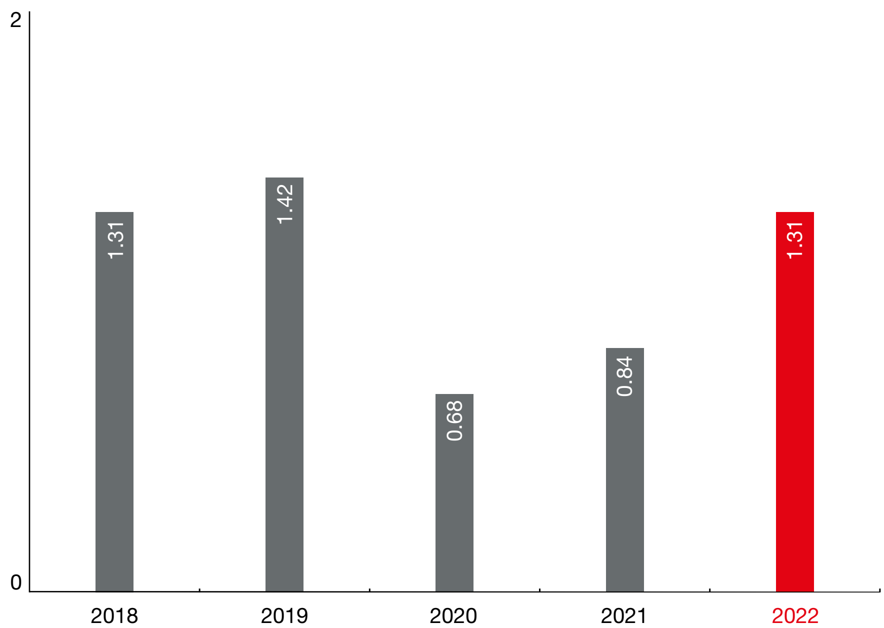
In the reporting period, there were 1.31 training days per salaried (white-collar) employee (2021: 0.84). Separated by gender, the number of training days amounted to 1.24 for women and 1.34 for men.

The restrictions on in-person training led to the establishment of **hybrid learning formats,** with attention paid to finding the right balance between face-to-face and online training. The successful switch to digital formats led to a significant increase in training days per salaried employee compared to the first year of the pandemic.

NUMBER OF APPRAISAL INTERVIEWS HELD AND RECORDED VERSUS NUMBER OF EMPLOYEES



TRAINING DAYS PER EMPLOYEE



Projects and initiatives

Measures and projects relating to the above-mentioned tasks are implemented on a continuous basis:

HR MARKETING

We are constantly working to position the Group as an attractive employer on the labour market to make a sustained contribution to covering the future demand for skilled experts and leadership employees. In addition to successfully implemented employer branding activities, such as the broad-based human resources campaign in the Transportation Infrastructures and the Building Construction and Civil Engineering divisions in Austria, and the Work On Progress campaign launched in 2022 we also strengthened our presence on social media in 2022.

Our brand ambassadors and advertising campaigns were increasingly visible in public spaces, for example on buses and trams or at high-profile construction sites. We also produced several **career stories** providing insight into the individual career paths.

In order to reach prospective employees, our human resource marketing activities include participating in job fairs, presenting our company at educational institutions, organising company tours, offering internships and work placement, and sponsoring bachelor's and master's theses. We are proud of our successful partnerships with more than 170 educational institutions in 2022. After the pandemic-related decline, our in-person trade fair attendance and other out-of-house events was up in the reporting year. We are continuing to work on increasing our accessibility via STRABAG's **social media profiles** at Facebook, Instagram, LinkedIn, Xing and YouTube, among other places, and are developing our own online formats to reach a broader audience with audience-specific content.

We also actively participate in **employer certification** programmes aimed at graduates, trainees and apprentices to help us ascertain possibilities for improvement. In 2022, we were awarded the Fair Training and Fair Trainee Programme certification from the HR consultancy Trendence, while the employer branding service provider Universum voted us one of the "Most Attractive Employers for Students in 2022". The certification is awarded on the basis of employee or student surveys regarding specific factors of workplace quality. The company must then fulfil certain criteria to receive the recognition.

RECRUITING

The recruiting and subsequent onboarding of human resources is designed to systematically, professionally and quickly cover the human resource demand at the individual organisational units with qualified new employees. In addition to filling key positions in the Group, we further expanded our central Active Sourcing team in 2022. The goal is to directly address potential candidates in the largest career networks and to draw their attention to interesting positions within the STRABAG Group.

HR CONSULTING

HR consultants are the first points of contact for all human resource development and certain decentral human resource administration tasks at the divisions. They advise employees about career opportunities within the Group or coordinate with the employee supervisors to recommend training for their further development. For management, we have offered the Leadership@STRABAG training programme since 2021. The programme consists of four modules and has a duration of approximately twelve months. Participants learn in a mix of classroom and online events and also work in peer groups. The content of the programme is derived from the current corporate strategy and provides participants with in-depth and practice-oriented knowledge on the topics of change management, cross-silo cooperation, process optimisation and agile leadership. The programme is available in German and English as well as eight other languages.

Ahead of a possible termination, the HR consultants offer outplacement counselling with external support to assist the employees in their reorientation on the labour market. Staff who decide to leave the company of their own accord are also offered exit interviews. The insights gained from these talks are used to derive measures to improve human resource development processes.

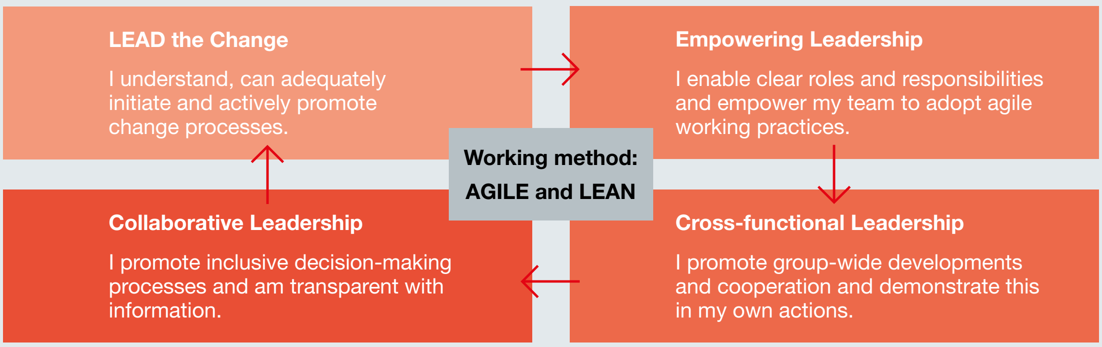
TRAINING

The STRABAG Group Academy offers internal further education options for all wage-earning (blue-collar) and salaried (white-collar) workers in the Group. The planning and systematic use of training and educational measures is the responsibility of the respective organisational unit. Together with their supervisors, employees can choose from among the various qualification offerings.

At the Group Academy, employees can find **specially developed training offers** in the categories of technology, law, business management, IT, personality and leadership. The trainers are internal and external experts who pass on their expertise to the participants. In 2022, we offered 3,378 training and further education sessions (2021: 2,956) with 38,785 participants (2021: 33,961). More than 56,600 (2021: >66,200) people successfully completed a mandatory e-learning course, for example on the subjects of compliance, occupational safety, IT security and data protection. Since autumn 2019, we have also offered our employees access to over 11,000 German or English language courses from external content provider LinkedIn Learning. The goal is to provide a varied, web-based and easily accessible learning offer to support the motivation for further training. The combination of existing training programmes and mobile extras promotes a dynamic learning culture and enables new formats such as **blended learning** – an integrated form of learning that combines traditional face-to-face training and modern e-learning. Additionally, all employees have the possibility to make proposals for new training offers using the internal knowledge management tool. Beyond the appraisal interview, they and their managers, depending on their position, also receive recommendations for a selection of seminar options. The Group Academy offers regular modular **qualifications** to reinforce and deepen the training of people in key positions.

STRABAG has set itself the clear goal of being a top employer. This means that we must support our existing staff during the process of digitalisation currently underway in the construction industry. Also, the current employee demographics in the company indicate a need for increased recruiting in the coming years, and we must therefore position ourselves on the labour market as an attractive employer for young talent. Both goals can only be achieved with appropriately trained leaders.

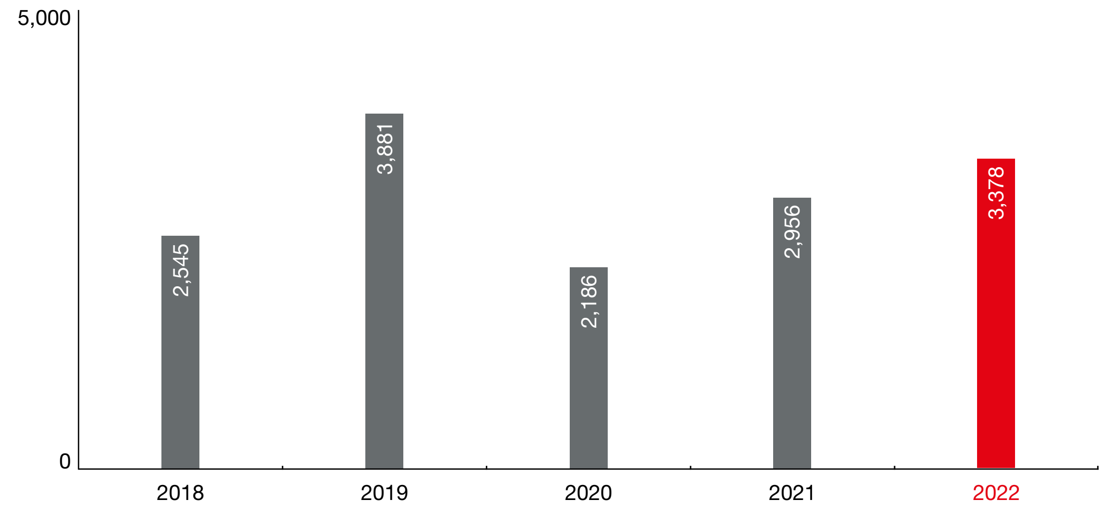
These considerations led to the creation of the comprehensive, corporate-wide training programme Leadership@STRABAG – Leading in Dynamic Times, which aims to promote and further develop the following core competencies:



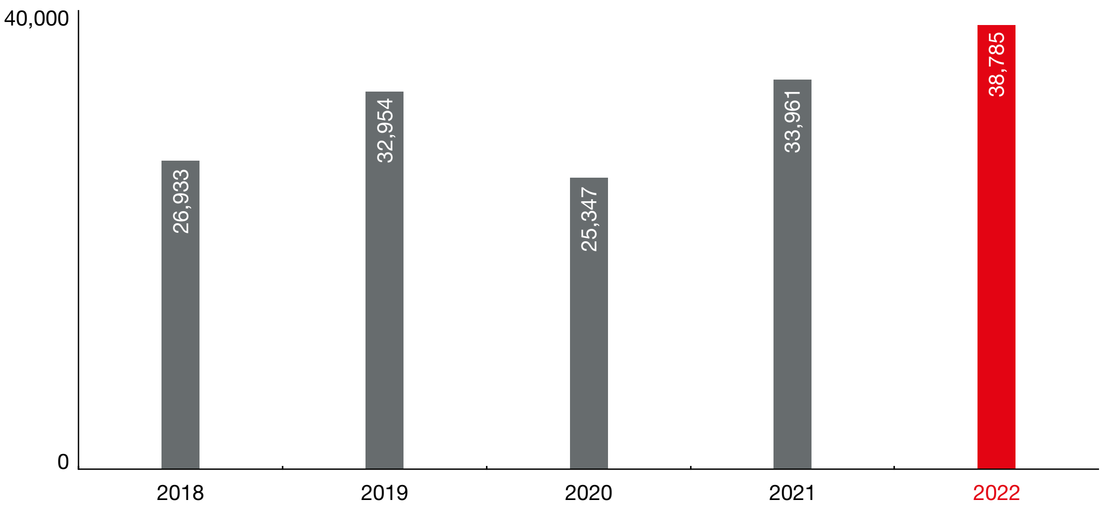
These competencies are developed in a hybrid training concept of digital and in-person formats. Important aspects include the exchange with other leadership employees and the opportunity to provide feedback. Both the subject matter of the programme as well as its organisation are informed by the agile working method.

The first two prototypes were launched in 2020, with international roll-out in the spring of 2021. As of 31 December 2022, there were a total of 515 managers in the Leadership@STRABAG programme. Feedback from participants is recorded on an ongoing basis and the programme is continuously improved accordingly.

NUMBER OF TRAINING SESSIONS



NUMBER OF PARTICIPANTS



Increase of apprentice and trainee numbers planned

To counter the shortage of skilled labour, STRABAG invests in the training and education of its **apprentices and trainees**.[1] For dedicated young people who have completed an apprenticeship, the door to a career at STRABAG is wide open.

Our main apprenticeship careers in **Austria** are bricklayer, ground engineering specialist, formwork carpenter and paver. But we also offer training as construction plant mechanic, electrical engineering technician, facilities and building technician, mechatronics technician, metal technician, sheet metal worker as well as plasterer and drywall finisher to complement our team. In Austria, STRABAG continually offers apprenticeship placements at around 50 locations nationwide. Since October 2021, we have been training around 250 apprentices every year at the STRABAG Camp[us] Ybbs in Lower Austria. The Camp[us] offers our junior staff future-oriented training with a focus on new working methods and modern construction technology.

In **Germany**, STRABAG and its construction equipment subsidiary STRABAG BMTI are pursuing the selective training of young talents at the Group Training Workshop in Bebra, where the focus is on the commercial and technical fields. In Bebra, our apprentices for the professions of road worker, ground engineering worker and construction equipment operator receive top-quality vocational training and individual attention. The aim is to secure an efficient knowledge transfer under aspects of quality and time away from the daily working routine.

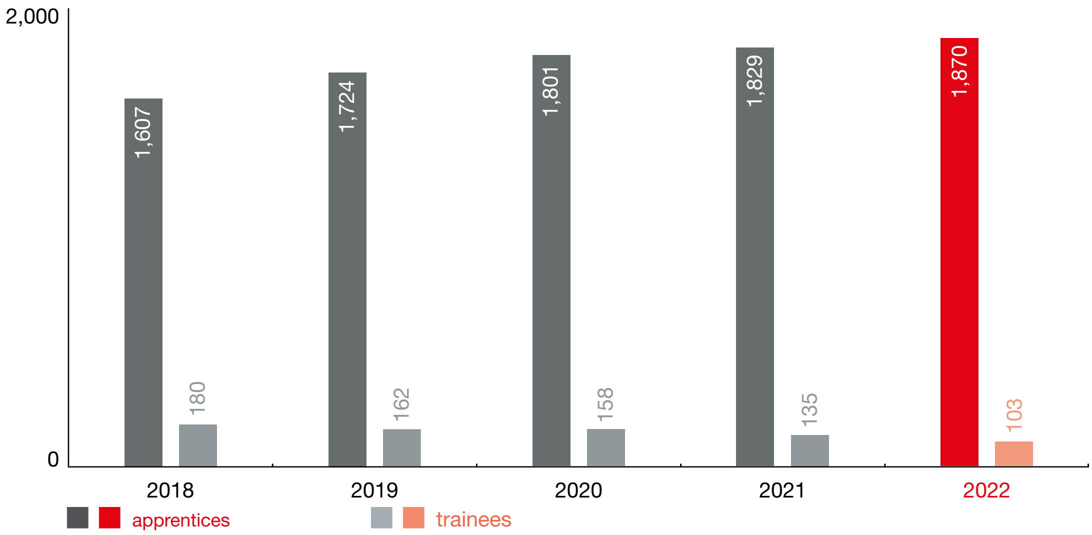
1 Due to the differences in training systems from country to country, only the situation in the core markets of Austria and Germany is presented here.

In Germany, Austria and Switzerland, a total of 605 blue-collar apprentices were taken on in 2022 (2021: 505). A significant increase of the apprentice and trainee numbers is planned in Germany and in Austria in the years to come. More information about the apprentice professions and work placement positions is available at karriere.strabag.com.

103 trainees at work for us

It is our aim to recognise, promote and develop young talents. In the competition for the best employees, STRABAG therefore offers a practical familiarisation programme for graduates with little professional experience holding selected bachelor's and/or master's degrees from academic universities as well as from universities of applied sciences. The aim of our trainee programmes is to best prepare the graduates for the requirements of their future position in the Group. In 2022, the STRABAG Group had 73 technical and 30 commercial trainees (FTE), of which 71 were men and 32 women.

NUMBER OF APPRENTICES AND TRAINEES (FTE)

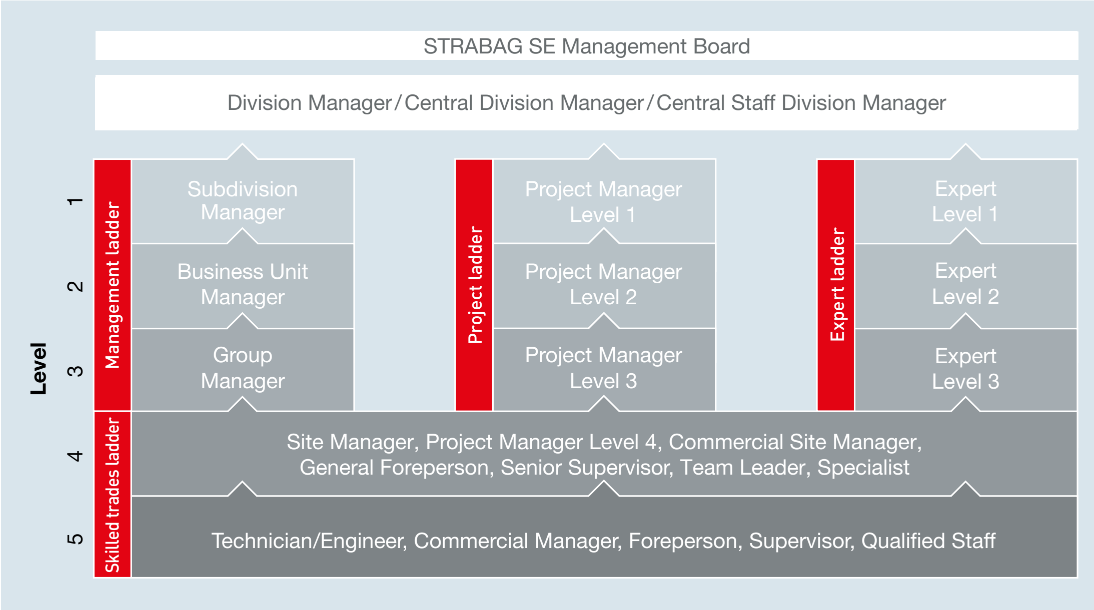


Trainees have their own personal schedule as a way of addressing individual wishes and needs and to offer flexible entry times. The commercial **trainee programme** lasts between eleven and 13 months, the technical programme varies between twelve and 15 months and both programmes include a period of three months abroad. At the beginning of the programme, trainees meet with a mentor to design the trainee schedule according to the specific professional and personal requirements of the target position. This experienced mentor is available to the trainee throughout the entire training period. Regular feedback interviews help focus on the trainee's individual development. With instruction from experienced specialists and management employees, the trainees pass through different organisational divisions and are introduced to various areas of business and responsibility. Both the commercial as well as the technical programme include mandatory sessions, for example on the construction site. Specific training activities are used to develop the applicant's personal and professional skills. An individual training schedule is developed for each trainee.

TALENT MANAGEMENT

The purpose of talent management is to recognise, develop and bind **high-performers** and high-potential employees in the interest of filling (key) positions with young talent possessing the best possible qualifications from within our own ranks. Based on our career model, internal parameters are applied to identify high-potential employees, provide them with individual support, and deploy them in the right positions. Besides the management ladder, which focuses on general management tasks, two other career paths are available: The expert careers are characterised by a high degree of technical expertise in a specialty field. Project managers can fall back on their years of experience in the field of project management and are responsible for complex construction projects. Individual activities such as a development centre, special training programmes or job rotation schemes are offered to help develop the recognised potential. **Coaching** – support from external professional consultants to successfully master professional challenges – and **mentoring** – the professional partnership between an experienced manager and a specialist or manager in training, characterised by the communication of experience and active feedback – are increasingly included in the individual development plans of the talents. The goal-oriented recognition and promotion of high potential employees should ultimately create a stronger bond to the company, which in the long term serves to ensure quality, continuity and performance within the group.

CAREER MODELS



FAIR COMPETITION

We see the avoidance of corruption and anti-competitive behaviour as an essential management task. The potential damage that a company may incur as a result of corrupt or anti-competitive behaviour on the part of individual employees can be significant.

The construction sector is not immune to corrupt or anti-competitive behaviour by individual persons. Complex accounting processes and the necessity for a great number of contractual relationships during a construction project often make it difficult to fully resolve non-compliant behaviour.

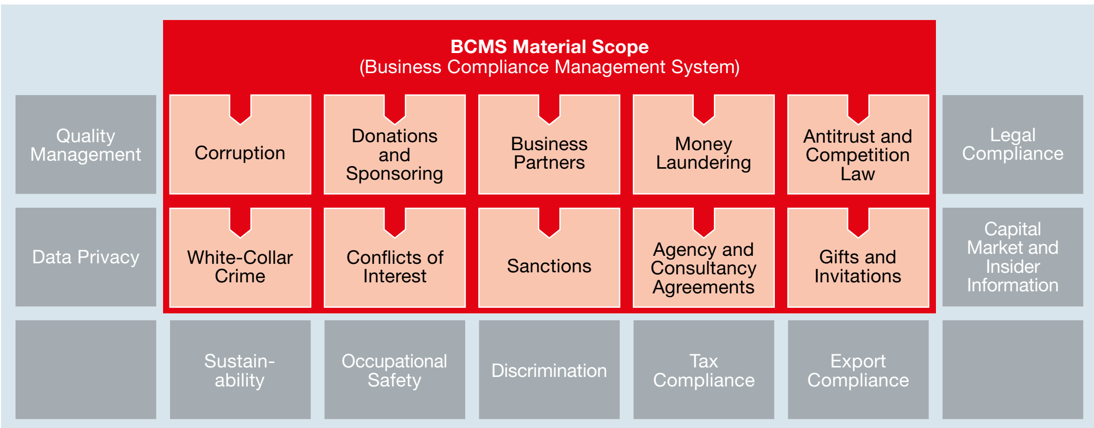
Even if STRABAG generates much of its revenue in countries with a low risk of corruption, the international nature of its business means that some activities are also performed in countries with a higher corruption risk, as measured, for example, by the Corruption Perceptions Index.[1] Transparent procedures to minimise risk are required in all regions, especially during contract award or in negotiations with partner companies and subcontractors.

STRABAG acted by implementing an **ethics business compliance system** in 2008 to avoid violations of the law and any resulting material and immaterial damage and to maintain the company's good reputation as a business partner, contractor and employer. The company has been continuously developing the system ever since. With extensive measures for employees and leadership, STRABAG is working to promote compliant and ethical behaviour and to create a strong corporate culture based on **partnership and trust.**

Rules, responsibilities and due diligence

The new STRABAG Business Compliance Management System (BCMS) came into force in 2020 as part of the STRABAG Ethics Business Compliance System, replacing the Business Compliance Guidelines and the Business Compliance Guidelines for Business Partners that were valid until that time.

As part of the new STRABAG BCMS, the topics shown in the following diagram are dealt with extensively in order to ensure fair competition.



1 Transparency International, Corruption Perceptions Index 2022, https://www.transparency.org/en/cpi/2022 (retrieved on 21 February 2023)

The STRABAG BCMS and the Code of Conduct, which lays out the basic ethical values of the group, together form the STRABAG Ethics Business Compliance System.

The Code of Conduct was written in 2015 and updated with a new version in 2022. The basic theme of taking responsibility has also been chosen as a common thread in the new Code of Conduct. The document is intended to have both an internal and an external impact and addresses employees, business partners and other stakeholders such as supervisory and government authorities as well as shareholders in equal measure. Graphic and editorial adjustments were made to bring the document up to date and make the content easier to read. The Principles of Employment Conditions and Human Rights, previously attached as a supplementary annex, are now directly addressed in the Code of Conduct itself.

The new STRABAG BCMS is based on the Compliance Readiness Check performed together with an external consulting firm throughout the group in 2017 and 2018 and meets the requirements of ISO 19600 (Compliance Management Systems) and ISO 37001 (Anti-Bribery Management Systems).

In addition to the BCMS description, clear rules of conduct for the entire management and all employees of the Group are defined in four management directives with the aim of ensuring fair competition. These management directives are accompanied by a Supplier Code of Conduct that summarises those principles of business conduct that STRABAG also expects its suppliers and subcontractors to adhere to.

The **risk assessment** procedure is described in the Business Compliance Risk Analysis. The definition of the risk areas is based on the business activities of STRABAG as an internationally active construction group and is confirmed by many years of experience and knowledge of the industry. In this way, specific situations that could represent a risk for STRABAG were determined with the support of the central staff division Internal Audit. The Compliance Readiness Check carried out in 2017 and 2018 was also taken into account. In line with STRABAG's international orientation and its organisation in operating segments, the risk analysis is not based on the location of operations or branch offices, but on organisational entities.

The process of **risk analysis** is divided into the identification of risks (risk inventory), the analysis in the narrower sense based on potential damage and the probability of occurrence, and the final risk assessment. This is used to derive measures to reduce or avoid risks. STRABAG uses the deductive method to identify risks. In this process, relevant information within the scope of STRABAG's activities are assigned to individual risks. Circumstances that increase risk are also taken into account. Based on an assessment of both the possible damage and the probability of occurrence, the identified risks are subsequently classified into the categories "low", "medium" and "high".

The risk analysis is reviewed annually at a previously determined point in time and adapted or broadened if necessary. The Business Compliance organisation obtains information from the operating units for this purpose. To date, this has been done using risk workshops and, since 2021, on the basis of a newly established annual management business compliance reporting system. In addition, experience and knowledge from employee questions to the Business Compliance organisation, reports from the whistleblower system, findings from violations as well as information from the group's internal audit department are included in the annual evaluation.

The avoidance and handling of conflicts of interest are laid out in a separate management directive as an annex to the STRABAG BCMS. The directive places the focus not only on avoidance but also on the transparent management of often unavoidable conflicts of interest in order to ensure, among other things, fair competition through appropriate measures. All STRABAG employees are obliged to disclose potential conflicts of interest; another essential instrument for identifying potential conflicts of interest is the STRABAG whistleblower system. Taking into account the increased risk in connection with donations and sponsoring, the STRABAG BCMS establishes clear rules and processes to prevent the misuse of donations and sponsoring.

Immediately after joining the group, all STRABAG employees receive instruction in the rules for ensuring fair competition in the form of **mandatory e-learning training** sessions that must be repeated once every two years. As the management of STRABAG is exposed to a greater risk of corruption, the members of this group of employees are obliged to participate in special training courses on the avoidance of corruption and anti-competitive behaviour in addition to completing the regular e-learning training. These training sessions, which are usually held in the form of face-to-face events, must also be completed every two years.

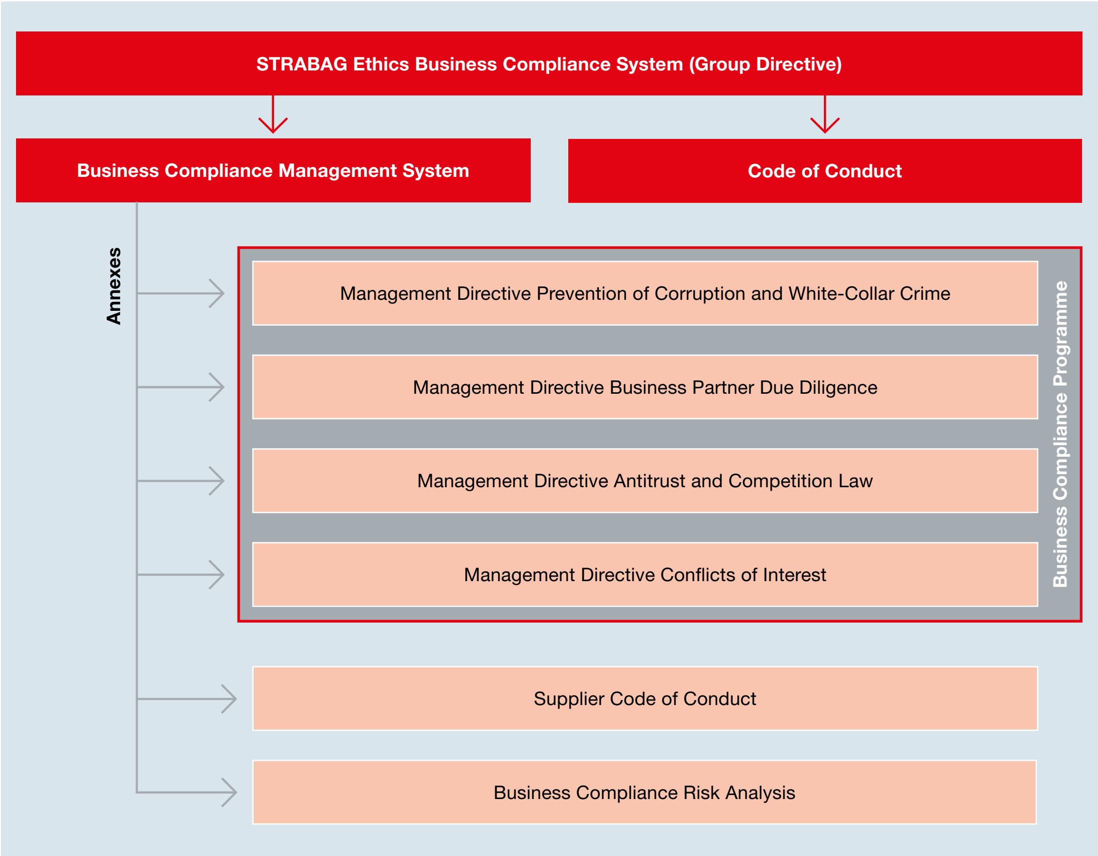
The **Chief Business Compliance Officer**, as the central contact person for all business compliance matters, reports directly to the responsible member of the Management Board, the CEO. In line with the international orientation of the group, the Chief Business Compliance Officer is supported by Regional Business Compliance Officers.

Online whistleblower platform: strabag.integrityplatform.org

Further functions within the Business Compliance central staff division include

- Corporate Business Compliance Officers, who support the Chief Business Compliance Officer in his or her central tasks,
- Regional Business Compliance Officers, who are responsible for their respective countries,
- Business Compliance Partners, who are nominated by the operating units and support these in fulfilling the processes defined in the new BCMS, and
- a Business Compliance Committee, consisting of the heads of the central division Contract Management and Legal (CML), the Group's Internal Audit department and the Chief Business Compliance Officer. The committee deals with proposals developed by the Business Compliance organisation to improve the BCMS as well as suspected cases of serious business compliance violations.

Potential compliance violations, such as bribery, fraud or corruption, can be reported to specially appointed contact persons (Regional Business Compliance Officers) via STRABAG's corporate-wide whistleblowing system. Employees, as well as subcontractors and other third parties, have the possibility to anonymously pass on relevant information via the online whistleblowing platform strabag.integrityplatform.org as well as by phone or by e-mail. STRABAG actively calls upon anyone with relevant information to come forward so we can quickly identify misconduct, respond appropriately and avoid any possible damage. In the event of violations of the legal regulations or of the conduct guidelines applicable within the company, the company will take the requisite disciplinary and legal (labour law) measures.



The management directive on Prevention of Corruption and White-Collar Crime forms part of the STRABAG BCMS and was updated in 2021 in the item “Donations and Sponsoring”. The definition of donations and sponsoring was made more precise and the conditions for their admissibility were specified. Approval requirements have been added involving the Business Compliance organisation and, in certain cases, the Corporate Communications central staff division. The new regulations have been supplemented by a clear factsheet designed to make them easier to handle. In the 2022 reporting year, the rule was adapted to the current rules of procedure of STRABAG SE (item 31b). This change reduced the value limits so that donations and sponsoring activities are now subject to stricter approval processes. In the future, donations and sponsoring activities will be reported to the central staff division Business Compliance as part of the management business compliance reporting introduced with the STRABAG BCMS.

A change in the definition of agencies and consultancies resulted in an extension of the approval requirement for agency and consultancy agreements by the Business Compliance organisation as laid down in the management directive on Business Partner Due Diligence.

Objectives and indicators

IDENTIFICATION OF CORRUPTION RISKS

In accordance with STRABAG’s business activities and organisational structure, locations of operation are generally not an adequate starting point for assessing corruption risks. STRABAG’s business activities are mapped in organisational units that can be structured geographically or according to business areas. The identification and assessment of corruption risks is therefore consistently done in organisational units, whereby the extent of corruption risks can vary greatly from one organisational unit to the other.

The “Compliance Readiness Check” conducted in 2017 and 2018 included a review of the corruption risk in all divisions, central divisions and central staff divisions. As a result of the Management Business Compliance Reporting, which became mandatory for all divisions, central divisions and central staff divisions for the first time in 2021 and must subsequently be carried out annually, the assessment of corruption risks is to be updated annually and continuously improved. The risks identified in the course of the investigation were taken into account accordingly in the design of the new STRABAG BCMS.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

A key factor for ensuring fair competition is to provide employees with the most comprehensive knowledge possible about correct behaviour in their day-to-day business dealings, but also about the negative consequences of non-compliant behaviour. For this reason, STRABAG in 2013 implemented a comprehensive training concept to communicate to employees the guidelines and procedures for combating corruption and anti-competitive behaviour.

The training concept for the avoidance of corruption and anti-competitive behaviour, which has been valid since 2020, is shown in the following table:

Title	Target group	Content	Type of training	Duration	Frequency
Business Compliance Training	all employees	STRABAG Ethics and Business Compliance Management System	e-learning course	approx. 40 min.	immediately after entry and every two years thereafter
Anti-Corruption and BCMS	entire management	Anti-corruption and the STRABAG Business Compliance Management System	classroom training	½ day	upon attainment of a management function
Cartel Law	entire management	Anti-competitive practices, abuse of dominant market position and merger control	classroom training	approx. 3 h	upon attainment of a management function
Business Compliance Refresher Course	entire management	Review and consolidation of the content from the Anti-Corruption and BCMS and the Cartel Law training courses	classroom training	½ day	every two years

The e-learning course "Business Compliance Training", developed on the basis of the STRABAG BCMS valid since 2020, was rolled out across the group in February and March of 2021 and shows a course completion rate of 94% (as of 31 December 2022).

No physical classroom training took place due to the Covid-19 crisis in the 2020 reporting year. In 2021, the training courses were revised and for the first time held via Microsoft Teams in Austria and Germany. This made it possible to slightly increase the training rate. The training rates reached the following values in 2022:

- Training course "Anti-Corruption and BCMS": 86%
- Training course "Cartel Law": 89%
- Refresher course "Business Compliance": 64%

The target value for all these training courses is 95%.

TRAINING RATE BY REGIONS

		Anti-Corruption and BCMS		Cartel Law		Business Compliance refresher course		
Region	**Managers for whom training is mandatory**	**Completed**	**Completion rate %**	**Completed**	**Completion rate %**	**Managers for whom training is mandatory**	**Completed**	**Completion rate %**
Austria	331	307	93	309	93	215	203	94
Germany	590	509	86	555	94	349	237	68
CEE	380	319	84	320	84	248	86	35
Rest of Europe	35	15	43	14	40	10	0	0
Rest of World	3	0	0	0	0	0	–[1]	–[1]
Total	**1,339**	**1,150**	**86**	**1,198**	**89**	**822**	**526**	**64**

CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

- **Total number and nature of confirmed[2] incidents of corruption[3]:**

  There were no confirmed incidents of corruption in the 2022 reporting year.

- **Total number of confirmed incidents in which employees were dismissed or disciplined for corruption:**

  There were no confirmed incidents in which employees were dismissed or disciplined for corruption.

- **Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption:**

  There were no confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.

- **Public legal cases regarding corruption brought against STRABAG or its employees during the reporting period:**

  There was one legal case brought against STRABAG in the 2022 reporting period. The person involved was no longer an employee of STRABAG at the time the legal case was brought. The accusations relate to an incident of fraud in connection with a bogus invoice from 2019. The proceedings were terminated at the beginning of 2023 after a settlement was reached between the accused and the public prosecutor's office.

1 There currently are no managers in the "Rest of World" region who must attend the refresher training.
2 "Confirmed" is understood to mean a final and binding conviction.
3 Corruption as defined by GRI 205 includes practices such as bribery, facilitation payments, fraud, extortion, collusion and money laundering. It also includes the offer or receipt of gifts, loans, fees, rewards or other advantages as an inducement to do something that is dishonest or illegal or represents a breach of trust. Corruption may also include embezzlement, trading in influence, abuse of function, illicit enrichment, concealment and obstructing justice.

LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOUR, ANTI-TRUST, AND MONOPOLY PRACTICES

In the 2022 reporting year, there were nine legal proceedings pending due to anti-competitive behaviour, cartel violations and monopoly formation.

The latest investigations by the Public Prosecutor's Office for Economic Affairs and Corruption (WKStA) have prompted the Federal Competition Authority (BWB) to file an application with the Cartel Court for a reassessment of STRABAG's fine. The Cartel Court rejected the motion, and the BWB and the Federal Cartel Prosecutor have appealed against the ruling. A decision by the Austrian Supreme Court (OGH) is pending.

Meanwhile, the WKStA is continuing its investigations in the criminal case, with the first criminal charges on certain matters expected in the first half of 2023. At the same time, criminal investigations into certain projects have been partially discontinued.

COMPLIANCE WITH LAWS AND REGULATIONS

- **Total number of significant instances of non-compliance with laws and regulations in the area of business compliance during the reporting period:**

  There were eight significant instances of non-compliance with laws and regulations in the area of corruption and anti-trust violations during the reporting year. These are reported under the section "Legal actions for anti-competitive behaviour, anti-trust and monopoly practices".

  For none of these instances were fines or non-monetary sanctions incurred.

- **Total number and the monetary value of fines that were paid during the reporting period:**

  No fines for significant instances of non-compliance with laws and regulations in the area of business compliance were paid in the reporting year.

- **Description of the significant instances of non-compliance:**

  With the exception of one incident, the significant instances of non-compliance in the 2022 reporting year are listed in the section "Legal actions for anti-competitive behaviour, anti-trust and monopoly practices".

- **Description of how the significant instances of non-compliance were determined:**

  Non-compliance is determined through internal as well as external investigations. The incidents cited are not final and binding. Some cases are expected to be concluded in 2023.

Projects and initiatives

Experience has shown that a functioning BCMS not only has a positive impact internally, but also yields great advantages externally. This is one of the reasons why STRABAG pursues a corporate-wide certification process. Fair competition is one important component in this process. STRABAG wants to raise awareness of the issue not only among top management, but also among decision-makers at other levels. The past has shown that group managers in particular have comparatively broad decision-making authority but receive less training on this topic than the management level. For this reason, a separate group manager training course will be rolled out in an online format in 2023.

The sanctions list review also proved to be of great importance in 2022, not only for ourselves but also for our external stakeholders. We sharpened our criteria for the stakeholder review (see item "Internal Memorandum"), which we believe sends a positive message to these stakeholders. We also conducted a stakeholder analysis during the reporting period in order to identify and better understand the needs and expectations of a variety of different parties. The stakeholder analysis is based on the criteria set out in ISO 37301.

- **Monitoring audit in accordance with ISO 37001 and ISO 37301**

Following STRABAG AG Austria's successful certification by **Austrian Standards to ISO 37001 and ISO 37301** for the prevention of cartel and competition violations and for combating corruption, and confirmation of the effectiveness of the compliance management system in the monitoring audits, the first-ever monitoring audit for corporate-wide certification was carried out in July 2022. The certification is divided into the three country clusters of Austria, Germany and the remaining

Group countries. The monitoring audit for Austria was completed in summer 2022.

Certification was awarded to STRABAG SE and all Austrian companies. The scope of the **certification in accordance with ISO 37001 and ISO 37301** again includes the issues of anti-corruption and cartel law. STRABAG SE was able to demonstrate the effectiveness of the Business Compliance Management System (BCMS) in all Austrian companies in order to obtain the certification. In a second step, all of STRABAG SE's German companies were audited and certified during the fourth quarter of 2022.

In the first half of 2023, all other companies of STRABAG SE will be reviewed for the effectiveness of the BCMS, so that corporate-wide certification of STRABAG SE can be expected in the middle of 2023.

- **Voluntary monitoring**

The **external monitoring** that was introduced in 2021 for the purpose of a sustained and continuous improvement of the STRABAG BCMS in Austria was concluded at the end of 2022. Over a period of two years, a monitoring team set up under the leadership of former Austrian State Secretary Brigitte Ederer and supported by recognised experts from certifier Austrian Standards had worked to ensure that the STRABAG BCMS was appropriately developed, effectively implemented and complied with in practice.

For this purpose, the monitoring team reviewed all relevant documents and conducted numerous interviews with the central divisions, central staff divisions and operating units of STRABAG AG Austria and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG of Division 3D STRABAG Building Construction and Civil Engineering and Transportation Infrastructures in Austria. The focus of the monitoring is:

- Organisation as well as assignment of tasks and activities of the Business Compliance central staff division including the Business Compliance Partners

- Evaluation of the business compliance training

- Access to the whistleblower platform

- Compliance with business partner review processes and anti-trust and competition law aspects, especially in the asphalt mixing plant business

- Compliance-related aspects with interfaces to internal audit, contract management and legal, human resources development, management support and project risk management

As part of the monitoring, a total of 226 interviews were conducted and 11 subdivisions were assessed on site. The monitoring concludes with a final report including recommendations to the Business Compliance division and the management of Division 3D.

- **Internal memorandum on the sanctions list review of business partners**

Following Russia's invasion of Ukraine, the Management Board decided that the Business Compliance central staff division should intensify its sanctions-related monitoring activities. As many natural and legal persons were included in the various sanctions lists, the risk-based parameters according to Management Directive 02 for the **business partner review** had to be tightened to ensure that STRABAG does not do business with any sanctioned person or company. For this reason, an internal memorandum on the sanctions list review of business partners was sent to all division and central division managements in March 2022. Business partners who fall under the parameters must be reviewed for inclusion on the various sanctions lists by a business compliance partner before a contract can be concluded.

- **Compliance Conny**

To communicate the criteria that must be fulfilled for a business partner review in a more understandable way, the Business Compliance division developed an online guide to assist the operating units on when a review is required. The app, called Compliance Conny, was made available in all Group languages in December 2022. All employees can access Compliance Conny via the intranet and determine whether a business partner review is necessary or not by answering a set of predefined questions.

- **Memberships**

STRABAG is a member of the **compliance working group of the Association of Industrial Construction Companies in Austria (VIBÖ).** Within the framework of the VIBÖ Collective Action Pact for fair competition and good conduct in the construction industry, a collegial exchange of experience on compliance processes in the member companies is planned to take place.

ENERGY AND EMISSIONS

Around 35% of global energy consumption and approximately 38% of the associated greenhouse gas emissions are attributable to the construction sector – both during actual construction and in the usage phase.[1] This makes the expansion of renewable energies and the reduction of energy consumption key factors in achieving our ambitious goal of becoming climate neutral by 2040.

STRABAG was faced with new challenges in terms of its energy and raw materials supply in the reporting year due to Russia's war against Ukraine. The consequences from the military conflict have led to distortions on the markets and in the supply chains. For STRABAG, however, the energy supply was secured at all times in all markets during the year under review. The noticeable increase in energy costs is due to the significant rise in prices on the energy markets.

In addition to the volatility on the energy markets, political regulations such as carbon pricing have also had a direct impact on business operations. The mechanism of a continuously rising CO_2 price as an economic incentive to improve energy efficiency and substitute fossil fuels with renewable energy sources was already implemented by law in Germany in 2021. In Austria, this step was taken in 2022.

In order to meet these challenges with specific measures, the development of a corporate-wide **energy strategy** was launched in the reporting year. This strategy includes a constant increase of energy efficiency at our business locations, production facilities and construction sites as well as the continuous substitution of fossil fuels through the consistent expansion and use of renewable energies.

Having a climate-neutral energy supply is a relevant competitive factor for STRABAG and central to becoming climate neutral along the entire value chain by 2040.

Rules, responsibilities and due diligence

The corporate-wide **environmental and energy policy**, updated in 2020, lays the foundation for low-emission energy consumption. Due diligence processes are used to identify opportunities and risks at an early stage and help to fulfil the legal requirements of the climate and energy policy.

STRABAG's energy management is based on a set of tools to determine energy consumption and greenhouse gas emissions, on the one hand, while also developing and managing measures to increase energy efficiency and decrease greenhouse gas emissions, on the other. In an annual meeting of the energy officers, current energy issues from individual Group countries are discussed in order to identify areas for action and to drive forward the necessary activities. The corporate-wide energy and emissions management system is coordinated by the **Energy Steering Committee**, which determines the strategic orientation of the energy management and reports annually to the CEO. On the basis of the corporate-wide energy data, energy experts at individual corporate entities formulate recommendations to the steering committee. Accordingly, operational targets for energy consumption and CO_2 emissions are defined and relevant measures are set throughout the Group. An energy management system certified to the international standard ISO 50001 was rolled out at corporate entities responsible for around 69% of the output volume. Additional local measures and audits for energy management cover a further approximately 9% of the output volume in the Group countries. Driven by the energy efficiency legislation in our markets, we can reduce energy consumption and the associated greenhouse gas emissions and so achieve cost savings.

1 UN Global Status Report for buildings and construction 2020 https://globalabc.org/sites/default/files/inline-files/2020%20Buildings%20GSR_FULL%20REPORT.pdf (retrieved on 21 February 2023)

Objectives and indicators

It is our explicit goal to reduce the negative impact of our business activity on the environment and so contribute to the transition towards a sustainable economy. To achieve this goal, we give priority to those issues that either promise the greatest potential for improvement or that we can influence most directly through our own actions. We are working to reduce fossil fuel consumption through the use of the best available technology. Production processes are planned, implemented and controlled in an energy-efficient manner.

The energy and CO_2 data for the Group are systematically captured and analysed using **CarbonTracker**. The software was developed in-house and has been used and regularly updated since 2012. Based on this information, we are developing concepts to reduce the use of fossil energy sources and lower the resulting greenhouse gas emissions in the long term through more efficient conventional or innovative machines.

The Group's most important energy source is fuel, which accounts for about 67% of the total energy costs and therefore holds the greatest potential for savings for the Group. **FuelTracker**, which was developed analogously to CarbonTracker, allows us to analyse the fuel use of the STRABAG passenger car and commercial vehicles fleet. The figures have served, among other things, as the basis for the fuel-saving challenge "Ready. ECO. Go!"

ENERGY USE WITHIN THE GROUP[1]

Form of energy	Unit	2018	2019	2020	2021	2022
Fuel	MWh	1,976,423	1,986,883	1,732,783	1,754,901	1,961,591
Gas	MWh	497,899	430,143	332,625	428,683	416,171
Heating oil	MWh	172,550	165,764	142,857	151,406	153,519
Pulverised lignite	MWh	481,787	481,235	500,732	503,083	475,975
Total fuel consumption from non-renewable sources	**MWh**	**3,128,659**	**3,064,026**	**2,708,997**	**2,838,073**	**3,007,256**
Electricity	MWh	477,286	432,755	411,441	394,859	417,340
thereof green electricity[2]	MWh (%)	n. a.	n. a.	26,700 (6)	100,837 (26)	96,366 (23)
District heating	MWh	44,802	48,826	42,665	41,645	42,806
Total	**MWh**	**3,650,747**	**3,545,607**	**3,163,103**	**3,274,577**	**3,467,402**

THE CARBON FOOTPRINT IN THE GROUP[3]

The carbon footprint for the 2022 financial year refers to the Group's full scope of consolidation and includes the emissions caused in 66 countries. Within the Group, a total of 809,104 t CO_2 (813,242 t CO_2e) were emitted directly by the company in the year under report (Scope 1), with an additional 174,419 t CO_2 (175,191 t CO_2e) attributable to electricity and district heating use (Scope 2)[4].

In 2022, work was carried out on the calculation of the Scope 3 emissions by comprehensively testing the ERP system for Scope 3 calculation requirements. Based on the findings, it was decided to extensively adapt the ERP system to be able to calculate valid Scope 3 emissions along the entire value chain. The reporting of Scope 3 emissions is therefore being established step by step.

1 Currently, the energy data is derived from the prices taken from our internal accounting. Only the data for pulverised lignite is acquired on a volume basis. Energy costs are converted into quantities using the average prices from the following sources: Eurostat for electricity and natural gas; the European Commission's Weekly Oil Bulletin for diesel, petrol, heating oil/fuel oil and LPG. Prices are also taken directly from invoices. The energy units are converted to MWh (analogue to calorific value) using conversion factors from the following sources: German Federal Ministry for Economic Affairs and Climate Action (BMWK) for fuels and heating oil; supplier data for pulverised lignite.

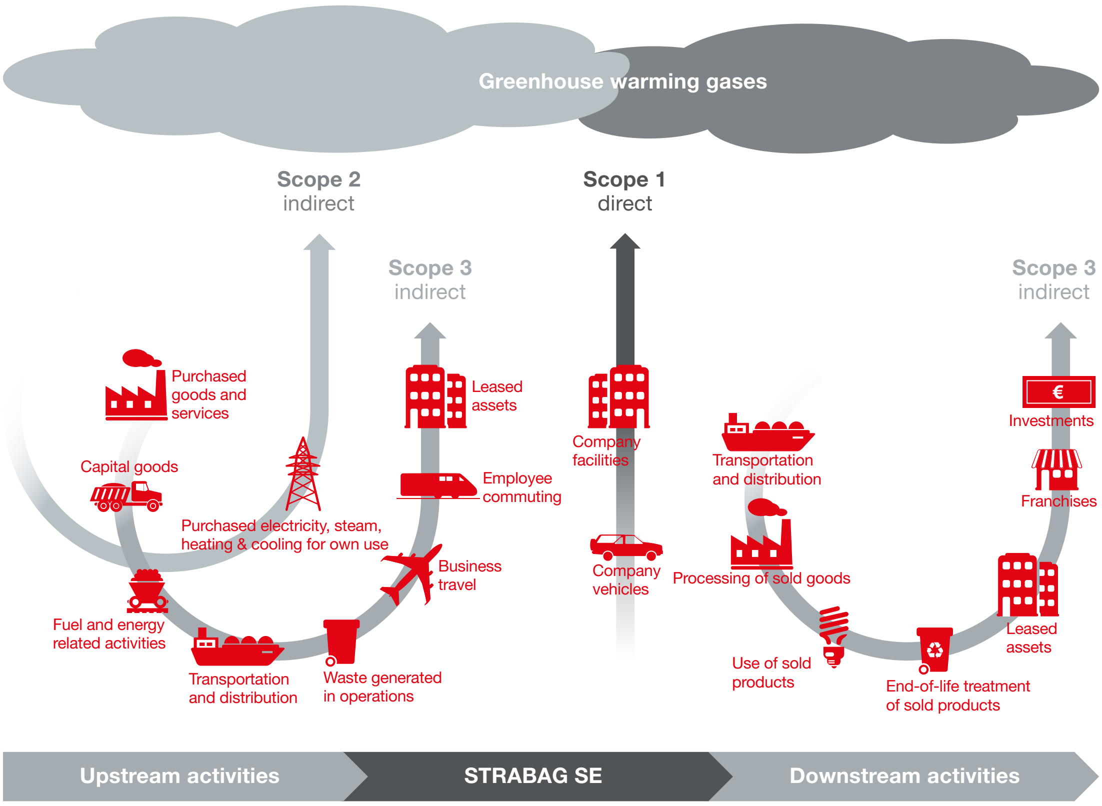
2 This concerns the purchase of green electricity in Austria and Germany within the framework agreements (approx. 80% of the total electricity consumption in the respective countries).

3 The emissions are reported in Scope 1 and Scope 2 in accordance with the definition of the Greenhouse Gas Protocol. Since 2020, emissions have been reported in the units CO_2 and CO_2 equivalent (CO_2e, includes CO_2, CH_4 and N_2O). Scope 1 emissions are calculated based on the standard unit of calorific value (kWh) using the conversion factors from the IPCC 2006 Guidelines for National Greenhouse Gas Inventories. For pulverised lignite, factors from the local suppliers were additionally used. Scope 2 emissions for electricity and district heating have been reported separately since 2020 using market-based and location-based methods. Where district heating data was not available for a certain country, the Group average value derived from the available data was used. For the market-based calculation, CO_2 emission factors from our local electricity tariffs are used. If market-based factors are not available, location-based factors are used.

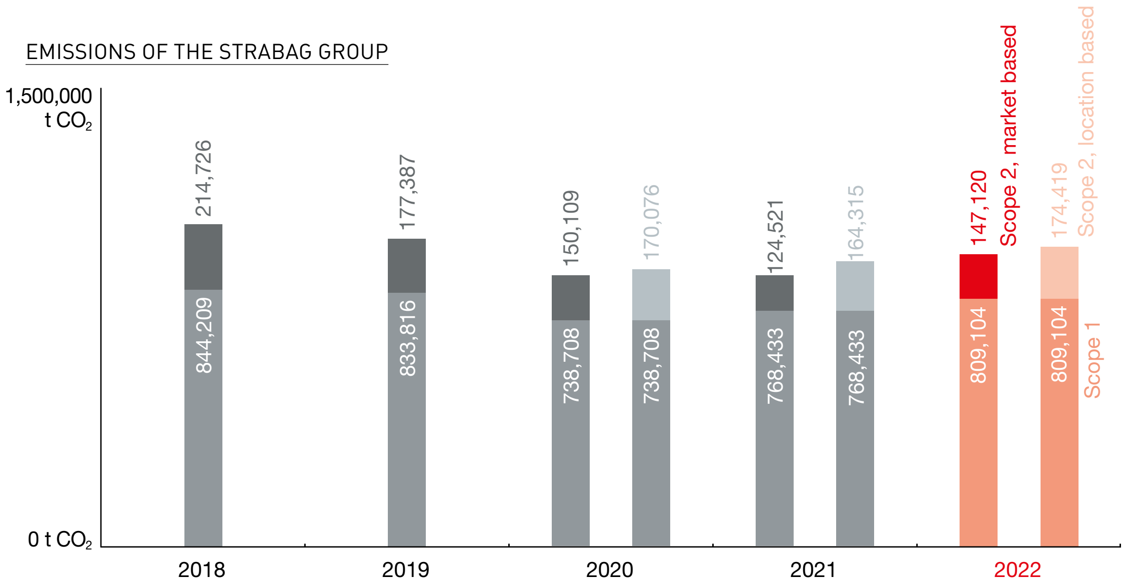
4 The calculation is made using the location-based method. The Scope 2 emissions according to the market-based method amount to 147,120 t CO_2 (148,454 t CO_2e).

The increase in the absolute values of carbon emissions results from a strong increase in output. Measured in relation to output, however, CO_2 intensity continues to decline. Slightly more than half of the CO_2 emissions in the Group result from the use of fuels, mainly diesel. This is followed by pulverised lignite and electricity with 17% and 17%, respectively. Germany, Poland, Austria and the Czech Republic together are responsible for the greatest share of these emissions (approximately 67%). With 75%, these countries also accounted for the greatest share of the Group's output volume in 2022.

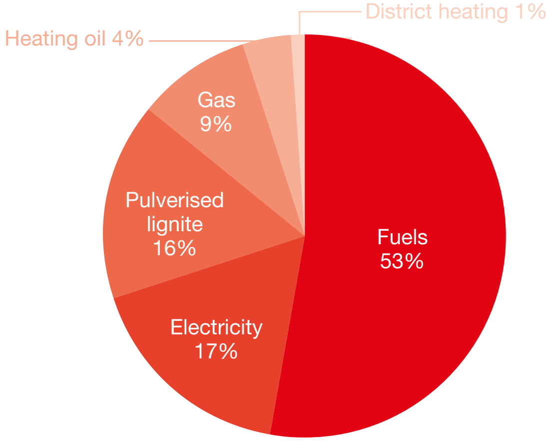
THREE SCOPES



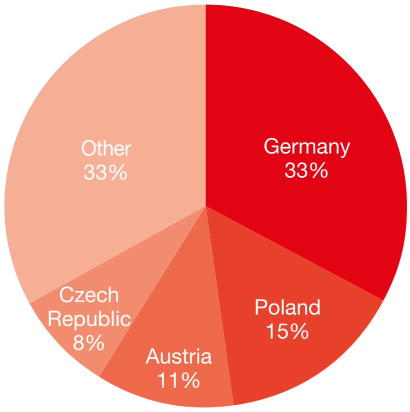
EMISSIONS OF THE STRABAG GROUP



CO_2 EMISSIONS BY ENERGY SOURCE IN 2022



CO_2 EMISSIONS BY COUNTRY IN 2022[1]



Indicators

Energy consumption and CO_2 intensity in the relevant energy consumption categories

- Vehicle fleet[2]:
  - All diesel-powered passenger vehicles in Germany and Austria: 5.79 l/100 km (-2.29%) and 155 g CO_2/km (-2.29%)
  - All diesel-powered commercial vehicles in Germany and Austria: 9.16 l/100 km (-1.22%) and 245 g CO_2/km (-1.22%)

  Objective: energy efficiency increase of at least 1% over the previous year

  Note: The decrease in fleet consumption this year is the result of corporate-wide awareness-raising campaigns, including the “Ready. ECO. Go!” fuel-saving challenge.

- Asphalt mixing plants in Germany: 92.60 kWh per tonne of asphalt mixture produced (-5.12% year-on-year) and 29.80 kg CO_2 per tonne of asphalt mixture produced (-4.49% year-on-year)

  Objective: energy efficiency increase of at least 1.3% over the previous year

  Note: This year’s reduced consumption at the asphalt mixing plants is attributable to the more even utilisation of production capacities.

Projects and initiatives

For economic and environmental reasons, the topic of energy and the resulting greenhouse gas emissions are of great importance to STRABAG. In the 2022 financial year, the energy costs for the companies within STRABAG SE’s scope of consolidation amounted to € 406.83 million (2021: € 282.86 million). The increase in energy costs compared to the previous year results, among other things, from a not insignificant increase in output together with the disproportionate rise in energy prices.

Energy savings and emission reductions are achieved by increasing energy efficiency and using renewable energy sources. This includes, among other things, measures to optimise the electricity consumption of buildings, construction sites and production plants as well as the evaluation of alternative fuel use in asphalt production.

To help improve employee involvement in sustainability matters, the company launched a fuel-saving initiative this year called “Ready. ECO. Go! The STRABAG Fuel Save Challenge”. Various divisions whose data quality in the FuelTracker makes it possible to measure their achievements and who have a minimum number of five passenger cars and/or commercial vehicles in their fleet, are taking part in this corporate-wide challenge. All company cars and commercial vehicles ≤3.5 t are taken into account. The year-on-year percentage savings in average fuel consumption are compared

1 The graph was created using the location-based calculation method. Up to and including 2019, market-based emissions were used.
2 Only diesel is taken into account, as petrol is used mostly to operate small equipment.

among the participants in the challenge. In the main competition, which ran from 1 May 2022 to 31 December 2022, the most successful fuel savers received a portion of their cost savings to donate to a charitable or non-profit organisation of their choice.

SUSTAINABLE CONSTRUCTION

Rising energy prices, the increasingly noticeable impact of climate change, and rapid urban growth present the construction industry with new challenges. Buildings are no longer optimised solely according to investment criteria; instead, criteria relating to life cycle costs, quality and resource efficiency are becoming increasingly important as well.

Taking a building's entire life cycle into account, the proportion of **energy-related greenhouse gas emissions** is **highest in the operating phase.**[1] Against the backdrop of increasing energy standards leading to decreased emissions in the operating phase, however, the grey emissions generated during the production of building materials for the building's construction are also becoming increasingly important. Accordingly, STRABAG is working to develop methods for calculating an end-to-end carbon footprint that covers all project phases. Meanwhile, the business field Reconstruction, Conversion and Refurbishment is also becoming increasingly important, as a large part of the construction-related greenhouse gas emissions can already be avoided in this way.

We have the technical know-how and the necessary experience to design and construct sustainable buildings. In addition to consultation, planning and execution, we also conduct audits of new and existing buildings in accordance with the established certification systems and can fully cover all the necessary design-and-build services within the Group.

We base our assessments on both public certification systems such as the EU Taxonomy as well as private organisations such as **Leadership in Energy and Environmental Design (LEED),** the **German Sustainable Building Council (DGNB)** and the **Austrian Sustainable Building Council (ÖGNI).** In 2022, projects within the Group were monitored by seven certified internal DGNB auditors as well as additional external auditors.

The new STRABAG Innovation Center at Albstadtweg in Stuttgart was completed and occupied in 2022. Special attention was given to resource-saving building materials, energy-efficient technologies and digital construction processes.[2] In addition to the use of carbon-neutral in-situ concrete in the construction phase and the implementation of a comprehensive photovoltaic system on the roof, the entire building was laid with cradle-to-cradle certified carpet tiles.

1 World Green Building Council: Bringing Embodied Carbon Upfront, https://www.worldgbc.org/embodied-carbon (retrieved on 29 November 2022)
2 STRABAG – Innovation Center Stuttgart (2022) https://work-on-progress.strabag.com/site/sustainability/get/params_E-520843279_Dattachment/189768/Innovation_Center_EN_22_11_Web.pdf (retrieved on 22 January 2023)

MATERIALS

Economic growth, the global population increase and the necessary adaptations to climate change are stimulating the construction and maintenance of buildings and infrastructure. This requires considerable volumes of raw materials, such as **sand**, **gravel** or quarry **stone**. The annual demand for these natural aggregates in the construction industry amounts to approximately 2,105 million tonnes[1] in the European Union alone and represents the largest flow of raw materials in the EU.

Through the continuous mining of **primary raw materials** for the production of building materials and their disposal at the end of a building's usage phase, the construction sector strongly interferes with existing ecosystems. This type of interference can have long-term negative consequences that threaten our environment as well as STRABAG's business foundation.

Although intra-European production of mineral building materials almost completely covers the demand, their extraction may soon come up against environmental, social and economic limits. Increasing construction volumes, land competition, social conflicts and the potential for sand and gravel shortages in some parts of the world could quickly lead to economic bottlenecks in supply.[1] Increasing the resource efficiency of our building materials and of the buildings themselves, and exploiting the recycling potential of the building materials used, will reduce our material use and thus counteract the projected increase in demand for raw materials in the coming years.

At the end of a building's service life, we strive to reuse the materials in other buildings to the same extent and to exploit the **recycling potential of building materials** as much as possible. Research and development in the field of alternative materials is helping to drive the process of replacing scarce resources and environmentally harmful building materials in order to mitigate our environmental impact – both in material extraction and material disposal. In addition, the environmental impact assessments carried out in connection with certain public and private construction projects are focusing increasingly on the issues of wildlife protection, biodiversity and environmentally compatible demolition planning.

By producing the relevant building materials in-house, STRABAG can minimise risks from volatile markets and offer customers a range of services that covers the entire value chain in the construction sector.

Our architecture business unit, our strategic focus and our innovative strength prepare us for the growing demand for resource-saving services and products. As a general contractor, one of our core competencies is to integrate various trades across different **stages of the life cycle.** As such, we are familiar with the entire value creation process of a construction project and can design and build across the life cycle. This allows us to promote the idea of sustainability with the best possible technical solutions and the early interconnection of all involved.

The Group's central division TPA organises an annual get-together to share experiences in construction technology, in which employees from the entire Group are invited to take a closer look at some of STRABAG's construction projects. The event helps to strengthen the exchange of information on planning and development and to promote new insights within the Group. Temporarily suspended in 2022, the STRABAG construction experience exchange took place for the 24th time in March of 2023.

STRABAG wants to become climate neutral along the entire value chain by 2040. Responsible handling and the use of innovative carbon-optimised materials play a key role in achieving this goal.

1 European Commission – Study on the EU's list of Critical Raw Materials (2020); Non-Critical Raw Materials Factsheets, https://rmis.jrc.ec.europa.eu/uploads/CRM_2020_Factsheets_non-critical_Final.pdf (retrieved on 23 November 2022)

Rules, responsibilities and due diligence

The corporate-wide environmental and energy policy, updated in 2020, lays the foundation for resource-efficient action. Integrated due diligence processes help to identify opportunities and risks at an early stage and ensure compliance with legal requirements.

Within the Group, the subject of the environment is handled by the Integrated Quality Management (IQM) team. To properly address matters of the environment, an environmental management system certified to ISO 14001 has been introduced in nearly all Group countries.

These countries cover 88% of STRABAG's output volume. Regional experts monitor compliance with environmental protection requirements through on-site inspections and report to the responsible management level on environmentally relevant factors such as the use of materials and products with regard to orders and investments. The limited availability of selected materials and the associated potential price risks are evaluated and addressed on an ongoing basis as part of the project risk management.

Objectives and indicators

It is our declared goal to keep the negative impact that our business activity has on the environment as low as possible. To do so, we give priority to those issues that promise the greatest potential for improvement and which we can directly influence through our own actions, such as the continued development of processes and technologies for resource- and energy-efficient structures.

Indicators

We report the five **largest material flows** by volume, showing materials that are used to produce our products and provide our services. The reported materials all come from non-renewable sources. Data for renewable materials such as wood are currently not available. For this reason, no indicators can be presented for renewable materials at this time.

MATERIALS USED[1]

Material	Unit	2018	2019	2020	2021	2022
Stone/gravel	thousands of tonnes	68,650	70,410	69,960	64,790	59,991
Asphalt	thousands of tonnes	13,985	13,270	12,745	12,715	12,056
Concrete	thousands of m^3	5,746	5,519	5,089	4,775	5,154
Cement	thousands of tonnes	1,669	1,642	1,739	1,555	1,239
Structural steel	tonnes	478,290	476,901	447,213	444,698	463,853

Percentage of recycled asphalt used in the production of asphalt mixture in Germany, Austria and Poland (combined share of group output approx. 70%):

- Germany: 35% of total asphalt mixture production of 3,036 thousand tonnes (2021: 34% of 3,076 thousand tonnes)
- Poland: 33% of total asphalt mixture production of 2,268 thousand tonnes (2021: 36% of 2,513 thousand tonnes)
- Austria: 20% of total asphalt mixture production of 1,077 thousand tonnes (2021: 19% of 1,360 thousand tonnes)

  Objective: We aim to increase the recycling share in our materials and also follow client demands in the process.

The percentage of recycled products and their packaging materials in our products is not reported because it does not apply to STRABAG's business activities. As a general contractor in the construction industry, our products are structures, on the one hand, and the building materials with

1 The volumes were calculated from the average prices.

which we build these structures on the other. These structures usually have a service life of several decades. Our services also include the renovation, demolition and dismantling of existing structures that were not originally built by STRABAG. The percentage of recycled products and their packaging materials in our products sold within the reporting period is therefore neither significant nor meaningful enough to measure the degree of sustainability in relation to raw materials used.

Projects and initiatives

Our **3DLight OnSite** research project aims to advance 3D printing using lightweight concrete and to make the process more flexible. The 3D printing robots used in this project are mobile and can be synchronised with each other to print walls directly on the construction site using concrete variants that are more environmentally friendly than classic alternatives. The special lightweight construction method for 3D concrete printing works with structures similar to honeycombs and ensures significant savings in material use, as the printers inject the concrete only where it is structurally needed. As a result, additive manufacturing offers maximum stability despite the low amount of material used. These benefits can reduce the carbon footprint by up to 50% compared to conventional walls.[1] 3DLight OnSite is funded by the German Federal Ministry of Economics and Climate Protection (BMWK) and forms part of the Lightweight Construction Technology Transfer programme. Digital manufacturing methods, such as those used in 3DLight OnSite, enable the further recycling of building materials in the spirit of urban mining. The building materials are also easier to track, allowing them to be sustainably dismantled into their individual components for use as secondary raw materials in new projects.

Renewable raw materials are becoming increasingly important in the construction industry. Our subsidiary ZÜBLIN Timber recently demonstrated its expertise in sustainable construction with wood with a **new building at Witten/Herdecke University,** one of the most sustainable university buildings in Germany today. The new building, realised using the timber hybrid construction method, not only features wood as a renewable material, but also has a flexible and changeable room layout. The project fully exploited the structural and engineering potential of the material. Every cubic metre of the 1,382 m^3 of wood used in the construction comes from sustainable forestry sources and can bind one tonne of climate-warming carbon dioxide from the atmosphere.[2] The building was awarded BNB silver certification for sustainable construction by the German Federal Ministry for Housing, Urban Development and Building.[2]

The contribution to resource conservation made by the projects presented here is evaluated and guaranteed by environmental calculations carried out in parallel. We also want our own buildings to serve as an example of responsible material use and as a source of knowledge and expertise for our clients. In this context, the renovation of a corporate building on the **STRABAG Campus in Stuttgart** is an ideal opportunity to demonstrate sustainable materials management in conjunction with high-quality waste recycling. The office building is to be modernised and returned to use in accordance with the “Sustainable Building Quality Seal” awarded by the German Federal Ministry of Housing, Urban Development and Building. Concepts for the inventory and reuse of building components are currently being developed during the planning phase. If certain building components cannot be reused, recycled materials from other sources are to be employed wherever possible. The planning engineers are also taking into account the possibility of upcycling and reusing the materials at the end of their service life as a way of closing the material cycles and reducing the amount of material used.

1 STRABAG – 3DLight_OnSite (2022); https://work-on-progress.strabag.com/site/sustainability/get/params_E-1170782889_Dattachment/180391/3DLight_OnSite_EN_22_11_Web.pdf (retrieved on 21 December 2022)
2 STRABAG – Witten/Herdecke University (2022); https://work-on-progress.strabag.com/en/carbon-emissions/wittenherdecke-university (retrieved on 21 December 2022)

WASTE AND CIRCULARITY

The construction industry is one of the most resource-intensive sectors in the world: Raw materials are mined, used in construction and, after their usage phase, largely disposed of in landfills. The volume of waste that is generated as well as the pollutants that are contained within that waste impact the environment in a variety of ways. Intensifying our waste avoidance measures is therefore a crucial element of STRABAG's waste management. Where possible, we give preference to quality treatment solutions such as preparation for reuse and recycling over other methods of recovery such as downcycling. We also ensure that any third parties we work with in our waste management are certified in accordance with the respective national standards.

As raw materials are a finite resource, it is particularly important in the construction sector to focus increasingly on **using secondary raw materials** to the extent that they are available. In this context, STRABAG is pursuing various approaches, based on the EU waste hierarchy,[1] to use our resources as efficiently as possible.

Mineral construction waste, such as excavated soil and stones, building rubble and road debris, accounts for the largest share of construction-related waste streams in terms of volume. Avoiding, or efficiently separating, collecting and reusing this waste, is the necessary response both to the increasing economic scarcity of resources and in terms of environmental protection. We are continuously stepping up the use of secondary raw materials and increasingly striving for a circular reuse of building materials. The ongoing networking of our construction sites with one another ensures a better match between supply and demand for building materials, thus also reducing the volume of waste. Expanding our in-house **processing facilities** also gives STRABAG more control over our own material flows, enabling us to make better use of optimisation potential in material flow management.

The ongoing reduction of landfill capacities is leading to bottlenecks in the disposal of waste and at the same time increasing costs. We are countering this risk by expanding our **proprietary landfill capacities** and recycling waste in the aforementioned in-house processing facilities.

The more stringent waste legislation at the national and international level requires us to improve the documentation of our waste streams. The data basis this creates enables us to optimise waste separation in order to use even higher-quality waste treatment processes.

In addition to the more rigorous legal requirements, our clients are also increasingly demanding a sustainable approach to raw materials and waste streams. This development is reflected among public-sector clients, who are responding to the changed legal basis, and among private clients, as a result of the increased importance of circularity and the circular economy in the public discourse.

With these measures, STRABAG is doing its part to support the **EU's Circular Economy Action Plan,** which aims to promote the principle of circularity, including waste avoidance and the development of markets for secondary raw materials.

Rules, responsibilities and due diligence

STRABAG's business activities are highly varied, and the standards for handling waste and secondary raw materials are equally diverse. In general, we divide waste streams into the following categories: construction sites, production facilities, administrative buildings and specialised waste management operations. In terms of volume, construction sites rank well ahead of production facilities and administrative buildings. Since the latter have very little potential for waste management, we are focusing on construction sites and specialised waste management operations for the acceptance and treatment of mineral waste. In each individual waste stream category, we comply with the respective national environmental regulations and implement internal group waste guidelines specific to each country in which we operate. In addition, STRABAG is pursuing

1 European Commission – Waste Framework Directive (2023); https://environment.ec.europa.eu/topics/waste-and-recycling/waste-framework-directive_en (retrieved on 10 March 2023)

a **corporate-wide environmental and energy policy** based on the principles of minimising raw material use, avoiding waste and recycling.

The issue of waste is an integral part of STRABAG's environmental management system. This system is regularly reviewed and audited both internally and externally and around 96% of STRABAG's entities are certified to ISO 14001 or EMAS. In accordance with the respective regulatory requirements, waste management officers have been appointed at our facilities and specialised waste management operations. These officers are responsible for the implementation of the national laws and regulations regarding the handling of waste and hazardous substances and the use of recycled and secondary raw materials. Here, too, compliance with the regulations and legal conformity is regularly reviewed both internally and externally through audits in accordance with the applicable management systems.

Objectives and indicators

The largest waste streams in the Group result from mineral construction waste. Waste from production and administrative sites as well as non-mineral construction waste passed on to certified specialist waste management companies play a subordinate role. This is due to the individual production that is typical in the construction sector, which distinguishes the sector from other branches of industry. The total amount of waste depends on the size and type of the construction project (e.g., buildings, transportation infrastructure, dismantling work, excavations, recycling activities) and on quality specifications. Since these specifications are determined by third parties, STRABAG has only limited influence on them. In this management approach, the total quantity is therefore not defined as a controllable variable. Instead, our goal is to direct the main waste streams towards avoidance or transitioning to a circular economy in the future. STRABAG's goal is to reduce the environmental impact associated with resource consumption and waste streams and to promote a resource-efficient circular economy. In the future, we will measure these aspects with the indicators listed in the table below:

- **Handled waste** includes mineral waste that STRABAG accepts/processes in the course of its project business and in its own waste and recycling management centres and processing sites and feeds into the various streams of preparation for reuse, recycling or other processes for recovery and disposal.
- **Disposal** includes all processes that do not serve recovery. Mineral waste that is diverted from disposal includes waste that is prepared for reuse, recycled and entered into other recovery processes.
- **Preparation for reuse** includes the use and treatment of mineral waste that is prepared for reuse with the same purpose as originally intended. This includes processes such as direct reuse or washing, screening and sorting.
- **Recycling** refers to the reprocessing of mineral waste in order to obtain new materials that are returned to the production cycle.
- **Other recovery processes** comprise all other recycling methods.

MAIN WASTE STREAMS IN 2022 (IN TONNES)[1]

	Total handled waste (input)	Waste forwarded for disposal		Waste diverted from disposal						
				Total	Preparation for reuse		Recycling		Other recovery processes	
Total waste	8,774,276	4,662,750		4,844,419	219,525		167,082		4,457,812	
Hazardous	490,241	347,763		183,001	0		2,501		180,500	
		On site	**Off site**		**On site**	**Off site**	**On site**	**Off site**	**On site**	**Off site**
		2,441	345,322		0	0	2,501	0	178,909	1,591
Non-hazardous	8,284,035	4,314,987		4,661,418	219,525		164,581		4,277,312	
		On site	**Off site**		**On site**	**Off site**	**On site**	**Off site**	**On site**	**Off site**
		62,360	4,252,627		0	219,525	163,264	1,317	2,207,887	2,069,425

The data in the table comprise the values from the corporate entities in Austria and from projects and orders in Germany which the Environmental Technology and Recycling subdivisions were responsible for in the reporting year. Local legislation requires these entities to report their waste streams. Data collection and recording is to be extended to other Group entities in the future.

Projects and initiatives

The implementation of the idea of waste and circularity is based on the networking of our corporate entities and the digital documentation of our waste streams.

In order to promote the further exchange of secondary raw materials within the Group, a GIS application was developed on the basis of STRABAG.Maps with the aim of improving the **coordination of the construction sites with each other** and with various recycling and recovery points. The aim is to find a way for high-quality reuse or recycling of the accumulated mineral construction waste and residual materials or, if this is not possible, an optimal disposal route.

To help us avoid waste and to recycle used materials, we launched an initiative in 2021 to improve and continuously expand the database and to integrate additional countries in which we operate into the evaluation. This initiative was transferred into a project proposal in 2022 to create the necessary framework for the collection and management of waste streams. Networking our construction sites and material flows, including locations for quality recycling, should help minimise resource consumption while increasing the use of secondary raw materials.

To achieve STRABAG's strategic goal of becoming climate neutral along the entire value chain by 2040, and to conserve primary raw materials, STRABAG is planning to establish a **Circular Construction Center** in Bremen for the production of high-quality secondary raw materials. Already during site remediation, recyclable building materials will be selectively extracted from the existing waste for later use, for example as a base course at the site of the Circular Construction Center. A rainwater collection system will enable the construction waste processing and the sanitary facilities to be operated without additional water use. The goal of the facility is to recycle demolition materials and concrete for high-quality reuse in order to make the use of new raw materials obsolete. Another objective is to work with partners from research and the start-up scene to find new materials that have not previously been recycled and to achieve market maturity for even the finest grain sizes.[2] The aim is to create a fully-fledged substitute for gravel and primary raw materials that can be used in asphalt and concrete production. With these projects, STRABAG aims to establish important material cycles within the Group.

1 Locations include all organisational units within STRABAG's area of responsibility, such as construction sites, handling centres and production sites

2 STRABAG – Recycling, research and circular economy park (2022); https://work-on-progress.strabag.com/en/materials-circularity/circular-construction-technology-center-bremen-c3 (retrieved on 24 November 2022)

RISK AND OPPORTUNITY MANAGEMENT – PROJECT RISK MANAGEMENT

Why manage risks and opportunities?

Look not only at the macroeconomic development, but also – and above all – at a construction company's risk management system!

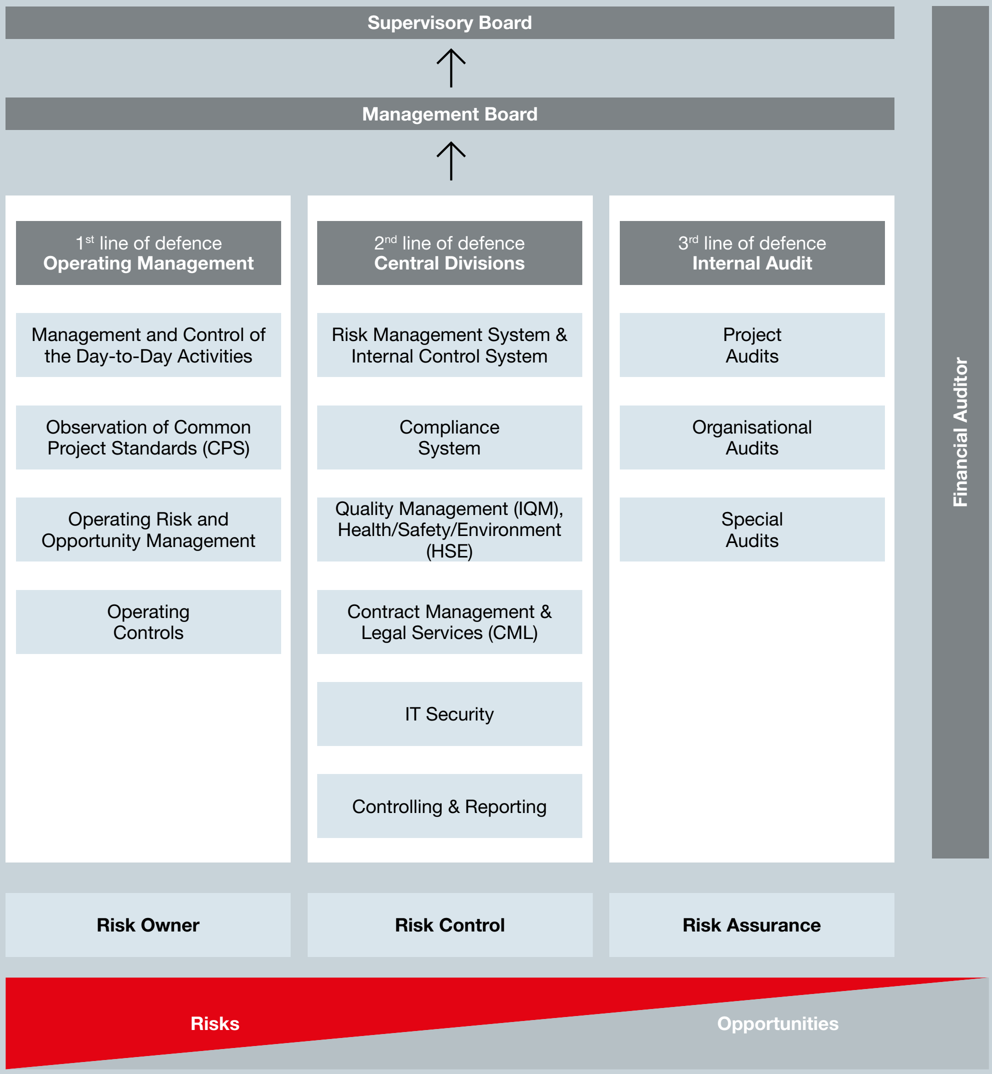
The STRABAG Group encounters many different risks and opportunities in the course of its business activities. These risks are systematically identified and assessed using a proactive risk management system and managed in a consistent and goal-oriented manner through an appropriate risk management policy. This risk management policy is an integral part of the management system and describes a set of fixed principles and responsibilities for risk management and how to deal with the material risk categories.

When capital market participants or suppliers analyse and assess a company in the construction sector, the forecasts for the macroeconomic development of the individual markets are usually of great importance to them. Of course, our business is influenced by economic growth and public spending; at least as important, however, is a construction company's risk management. After all, the large number of unique projects translates into an increased risk potential. Keeping this under control requires a focused organisational structure with clearly defined responsibilities and effective instruments for an active risk and opportunity management. Such a system is also a competitive advantage that is difficult for the competition to copy – it can only be established over the long term.

Managing risks and opportunities is part of the daily work at STRABAG. Additional information can therefore be found in the Management Report under "Risk Management", "Financing/Treasury" and "Order Backlog" or in the Consolidated Corporate Governance Report.

Rules, responsibilities and due diligence

To ensure a responsible and proactive approach to risks and opportunities, we have integrated a comprehensive **risk management system** (RMS) with an **internal control system** (ICS) in our management system on the basis of the internationally recognised COSO Enterprise Risk Management Framework (COSO: Committee of Sponsoring Organizations of the Treadway Commission). Risk management is a **core task of the management** with responsibility at the respective management level. The organisation and responsibilities for the risk management are determined according to the three lines of defence approach supported by the European Confederation of Institutes of Internal Auditing (ECIIA). This end-to-end corporate governance model applies to all disciplines of risk management and establishes clear roles and responsibilities for risk management to ensure a functioning and efficient control and monitoring framework.



Organisation of risk management following ECIIA: Guidance on the 8th EU Company Law Directive, Article 41

The **first line of defence** is the operating management, which has responsibility for identifying, analysing, assessing, managing and monitoring risks and opportunities. As **risk owner**, the operating management is responsible for establishing preventive measures to avoid or mitigate risks, for taking advantage of opportunities that arise in the day-to-day business and for ensuring that all activities coincide with the company objectives.

The **second line of defence** supports the operating management in **risk control** as well as in further developing the risk management system and the internal control system. This includes the central functions for risk management, compliance, quality management, health/safety/environment (HSE), IT security, and controlling and reporting. The central divisions establish standards, methods and processes for the risk management along with related standards and guidelines, manage and monitor their implementation in the operating areas, report periodically to the company management and review the level of sophistication and further development of the management system.

The **third line of defence** comprises the internal audit department as an objective and independent audit and consulting entity for **risk assurance**. The internal audit department supports the company management, the operating management and the monitoring entities in early risk recognition and reviews the effectiveness of the measures established to minimise or avoid risk.

Complementing the above, the **financial auditor**, as part of its annual audit activities, assesses the effectiveness and efficacy of the risk management system and the internal control system and so supports the ongoing monitoring of the efficiency of the three lines of defence. The essential success factors of our integrated governance system are explained below:

#1 – MANAGEMENT SYSTEM WITH ASSOCIATED POLICIES AND RULES

The management system of the STRABAG Group is described with the associated policies in the Management Manual and is documented with superordinate and subordinate rules. The rules apply across the Group and have been translated and communicated in all relevant languages.

#2 – ORGANISATIONAL STRUCTURE WITH CENTRAL ENTITIES

The management of the risks and opportunities receives significant support from the Group's organisational structure. The uniformity of the organisation creates economies of scale and results in efficient controlling and reporting. Under the roof of the parent company STRABAG SE, a number of legally independent subsidiaries are active in their respective national markets. The top level of organisation are the segments North + West, South + East, International + Special Divisions and Other (central divisions and central staff divisions), each of which is headed by at least one member of the Management Board.

The STRABAG SE **Management Board** is the Group's top management body. It is responsible for maintaining the financial balance of the Group and determines its strategic goals. The Management Board regularly discusses matters of corporate responsibility and sustainability. During the execution of these tasks, the Management Board is supported by the **divisions** as well as by the central divisions and central staff divisions (service companies).

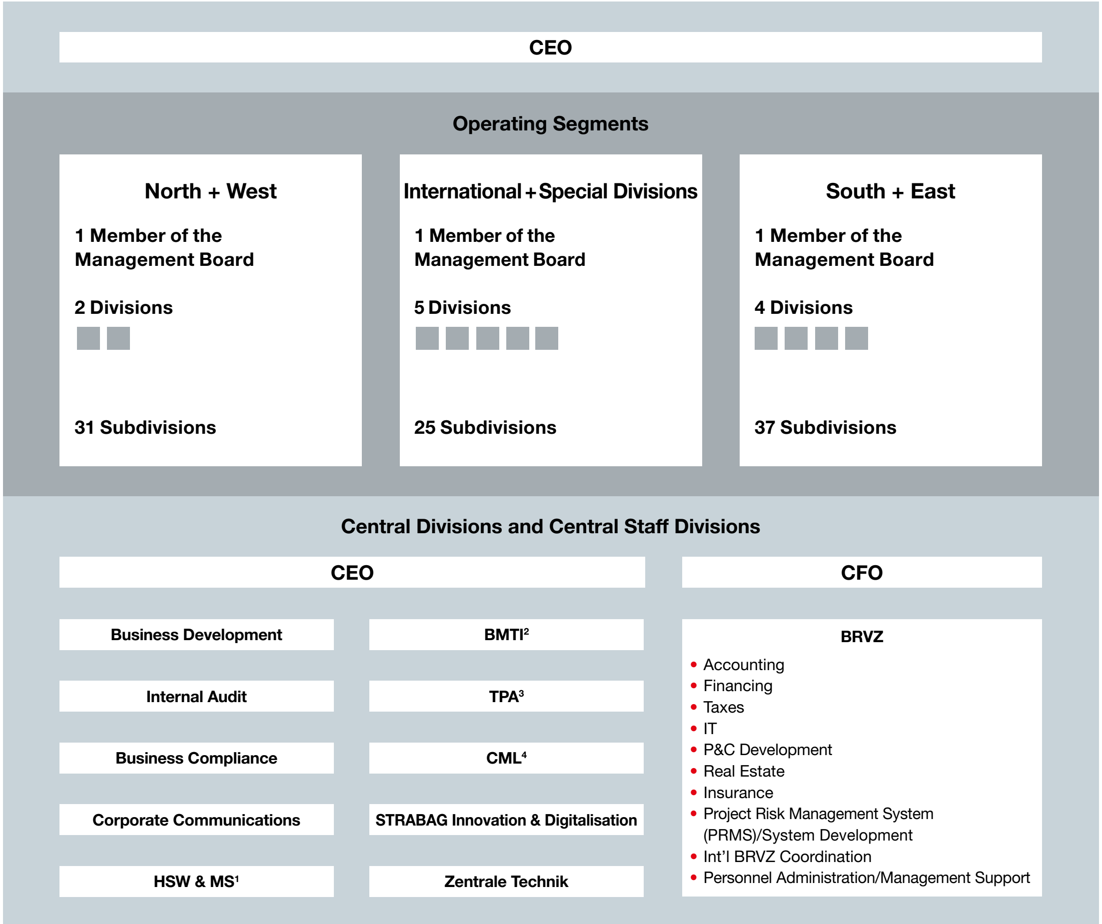
The division managers coordinate and steer their subdivisions and report directly to the member of the Management Board responsible for their division. They manage their business independently and on their own responsibility within the framework of the Group's business policy. It is their responsibility to reach the objectives laid out in the strategic and operational planning and to realise the specified individual measures.

The operating business is managed by the **subdivisions**, which in turn are organised into individual business units. They are responsible for the greatest possible success in their regional markets or business fields and are managed by the superordinate division managers.

The **central divisions** handle the Group's internal services in areas such as accounting, financing, taxes, IT, people & culture development, real estate, insurance, project risk management and system development, international BRVZ coordination, personnel administration and management support, equipment and vehicle management, technical consultation, quality assurance, innovation management, health and safety, integrated management systems[1], prequalification, contract management and legal services, innovation and digitalisation, and business development[2]. As competence centres, the central divisions support the operating units so these can concentrate on their core business and deliver their services to the clients in an efficient manner. The **central staff divisions**, which report directly to the CEO, are responsible for internal audit, corporate communications and business compliance.

While important decisions at the Management Board level are made during regular board meetings, the **four-eyes principle** applies at the levels below. For us, this dual management structure ensures efficient risk management and foresees that responsibility is largely assumed jointly by one technical and one commercial manager.

1 As of 1 January 2023, activities in the field of health and safety and integrated management systems have been combined in the new central staff division Health Safety Wellbeing & Management Systems (HSW & MS)
2 As of 1 January 2023, this subdivision reports directly to the CEO.



1 HSW & MS: health, safety & wellbeing, integrated management systems
2 BMTI: equipment and vehicle management
3 TPA: technical consultation, quality assurance, innovation management
4 CML: prequalification, contract management and legal services

Last updated: 1 January 2023

#3 – PROJECT SELECTION AND INTERNAL PRICE COMMISSIONS

Project risks often have their origin long before contract signing. In order to recognise significant risks and opportunities at an early stage, we select projects before participation in a prequalification phase or before the start of bid processing on the basis of defined criteria and disclosure thresholds. Especially with large projects, the management can set framework conditions for the further bid processing and for the early inclusion of specialists from the central divisions and central staff divisions. When defined disclosure thresholds are exceeded, a bid, before it is submitted, must be closely reviewed and approved by internal **price commissions** composed of members from various hierarchy levels depending on the project size.

#4 – MANAGEMENT INFORMATION SYSTEM

Our management information system gives us an up-to-date overview of the financial status of all our projects with data that can be compared from country to country. In addition, evaluations are analysed by the respective management and members of the STRABAG SE Management Board at regular intervals.

> We apply the same standards for risk management across geographical boundaries. This is possible because STRABAG has its own management information system, developed and constantly refined in-house. Our system ensures that we apply clear criteria throughout the Group when assessing new projects and that we have a standardised process for the submission of bids with integrated control systems to avoid loss-making projects.

Klemens Haselsteiner,
CEO of STRABAG SE

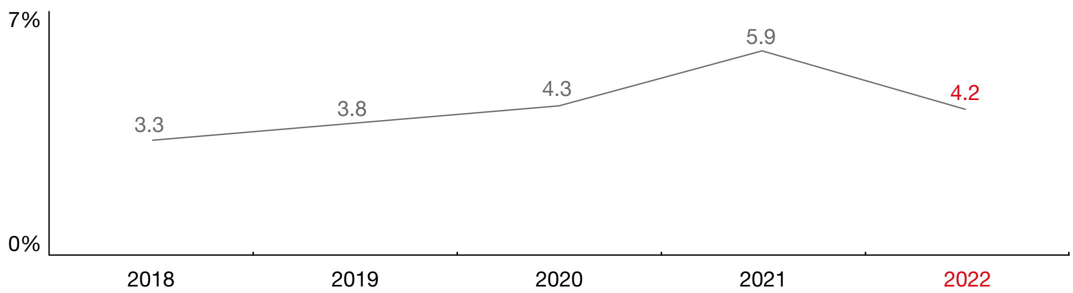
Objectives and indicators

A primary objective is the **long-term existence of our company**, which we strive to ensure by maintaining our focus on cost efficiency and the disciplined use of capital. To reach this overriding objective, we set ourselves the following specific goals:

REACH AND SUSTAIN THE DEFINED EBIT MARGIN TARGET

The **EBIT margin** is our **most important financial indicator**. The margin is especially crucial for our investors: Given our dividend policy of paying out 30–50% of the net income after minorities in the form of a dividend, our investors are especially interested in seeing a sustained achievement of the EBIT margin target.

DEVELOPMENT OF EBIT MARGIN[1]



Positive earnings contributions in all segments led to an extraordinarily high EBIT margin (EBIT/revenue) of 5.9% in 2021. As expected, a normalisation began in 2022. The EBIT margin amounted 4.2%, bringing it in line with the goal of achieving at least 4% on a sustainable basis.

CONTINUALLY INCREASE THE EFFICIENCY OF THE PROJECT RISK MANAGEMENT SYSTEM

To maintain the EBIT margin at the level attained, and raise it if possible, we must consistently and sustainably reduce the flop rate by continually improving the efficiency of our project risk management. We have implemented a risk management system (RMS) with an integrated internal control system (ICS) across the Group to help us in the early identification, accurate

1 2018 adjusted for a non-operating step-up profit in the amount of € 55.31 million

assessment, effective management, and transparent end-to-end monitoring of significant project risks and opportunities. We periodically review the efficiency and effectiveness of the systems, processes and controls for early recognition of all material risks and related countermeasures in order to deflect impending damage to the company and rule out any potential threat to its existence. Weak points that are identified in the process are transparently documented and immediately rectified.

For the monitoring of the overriding objective, several indicators are periodically measured and tracked on the basis of multi-year comparisons. These **indicators** include:

- Financial figures
- Project and organisational figures
- Economic and industry situation
- Market position and competition
- Client situation
- Services offered
- Management quality

However, the effectiveness and efficacy of the risk management system cannot be measured or assessed on the basis of an isolated observation of individual risk parameters. Many different indicators must be observed in the context of various influencing and correlating factors.

We are working on developing a more uniform, corporate-wide understanding of risk and a standardised, end-to-end method for the identification, categorisation, assessment and tracking of risks and opportunities. On this basis, the documented project risks and opportunities can be aggregated over the long term and the associated risk indicators can be ascertained. Using cause/effect analyses, we also evaluate the degree to which this allows us to derive correlations or dependencies that could serve as early-warning indicators to deliver important information for the management of risks and opportunities.

ENSURE COST EFFICIENCY AND DISCIPLINED USE OF CAPITAL

To achieve a sustainable EBIT margin of 4.0%, it will not be necessary for the market – i.e., the macroeconomic environment – to change. Besides our increased efforts to improve the project risk management, we are maintaining our focus on **cost efficiency and the disciplined use of capital,** in particular with the help of innovation and digitalisation. We are currently working to consolidate the efficiency improvements achieved so far with regard to the organisational and strategic position of the Group.

Projects and initiatives

Based on the strategic principles for the management of risks and opportunities, the measures we are taking include the following:

MEASURES TO STRENGTHEN THE PROJECT RISK MANAGEMENT SYSTEM

The STRABAG Group’s risk management system was improved through the following changes and enhancements in the 2022 financial year:

- Improvement of the decision-making foundations in the project procurement phase through further development of the standardised project presentations for prequalification, selection interview and price commission with mandatory application for large-scale and mega projects
- Further development of a tablet-optimised app for management with easy access to transparent and aggregated decision-making foundations for selection and price commission as well as an integrated task module for approval requirements
- Continued implementation of workshops and project-related plausibilisation talks for the application of the corporate-wide standardised catalogue of causes for the allocation of significant positive and negative earnings causes with an analysis of cause-and-effect relations

- Ongoing implementation and tracking of activities to measure penetration, acceptance and compliance with the common project standards (CPS)

In the 2022 financial year, we also continued the following developments which are either in the evaluation and conception phase or are finding implementation in subprojects:

- Continuous improvement of project data management in the areas of quality assurance, functionalities and interfaces for a more efficient selection and price commission in the context of project procurement as well as system-supported tracking and updating of project information in the course of project execution

- Rollout and further development of IT tools for end-to-end system documentation and tracking of risks and opportunities

- Gradual implementation of a modular controlling portal as a central entry point for project and organisational controlling

- Gradual extension of the standardised reporting to include project management tools for the early identification of opportunities and errors

- Development of dashboards with aggregated key figures for the management as well as the further development and enhancement of suitable organisational indicators as a decision-making foundation for sustained structural optimisations

- Improvement of system interfaces to avoid redundant data collection and to increase quality and transparency in data management and the determination of performance indicators

- Improvement and expansion of data management for the gradual development of a knowledge database with the addition of analysis and evaluation options to promote a demand-oriented exchange of experience between the project participants

An essential prerequisite for the improvement of our project risk management system is the active contribution of all employees with a clear commitment to an open error culture. This is where our values of partnership, sustainability and innovative spirit, based on honesty, fairness and mutual appreciation, are of particular importance, as they form the foundation for a learning organisation.

DIGITALISATION TO PROVIDE NEW TOOLS FOR THE REDUCTION OF CONSTRUCTION RISKS

Also see chapter “Digitalisation and Innovation”

The new tools being used in **BIM 5D®** processes facilitate, among other things, regular consistency reviews of the construction designs, a model-based quantity, cost and performance assessment as well as schedule planning, and, on this basis, an end-to-end rendering of the construction sequence with digitally linked processes and consistent data across the entire life cycle of a building. This can help uncover and correct errors at an early stage, thus minimising the risks in a construction project, the roots of which are often found in the design phase. The digitally retrievable data can then be used for different analyses (including building analyses and simulations, sustainability studies or building certification). The digital tools also promote an efficient and transparent working relationship with clients, designers and partner companies.

HUMAN RIGHTS

By providing construction services in structurally weak regions, we are making an important contribution to infrastructure expansion and job creation in those places. In geographical terms, about 94% of our work is performed in Europe and some 6% outside of Europe. In this context, some of our projects are located in countries that are subject to international criticism for their human rights situation.

Different standards for the protection of human rights prevail in the various countries where we do business. This primarily concerns standards regarding the working environment as well as occupational health and safety, but also labour law issues and anti-discrimination.

The supply and value chains in the construction industry are small-scale and complex, which can increase the risk of non-transparency. When it comes to the protection of human rights, we are committed to raising awareness of this issue at all levels of our organisation and among our suppliers. The STRABAG Group adheres to all internationally applicable standards and, through the Code of Conduct, updated in 2022, as well as other group directives and management directives, specifies a compliance framework that, among other things, rejects illegal employment relationships and guarantees minimum pay and occupational safety so that potential and actual risks regarding pay, working conditions and occupational accidents can be dealt with effectively and permanently. STRABAG ensures the country-specific, legally prescribed minimum wage or the collective wage in a certain trade through monitoring by the central human resources administration.

The issue of human rights is set to become even more relevant in the future. Against this background, we recognised the need for a corporate-wide social compliance management system. An initial concept for the organisational structure, workflow management and assignment of responsibilities was developed in the year under review. Implementation is planned for 2023 and will be associated with the recruitment of additional human resources.

Rules, responsibilities and due diligence

www.strabag.com > Strategy > Strategic Approach > Business Compliance

The STRABAG SE **Code of Conduct** precisely defines the system of values to which the company and all its employees are committed. It forms an integral part of the employment documents for all Group employees. In particular, the values of partnership, solidarity and respect, together with fairness, have created an environment that fosters interactions among STRABAG's employees and with business partners and other stakeholders that are in line with the respect for human rights. We take our responsibility for our employees very seriously and are committed to a broad set of principles in this regard, such as the equal treatment of the sexes, inclusion, mental and physical health, as well continuing education and further training.

See chapter "Fair Competition"

STRABAG SE also expects its stakeholders – especially suppliers and subcontractors – to act in accordance with the Code of Conduct. These requirements are an integral part of the **STRABAG Supplier Code of Conduct**.

Online whistleblower platform: strabag.integrityplatform.org

STRABAG is especially committed to the fundamental principles of the International Labour Organization (ILO) and the United Nations Universal Declaration of Human Rights. STRABAG also is a signatory to the UN Women's Empowerment Principles. Since joining the United Nations Global Compact in the spring of 2021, STRABAG submits an annual progress report on its activities for compliance with the ten global principles in the areas of human rights, labour standards, environmental protection and anti-corruption.

STRABAG's commitment to the prohibition of slavery, human trafficking and child labour is firmly anchored in our updated **Corporate Responsibility Policy**. In accordance with the UK and Australian Modern Slavery Act, we also publish an annual statement underlining the relevance of human rights risks in our business activities and supply chain.

Potential human rights violations, such as discrimination at the workplace, can be reported by employees and external persons via an **online whistleblowing system** or to the stated contact persons **(ombudspersons)**. A detailed explanation of how whistleblower reports are handled and how we guarantee the privacy and anonymity of whistleblowers and other persons involved can be found in an internal functional description or in the externally accessible FAQs.

Reports are initially examined for plausibility. If the case is justified, it is pursued accordingly by the responsible regional ombudspersons. Corrective action and disciplinary measures – from warnings to dismissals – are taken by the management representative in charge in order to respond appropriately to the identified offences and to counteract any future violations.

Objectives and indicators

The creation and maintenance of employment conditions that are in compliance with the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and with the United Nations' Universal Declaration of Human Rights are set out as fundamental principles in the STRABAG Group's Code of Conduct. Of particular relevance to STRABAG's business activities are:

- Prohibition of discrimination: Discrimination of any kind has no place at STRABAG. No STRABAG employee may discriminate or be discriminated against on the basis of skin colour, national origin, gender, sexual orientation, religion, disability or age.
- Prohibition of slavery and human trafficking: The management of STRABAG and all employees are fully committed to the prohibition of slavery and human trafficking. Work at STRABAG is performed under fair working conditions with fair pay.
- Prohibition of child labour: The management of STRABAG and employees with human resource responsibility must ensure anyone entering into an employment relationship with a STRABAG company is not younger than the age at which compulsory schooling ends and never younger than 15 years of age – unless the work is part of their education or training.

The following indicators are used to measure if an objective has been reached:

- number of cases identified in the category "discrimination" in the reporting year (cases are assigned to the year in which they were conclusively discovered): 13
- number of cases identified in the category "human rights and working conditions" in the reporting year (cases are assigned to the year in which they were conclusively discovered): 3

With a total of 16 reported cases, significantly fewer incidents were detected in 2022 (2021: 27 reported cases). Of the 16 reports, 13 could be assigned to the category "discrimination" and three to the category "human rights and working conditions". In six of the 16 cases, the conflict was resolved amicably. In one case, the employee was dismissed, while disciplinary action was taken in another case. Two reports were not substantiated. Six cases were withdrawn.

Since 2021, the whistleblower system has also recorded reports that were not submitted directly to the ombudspersons via the whistleblower platform but by telephone or e-mail (in eight of 16 cases). Furthermore, search terms were added to the intranet, which made it easier to find the whistleblower platform and the ombudspersons' contact information.

Projects and initiatives

Due to the broad range of construction services along the entire value chain, STRABAG is dependent on reliable, high-quality suppliers and subcontractors around the world. Only in this way can we offer quality products and services with the greatest possible benefit for our customers and for society.

In December 2022, the Group completed its Sustainability in the Supply Chain project after a two-year project period. The project involved the conception of a management and audit system for sustainable supply chain management that will be implemented and further developed in the coming years.

The main results of the project include the development of a software solution for supplier self-disclosure in our supplier portal SPS as well as the conception of supplier audits with a comprehensive audit checklist on the topics of human rights and working conditions, occupational safety and health, as well as environment and procurement.

Regular information and awareness-raising measures were also carried out among the relevant decision-makers, while initial training measures for employees and suppliers were prepared for roll-out in 2023.

Another focus of the project team was the preparation for the German Supply Chain Duty of Care Act. In this context, the team conceived a package of measures that are to be implemented in 2023 when the law comes into force.

The subject of the equal treatment of women and men is dealt with in the Consolidated Corporate Governance Report.

SOCIETAL ENGAGEMENT

Focus on cultural and social projects as well as on team sports

Our business activity – the business of building – directly shapes people's living environment. The result is an interaction between construction and society: only in a successful society can we succeed. At STRABAG, we therefore feel obliged to contribute to the healthy development of society as a whole. This means that we make contributions to maintain the social standards in Central Europe, to improve them in other countries, and that we support cultural projects as well as team sports to enhance team spirit.

Rules, responsibilities and due diligence

If and in which form we lend substantial support is decided by the STRABAG SE Management Board according to eligibility criteria such as:

- Can STRABAG, given the nature of its business, make a contribution to the project that companies in other industries could not?
- Is the project worth our long-term commitment?
- Does the project fit our strategy and our public image?

Objectives and indicators

We do not extend our social commitment indiscriminately, but instead support selected initiatives over the long term in order to make a lasting and effective contribution. One of the indicators we use to measure our commitment is the contribution we make to the core projects and initiatives mentioned below. In 2022, this amounted to € 4.86 million (2021: € 3.90 million).

Projects and initiatives

CONCORDIA SOCIAL PROJECTS

In the social sphere, we are especially committed to helping children and youth in Eastern and South-East Europe by giving them an opportunity for an education and the chance for a better future. This also helps to secure the future of our company in these markets. An important contribution is made to CONCORDIA.

CONCORDIA's vision: For all children to lead an independent life, to become self-determined learners and to be fully included in their communities.

CONCORDIA is an international organisation with a broad range of services that includes emergency aid, crisis centres, outreach work, alternative childcare and accommodation, as well as education and training to help disadvantaged children, youth and families in need. From its start in 1991 as a social project for street children in Bucharest, CONCORDIA has grown into an organisation which today helps more than 12,000 children, youth and families in Romania, Bulgaria, Moldova, Kosovo and Austria.

The organisation's most important goal is keeping families together. Parents are often forced to leave their home country in search of work. Sometimes, children are unable to stay with their families due to existential poverty or for other reasons. CONCORDIA helps with family-like children's homes, foster care and crisis centres for children – and sometimes also for mothers who have become victims of abuse – as well as with day centres for children and youth in precarious situations, supervised living facilities for young adults, and community work. Another focus is on educational projects, such as learning assistance or music instruction, a mainstreamed primary school and training facilities for skills such as cooking, baking or carpentry.

In Moldova, CONCORDIA also attends to the needs of around 7,000 people who live in extreme poverty. CONCORDIA's social centres and soup kitchens provide elderly people and children in need with the essentials they require every day.

The Russian invasion of Ukraine has further exacerbated the problem of poverty in Moldova. Moreover, the country is struggling with its greatest energy crisis in decades and only about 40% of the population has access to running water or sewage. Since the beginning of the war, CONCORDIA has helped refugees from Ukraine who make it to Moldova, Romania, Bulgaria and Austria, and the organisation has assisted many Ukrainians seeking temporary shelter with their children in the neighbouring country of Moldova. For its emergency relief efforts on behalf of tens of thousands of Ukrainian women, men and children in the village of Palanca near the Ukrainian border, CONCORDIA was awarded the Pax Christi International Peace Award in December 2022.

In response to the earthquakes in Syria and Turkey in February 2023, STRABAG set up a special fund for affected employees and their families.


© CONCORDIA

In Palanca (Moldova), CONCORDIA is helping tens of thousands of Ukrainian families who are seeking temporary shelter in the neighbouring country.

With STRABAG's support, CONCORDIA also provides assistance to children from low-income families in Austria and helps unaccompanied minor refugees take their first steps towards integration. Since 2016, an annual fundraising concert by Tyrolean Festival Erl on behalf of CONCORDIA's children's projects has been a regular part of the joint effort by STRABAG and CONCORDIA to help people in need.

Since the beginning of 2021, CONCORDIA has also been active with its own organisation in Kosovo. The CONCORDIA Tranzit Education Centre in Prizren in the south of the country offers a programme for early childhood education, learning support for school children, music lessons and an educational programme for young people. Tranzit is a drop-in centre for children from precarious backgrounds, some of whom have never attended school before. CONCORDIA actively reaches out to those families who are on the margins of society and live in extreme poverty.

More information: www.concordia.or.at


© Samir Karahoda

A hot meal at CONCORDIA Tranzit in Prizren (Kosovo). For some children, it is the only one of the day.

TYROLEAN FESTIVAL ERL

Tyrolean Festival Erl was founded in 1997 and has been held in the illustrious Passion Play town of Erl in Austria every year since 1998. STRABAG has been a supporting partner from the beginning. To guarantee the long-term viability of this important cultural venue, the foundation Tiroler Festspiele Erl Gemeinnützige Privatstiftung was established in 2017 with STRABAG SE as one of the foundation's sponsors.

Tyrolean Festival Erl has become a respected fixture in the cultural life of Tyrol and internationally. An attractive winter season programme was added to the summer programme in 2012. Further events were added to the festival programme in 2017 with the piano days and the Thanksgiving concert series. Together with the Summer and Winter Festivals, these have since formed the four festival seasons at Erl.

The programme of rare operatic performances, symphonic concerts and chamber music events attracted around 19,000 visitors in the 2021/2022 festival season. Despite the pandemic-related restrictions, it was possible to hold all four seasons in 2022. The focus last year was on the continuation of Richard Wagner's operatic tetralogy Der Ring des Nibelungen in a production by Brigitte Fassbaender. All year round, the unique acoustics in the festival theatre also do justice to the works of Mozart, Bach as well as to Italian and international composers and bel canto.

More information: www.tiroler-festspiele.at

The festival theatre in Erl, Austria

ENSEMBLE PORCIA

Ensemble Porcia is the most important cultural institution in the small town of Spittal an der Drau in Upper Carinthia. Traditionally focused on French and German-language comedy, Porcia Castle welcomed around 14,000 visitors to its five productions with 93 performances in the castle's theatre and rehearsal stages. The Porcia Theatre Wagon also went on tour again with two productions delighting an audience of about 10,600 people with 102 performances at 58 venues in as many days between late May and the end of August. Ensemble Porcia has been pleasing crowds in the German-speaking world for decades, attracting visitors from all over Austria and beyond.

The pandemic presented the ensemble with various challenges this past year as well. For some performances, actors had to be recast and stagehands replaced at short notice. All of this was only possible thanks to the unwavering commitment of the entire ensemble, which comprises over 40 persons from the artistic fields (acting, music, direction, set and costume design), 20 people in the technical and administrative fields (stage and event technology, wardrobe, make-up, back office and ticket sales) as well as 30 young assistants from the local area in audience services. The ensemble reached a total of around 24,600 people in this extraordinary summer with seven in-house productions, breaking its previous attendance records. The troupe also succeeded once more in drawing attention to culture in Carinthia and Spittal by getting people excited about the performing arts.

More information: www.ensemble-porcia.at

STRABAG KUNSTFORUM

STRABAG Kunstforum has long been in the service of arts patronage – as organiser of the STRABAG Artaward International, with the exhibitions at the STRABAG Artlounge and through the establishment and maintenance of the permanent collections at more than 60 offices throughout Europe. In 2022, the corporate locations in Bratislava (Slovakia), Stuttgart (Germany) and Prague (Czech Republic) were endowed with visual art from the STRABAG Artcollection. Further locations such as St. Pölten and Linz (Austria), Ljubljana (Slovenia) and Belgrade (Serbia) are in preparation.

With more than 4,000 works of art, the STRABAG Artcollection helps to inspire an engagement with art at the workplace. In addition, the temporary exhibitions at the STRABAG Artlounge in Vienna offer artists a platform to present their work to an interested public. The temporary exhibitions as well as the permanent installation of Bruno Gironcoli's work at the Gironcoli-Kristall in Vienna are open to employees and the general public during regular office hours. Admission is free. A key objective of the STRABAG Kunstforum is art education, and the exhibition at the Gironcolli-Kristall can be accompanied by a Hearonymus audio guide if desired. Employees, business partners and anyone interested in art are also cordially invited to take a guided tour of the STRABAG Artlounge, the entire collection and the Gironcoli-Kristall.

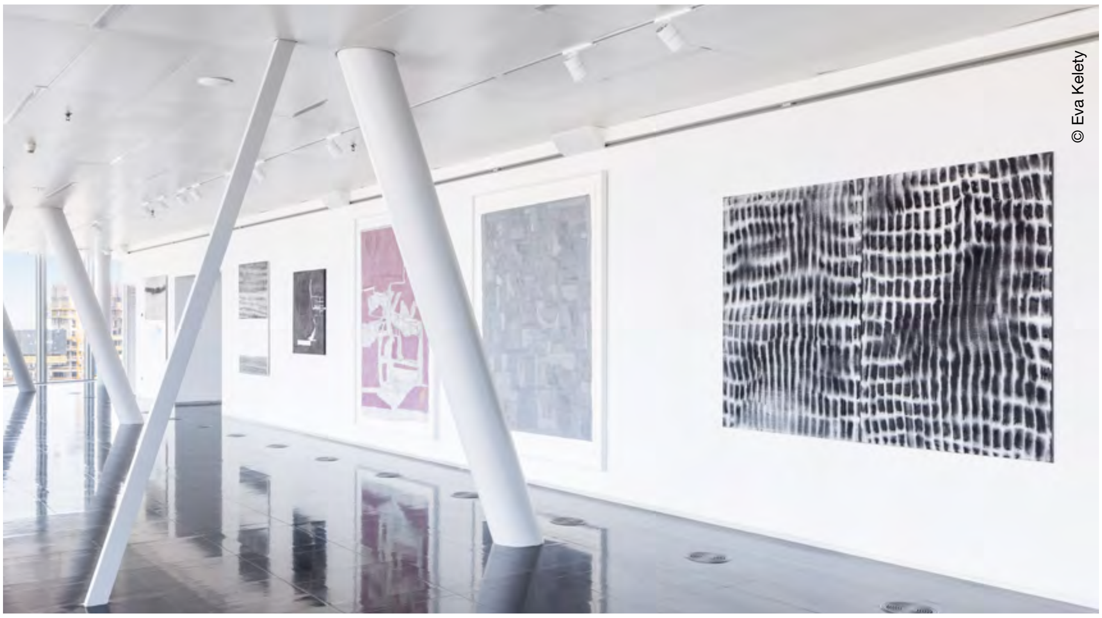
The STRABAG Artaward is the central element of STRABAG Kunstforum's activities. The award has been presented in Austria since 1994 (with an interruption in 2004 and 2005), since 2009 as an international art sponsorship award for artists in the fields of painting and drawing. Artists may apply for the STRABAG Artaward International via an online procedure.

A jury of international art experts, rotated every three years, selects the winners annually during an intense jury session in front of the original works. In addition to the prize money, artists receive the opportunity to present their works at an individual exhibition in the STRABAG Artlounge. STRABAG Kunstforum also gives artists access to the art studio at the STRABAG head office in Vienna in order to promote creativity as well as artistic productivity and exchange within the art scene. For the years 2021–2023, the award is open to artists from Austria, Poland, Slovakia, the Czech Republic and Hungary. Every year, the prominent members of the STRABAG Artaward International jury select a main prize and four recognition prizes from approximately 700 submissions. The prizes for 2022 went to Andreas Werner (Austria, main prize) and to Dániel Bernáth (Hungary), Ákos Ezer (Hungary), Marcin Jasik (Poland) and Georg Pinteritsch (Austria). The solo exhibitions were held from October 2022 to April 2023. Videos of the exhibitions can be seen on the STRABAG Kunstforum YouTube channel.

STRABAG Artlounge exhibition, Andreas Werner, *I Called the Force upon Time and Space*, 2022

As part of the Artlounge Special exhibition series, the gallery spaces of the STRABAG Artlounge regularly pay tribute to long-standing artists from the collection. The exhibition Tranche de Vie, with works by Franco Kappl, Farid Sabha and Gerlinde Thuma, opened in May 2022. This group exhibition celebrated three artists from the collection, all of whom are also former STRABAG Art Award winners. The selection of exhibits represents a "slice of life", and the exhibition title – which at once is borrowed from early 20th century French theatre but also pays tribute to contemporary anime and manga narratives – illustrates the concrete reference to the moment, to the here and now. The three Austrian artists with decades of success also provided an insight into their most recent work. They presented a snapshot, an essence of the everyday life of an artist – with end unknown. All three artists are represented in the collection with numerous works from many creative periods spanning the past three decades.

More information: www.strabag-kunstforum.at



STRABAG Artlounge exhibition, *Tranche de Vie*, (Artlounge Special), 2022

Opening of the exhibition *Tranche de Vie*. From left to right: Farid Sabha, keynote speaker Christine Wetzlinger-Grundnig (Director of the Museum of Modern Art of Carinthia), Gerlinde Thuma, Franco Kappl.

EU TAXONOMY

Regulation (EU) 2020/852 ("Taxonomy Regulation"), which entered into force on 12 July 2020, establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable. It provides the legal basis for sustainable investments as a way to swiftly implement the European Green Deal. The aim of the regulation is to introduce a uniform classification system ("EU Taxonomy") in order to steer capital flows into environmentally sustainable sectors.

For this purpose, the Taxonomy identifies economic activities that have a significant impact on the EU's environmental objectives.

These six environmental objectives are:

1. climate change mitigation
2. climate change adaptation
3. the sustainable use and protection of water and marine resources
4. the transition to a circular economy
5. pollution prevention and control
6. the protection and restoration of biodiversity and ecosystems

For each of these environmental objectives, economic activities and technical screening criteria are defined by means of EU delegated regulations. At present, a definition of economic activities and technical screening criteria is only available for the first two environmental objectives of climate change mitigation and climate change adaptation.

If one of our business activities falls under the definition of the respective economic activity, it is a Taxonomy-eligible activity; if not, it is a Taxonomy-non-eligible activity. Many of the STRABAG Group's business activities, in particular road construction, infrastructure project development, building materials production, and property and facility services, are currently not defined as Taxonomy-eligible, i.e., they are not an economic activity as defined by the EU Taxonomy.

Based on this classification of economic activities into those that are Taxonomy-eligible and those that are Taxonomy-non-eligible, the degree to which the activities are environmentally sustainable is assessed on the basis of the technical screening criteria. An economic activity is considered environmentally sustainable if it contributes substantially to one or more environmental objectives, causes no significant harm to any of the other environmental objectives, and is carried out in compliance with certain minimum safeguards. Whether an economic activity makes a substantial contribution or causes no significant harm (DNSH) to an environmental objective is determined on the basis of the technical screening criteria specified in detail by the European Commission.

The criteria and requirements must all be fulfilled **cumulatively**.

Article 8 of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 requires non-financial undertakings to disclose information on the following in their non-financial report:

- proportion and absolute value of the Taxonomy-aligned, the Taxonomy-eligible but not Taxonomy-aligned, and the Taxonomy-non-eligible turnover (revenue) related to products or services associated with environmentally sustainable economic activities
- proportion and absolute value of the Taxonomy-aligned, the Taxonomy-eligible but not Taxonomy-aligned, and the Taxonomy-non-eligible capital expenditures and operating expenditures related to assets or processes associated with environmentally sustainable economic activities

The detailed calculation of these individual values is described below in the sections on turnover, capital expenditures and operating expenditures.

Applicable provisions for the 2022 financial year

The economic activities and the technical screening criteria for determining Taxonomy alignment for the first two environmental objectives – climate change mitigation and climate change adaptation – were established in Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021.

In the 2022 financial year, the economic activities defined in these two environmental objectives had to be reviewed for Taxonomy alignment using the defined criteria; in addition to the Taxonomy-eligible proportion[1] of turnover, capital expenditures and operating expenditures, the Taxonomy-aligned proportion then also had to be reported.

The EU Taxonomy Regulation and the delegated acts issued in this regard contain formulations and terms that are still subject to considerable uncertainties regarding their interpretation and for which clarifications have not always been published. STRABAG SE's interpretation of these terms is set out in the following explanations.

Management approach

ASSESSMENT OF TAXONOMY ELIGIBILITY

The mapping of turnover to the economic activities detailed in the EU Taxonomy is based on the business activities included in the central controlling system. When an order is placed, the project is assigned to a certain business activity with opening of the cost centre. This ensures a clear classification of the economic activity and avoids double recognition as Taxonomy-eligible turnover.

STRABAG is involved in the following economic activities related to the environmental objective of climate change mitigation (Taxonomy eligibility[2]):

4.1. Electricity generation using solar photovoltaic technology

4.3. Electricity generation from wind power

4.5. Electricity generation from hydropower

4.6. Electricity generation from geothermal energy

4.7. Electricity generation from biogas

4.8. Electricity generation from bioenergy

4.9. Transmission and distribution of electricity

4.15. District heating/cooling distribution

5.1. Construction and extension of water supply systems

5.3. Construction and extension of waste water collection and treatment

6.13. Infrastructure for personal mobility, cycle logistics

6.14. Infrastructure for rail transport

7.1. Construction of new buildings (as general contractor)

7.2. Renovation of existing buildings

The economic activities related to energy (4.1.–4.15.) and to water supply and waste water management (5.1. and 5.3.) are included as Taxonomy-eligible because the construction of such facilities and systems is included in the respective definitions. The STRABAG Group is only active in the construction of these facilities but does not operate them. In individual cases, such facilities are operated as part of the project development business within companies included at equity.

This also applies to the economic activities related to transport (6.13. and 6.14.). The definition includes the construction of infrastructure for rail transport and for personal mobility carried out by the STRABAG Group.

As the construction of new buildings is defined in item 7.1. of the EU Taxonomy as the development of building projects for residential and non-residential buildings and the construction of complete residential or non-residential buildings on contract basis, only those building construction projects in which the STRABAG Group acts as general contractor or erects entire buildings as

1 Due to the applicable relief provisions, only the Taxonomy-eligible proportion of revenue, capital expenditures and operating expenditures had to be disclosed for the 2021 financial year.
2 The categories and numbering were taken from Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021.

part of a project development are included under this activity.

The renovation of existing buildings (7.2.) is defined in the EU Taxonomy as construction and civil engineering works or preparation thereof, which is why the STRABAG Group's renovation and conversion activities in building construction are recorded here.

The economic activities listed are also included in the environmental objective of climate change adaptation. They do not constitute enabling activities as specified by the EU Taxonomy Regulation, however, so that turnover from these activities cannot be reported as Taxonomy-eligible or Taxonomy-aligned. A detailed examination with regard to the environmental objective of climate change adaptation was therefore not carried out.

ASSESSMENT OF TAXONOMY ALIGNMENT

As the STRABAG Group's revenue (turnover) stems from a large number of very different individual projects, the examination of the technical criteria of the Taxonomy-eligible economic activities cannot be carried out at the level of the activity itself but only at the individual project level. The number of projects with Taxonomy-eligible turnover in the 2022 financial year amounts to around 4,000. The assessment requires a considerable administrative effort due to the extensive and detailed criteria involved. In addition, a wide variety of technical screening criteria were defined for each economic activity. For this reason, the detailed assessment for Taxonomy alignment is carried out per individual project for the three economic activities with the highest turnover: construction of new buildings (as general contractor), renovation of existing buildings, and infrastructure for rail transport. These three economic activities account for 85% of the total Taxonomy-eligible turnover and comprise more than 2,000 individual projects, which is why only projects with an annual output volume of more than € 5 million were examined in detail.

For the economic activities not examined at the individual project level, an analysis of the technical screening criteria was carried out using typified construction site organisations and structures. As the Taxonomy alignment for these projects cannot be fully ensured and demonstrated, these projects were identified as not Taxonomy-aligned.

Especially with regard to electricity generation facilities and water supply and sewerage systems, the technical screening criteria relate to operation or the equipment used. STRABAG has no information in this regard, as the equipment is not included in STRABAG's scope of services.

STRABAG SE is a leading European technology group for construction services. These services are provided on the basis of public tenders or specifications from private clients. Sustainable solutions are offered. STRABAG has an influence on the ecological design of buildings only in rare cases or within the scope of its own project developments. In public tenders in particular, the company is usually only commissioned to carry out the construction work.

The review of the individual projects has shown that many criteria specified by the EU Taxonomy are not yet taken into account as standard practice in construction projects. We expect that an increasing number of tenders will meet the EU Taxonomy criteria in the future.

Turnover (Revenue)

Determination of the denominator according to Article 8 Annex 1:

The turnover comprises revenue that was recognised in accordance with IAS 1.82(a), determined on the basis of IFRS 15. It includes revenue from construction contracts, revenue from construction materials, revenue from facility management, revenue from project developments and other revenue.

Determination of the numerator according to Article 8 Annex 1:

In line with the management approach described above, the Taxonomy-eligible projects were assessed at the individual project level or through analytical reviews for Taxonomy alignment.

The turnover is as follows:

A detailed presentation by economic activity in accordance with the reporting templates from Annex II is available in the Notes.

ENVIRONMENTAL OBJECTIVE OF CLIMATE CHANGE MITIGATION

	2022		2021	
	€ mln.	%	€ mln.	%
Turnover related to environmentally sustainable activities (Taxonomy-aligned) (A.1)	1,088.55	6.39	n. a.	n. a.
Turnover related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)	5,306.38	31.17	4,686.83	30.64
Total (A.1 + A.2)	**6,394.93**	**37.56**	**4,686.83**	**30.64**
Turnover related to Taxonomy-non-eligible activities (B)	10,630.92	62.44	10,611.71	69.36
Total (A+B)	**17,025.85**	**100.00**	**15,298.54**	**100.00**

All turnover reported in the numerator relate to revenue in accordance with IFRS 15 and are reported as revenue in the consolidated financial statements of STRABAG SE.

The result shows that a high proportion of the business activities of the STRABAG Group – economic activities such as road construction, civil engineering, building materials production, tunnelling, and property and facility services – are currently not covered by the EU Taxonomy. As a result, there are no technical screening criteria laid out in the regulation to assess their degree of sustainability. However, sustainable solutions in essential business activities are key for a successful transition to a sustainable economy. STRABAG relies on relevant standards in this area and pursues a comprehensive sustainability strategy.

Detailed information can be found elsewhere in this Consolidated Non-Financial Report.

A large proportion of building construction also does not fall under the Taxonomy-eligible economic activities, as the definition is aimed at the construction of complete residential and non-residential buildings. In many cases, however, STRABAG is only responsible for individual parts of buildings. When constructing parts of buildings, STRABAG does not have the necessary data for assessing the sustainability of this activity against the screening criteria.

The EU Taxonomy is constantly evolving. The inclusion of further economic activities under the remaining four environmental objectives and the adaptation and expansion of the screening criteria are to be expected.

Capital expenditures (CapEx)

Determination of the denominator according to Article 8 Annex 1:

Capital expenditures as defined by the EU Taxonomy include additions to tangible and intangible fixed assets, including business combinations. Also included are additions to right-of-use assets (excluding additions from value adjustments to contracts) in accordance with IFRS 16. The disclosures are made before depreciation, amortisation, impairment or other changes in value. The total capital expenditures in intangible and tangible assets reported in the IFRS consolidated financial statements form the starting point for determining the investments.

Determination of the numerator according to Article 8 Annex 1:

Taxonomy-eligible and Taxonomy-aligned expenditures can be divided into three categories.

- Capital expenditures related to assets that are associated with Taxonomy-eligible or Taxonomy-aligned economic activities
- Acquisition of assets related to Taxonomy-eligible or Taxonomy-aligned economic activities or individual measures that reduce greenhouse gas emissions
- Capital expenditures incurred as part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned (CapEx plan)

CAPITAL EXPENDITURES RELATED TO ASSETS THAT ARE ASSOCIATED WITH TAXONOMY-ELIGIBLE OR TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

The STRABAG Group has a central equipment management function that controls the procurement, servicing, maintenance, repair, deployment and utilisation of construction machinery, mechanical equipment and vehicles throughout the Group.

A clear allocation of construction equipment and the vehicle fleet to individual projects and thus to economic activities is not possible. In the case of mixed-use assets, these are assigned to Taxonomy-eligible or Taxonomy-aligned economic activities by means of a suitable classification key. STRABAG assigns technical equipment, machinery, the vehicle fleet, and operating and office equipment to this category. The acquisition of these assets through business combinations is also included here.

The equipment intensity in construction projects varies greatly; especially in projects with a high level of subcontractor services, equipment use differs considerably compared to services performed using the company's own personnel.

The allocation of capital expenditures is therefore carried out in the ratio of equipment costs recorded in the management reporting on projects with Taxonomy-eligible or Taxonomy-aligned turnover in relation to the total equipment costs according to the management reporting.

ACQUISITION OF ASSETS RELATED TO TAXONOMY-ELIGIBLE OR TAXONOMY-ALIGNED ECONOMIC ACTIVITIES OR INDIVIDUAL MEASURES THAT REDUCE GREENHOUSE GAS EMISSIONS

Buildings constructed by STRABAG for its own use are recognised as Taxonomy-eligible economic activities. Any real estate that was acquired or built in-house in a certain financial year will be reviewed for compliance with the technical screening criteria and thus for Taxonomy alignment. The acquisition or construction of these buildings is reported in the Consolidated Statement of Fixed Assets under "Properties and buildings" or "Facilities under construction".

The acquisition of vehicles also represents an acquisition of assets related to a Taxonomy-eligible economic activity. Capital expenditures for passenger cars that are not directly attributable to the provision of services are therefore included under this item. When assessing Taxonomy alignment, the technical screening criteria must be verified by the manufacturer or supplier. This evidence has not yet been provided to the STRABAG Group for vehicle investments in the 2022 financial year, which is why only Taxonomy-eligible investments are shown here.

CAPITAL EXPENDITURES INCURRED AS PART OF A PLAN TO EXPAND TAXONOMY-ALIGNED ECONOMIC ACTIVITIES OR TO ALLOW TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES TO BECOME TAXONOMY-ALIGNED (CAPEX PLAN)

STRABAG is rethinking the future of construction. With numerous innovation and sustainability projects, the Group is working to reduce carbon emissions in administration and construction projects in order to achieve the goal of becoming climate neutral in 2040. Detailed information can be found in this Consolidated Non-Financial Report.

Whether and to what extent an economic activity can be classified as Taxonomy-aligned is to be assessed on the basis of the screening criteria for the individual construction projects. Since STRABAG essentially provides construction services on the basis of public tenders or specifications from clients, Taxonomy-aligned economic activities can only be expanded together with the clients. Therefore, no investment plans currently exist in this regard. The same applies to specific investment projects to meet the technical screening criteria for climate change adaptation.

It should be noted that capital expenditures to expand Taxonomy-aligned turnover are to be reported in this category. Since the technical screening criteria usually refer to the building and not to the construction process, there is no direct connection between capital expenditures and Taxonomy-aligned turnover.

CAPITAL EXPENDITURES FOR TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES

This category comprises capital expenditures that cannot be allocated to Taxonomy-eligible economic activities. The right-of-use assets from leases involve a large number of real estate leases for office locations. These are not broken down on the basis of equipment costs but are allocated in their entirety to capital expenditures related to economic activities that are not covered by the Taxonomy. The calculation is based on the total additions to intangible assets and to property, plant and equipment according to the IFRS consolidated financial statements. First, the capital expenditures for the acquisition of assets related to Taxonomy-eligible or Taxonomy-aligned economic activities as well as the Taxonomy-non-eligible expenditures are determined. The remaining expenditures are allocated on the basis of the Taxonomy-aligned and Taxonomy-eligible turnover, thus avoiding double counting of expenditures related to several Taxonomy-eligible or Taxonomy-aligned economic activities.

The total capital expenditures are as follows:

A detailed presentation by economic activity in accordance with the reporting templates from Annex II is available in the Notes.

ENVIRONMENTAL OBJECTIVE OF CLIMATE CHANGE MITIGATION

	2022		2021	
	€ mln.	%	€ mln.	%
CapEx related to environmentally sustainable activities (Taxonomy-aligned) (A.1)	22.27	2.87	n. a.	n. a.
CapEx related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	269.00	34.63	141.90	26.56
Total (A.1 + A.2)	**291.27**	**37.50**	**141.90**	**26.56**
CapEx related to Taxonomy-non-eligible activities (B)	485.50	62.50	392.42	73.44
Total (A+B)	**776.77**	**100.00**	**534.31**	**100.00**

The Taxonomy-aligned capital expenditures include € 10.41 million related to technical equipment and machinery; € 8.01 million related to other facilities, furniture and fixtures and office equipment; € 3.55 million related to facilities under construction; and € 0.30 million related to business combinations and are shown accordingly in the statement of fixed assets.

Operating expenditures (OpEx)

Determination of the denominator according to Article 8 Annex 1:

Operating expenditures as defined by the EU Taxonomy are, in addition to non-capitalisable research and development activities, all maintenance and repair expenditures as well as short-term leasing expenses, building renovation activities and other directly attributable costs relevant to the ongoing maintenance and preservation of the functionality of intangible and tangible assets.

Determination of the numerator according to Article 8 Annex 1:

Analogous to the procedure for capital expenditures, the repair and maintenance costs for technical equipment, machinery, the vehicle fleet, and furniture and fixtures are allocated to Taxonomy-aligned, Taxonomy-eligible and Taxonomy-non-eligible operating expenditures in proportion to the equipment costs.

The maintenance expenses for real estate can be partially allocated to the economic activity 7.2. renovation of existing buildings or 7.3. maintenance and repair of energy efficiency equipment. These individual measures are therefore Taxonomy-eligible and, if the screening criteria are met, Taxonomy-aligned operating expenditures.

A detailed examination of the maintenance of real estate with regard to the technical screening criteria is only carried out, however, if the individual measure exceeds the expenditure of € 3 million. In the 2022 financial year, this value was not exceeded, which is why the entire allocation was made under Taxonomy-non-eligible operating expenditures.

Double recognition is avoided because the individual measures are initially subtracted from the total and only then is the remainder allocated using the equipment costs as a basis.

The basis for determining the operating expenditures are the respective expense items according to the IFRS consolidated balance sheet.

The operating expenditures are as follows:

A detailed presentation by economic activity in accordance with the reporting templates from Annex II is available in the Notes.

ENVIRONMENTAL OBJECTIVE OF CLIMATE CHANGE MITIGATION

	2022		2021	
	€ mln.	%	€ mln.	%
OpEx related to environmentally sustainable activities (Taxonomy-aligned) (A.1)	12.13	4.09	n. a.	n. a.
OpEx related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	56.86	19.19	67.61	20.37
Total (A.1 + A.2)	**68.99**	**23.28**	**67.61**	**20.37**
OpEx of Taxonomy-non-eligible activities (B)	227.41	76.72	264.29	79.63
Total (A+B)	**296.40**	**100.00**	**331.90**	**100.00**

The Taxonomy-aligned operating expenditures include € 9.56 million related to maintenance of construction equipment and € 2.57 million related to maintenance of the vehicle fleet. Recognition in the IFRS consolidated financial statements is made under the item “Other services used”.

Minimum safeguards

Assessing Taxonomy alignment in accordance with Articles 3 and 18 of the EU Taxonomy Regulation (EU 2020/852) also requires compliance with minimum social safeguards. The EU Taxonomy thus combines economic, environmental and social criteria for classifying sustainable economic activities. The minimum safeguards included in the EU Taxonomy are there to ensure that a company carrying out an economic activity implements procedures that guarantee aspects of human and workers’ rights. An economic activity is carried out in alignment with the minimum safeguards if the following minimum social standards are followed in its implementation:

- OECD Guidelines for Multinational Enterprises
- United Nations (UN) Guiding Principles on Business and Human Rights
- Core Conventions of the International Labour Organization (ILO)

These international frameworks comprise principles and guidelines for corporate responsibility in relation to four topics: human rights, corruption, taxation and fair competition.

In the 2022 financial year, STRABAG analysed its existing group directives, processes and management structures relevant to these four topics. The aim was to determine alignment with the required minimum standards in accordance with the EU Taxonomy. Many of the minimum safeguards are covered by legislation currently applicable to STRABAG and by group directives and policies. The following table provides an overview of the most important group directives and policies that were analysed:

Topic	STRABAG group directives, processes and policies
Human rights	Code of Conduct, Corporate Responsibility Policy, Supplier Code of Conduct, Health and Safety Policy, ombudspersons
Corruption	Code of Conduct, Business Compliance Management System, online whistleblower platform, Supplier Code of Conduct
Taxation	no internal company documents analysed – based on national laws
Fair competition	Business Compliance Management System, online whistleblower platform

A Social Policy is currently under development and should be adopted in 2023 following approval by the Management Board. The policy will set out STRABAG's commitments and measures with regard to various aspects of human rights and other related topics.

See chapter "Occupational Safety"

The management of STRABAG is called upon to ensure compliance with principles relating to these topics through appropriate measures within the scope of their respective area of responsibility. Any negative impacts of STRABAG's business activities are identified, evaluated and appropriate measures are taken to avoid or reduce them through due diligence, risk management and the annual materiality analysis.

The following observations can be made in relation to the items presented in the table above: The **Code of Conduct,** which was updated in July 2022, as well as the **Corporate Responsibility Policy,** which forms part of the Management Manual, are based on the principles set out in the Universal Declaration of Human Rights, the ILO Fundamental Conventions, the OECD Guidelines for Multinational Enterprises and the Ten Principles of the UN Global Compact. The Code of Conduct and the Corporate Responsibility Policy are binding for all employees of STRABAG SE and all its subsidiaries at home and abroad. Both documents are available in all Group languages and can be accessed on the intranet. The Code of Conduct is also published on the website of STRABAG SE and – as far as possible under national law – forms part of the employment contracts.

See chapter "Fair Competition"

Another instrument to ensure alignment with the minimum safeguards, particularly with regard to corruption and fair competition, is STRABAG's certified **Business Compliance Management System (BCMS).** Together with the Code of Conduct, the BCMS forms part of the corporate-wide Ethics Business Compliance System.

See online whistleblower platform: strabag.integrity-platform.org

The STRABAG **Supplier Code of Conduct** sets out requirements for suppliers, subcontractors and other business partners on the topics of business compliance, human rights, working conditions and the environment. It applies to all STRABAG suppliers and subcontractors, including their boards and committees, employees, representatives and subcontractors. STRABAG suppliers and subcontractors must implement these principles and requirements with appropriate care and are required to pass on the information contained therein to relevant employees and subcontractors. In this regard, STRABAG also expects the implementation of appropriate processes and measures to prevent human rights violations in its own business and to reduce risks along its supply chains.

STRABAG counters risks in occupational health and safety with its corporate-wide occupational health and safety management system (ISO 45001) and the establishment of a corporate-wide occupational health management system. Our principles on occupational health and safety and their implementation are laid down in our **Health and Safety Policy** and apply to all employees in the Group, including those at contracted external companies.

Another relevant group of topics in relation to the minimum safeguards concerns the safeguarding of employee interests. STRABAG respects the principle of freedom of assembly and free participation in trade unions and works councils in accordance with local legislation and expects the same from its suppliers and subcontractors. STRABAG SE has a group works council, represented on the Supervisory Board of STRABAG SE, which campaigns for the interests of employees. National and company-specific works councils also exist in addition to the group works council. 94% of STRABAG's employees are covered by collective agreements, with corresponding national requirements observed at all subsidiaries.

The principles of STRABAG's tax policy call for compliance with all applicable tax laws and other relevant regulations internationally. Numerous directives, organisational instructions and controls have been implemented in the individual countries to ensure appropriate taxation and compliance with the relevant regulations.

Non-compliance with the minimum safeguards by STRABAG, but also by companies in the supply chain, can be reported by any STRABAG employee, as well as by direct and indirect suppliers and other stakeholders, via an **online whistleblower platform** or to the designated contact persons **(ombudspersons).** The information or questions received via the whistleblower platform are treated confidentially and will only be passed on to third parties on a need-to-know basis. The whistleblowers can disclose their identity or choose to remain anonymous. In either case, the identity of the whistleblower will be protected from public disclosure.

The ombudsperson system gets involved if the matter received is a justified case and non-compliance with one of the safeguards seems plausible. To ensure an appropriate response to the violation, the responsible management level takes appropriate organisational and disciplinary action.

The previous discussions show that STRABAG has implemented a comprehensive, corporate-wide set of instruments to follow the EU Taxonomy's minimum safeguards. Nevertheless, due to the scope of our services, the large number of direct suppliers and the global activities of the STRABAG SE companies, it is not entirely possible to rule out corresponding risks along our supply chains.

Outlook

For the management, implementation and further development of our due diligence processes, a social compliance management system will be gradually implemented throughout the Group starting next year with the aim of firmly establishing the system and continuously improving it. The Social Policy described above is also part of this project. Key components of the social compliance management system include regular risk analyses and the identification of appropriate preventive and remedial measures for the company's own business activities and its supply chain. This also covers contractual regulations as well as training measures and sustainability audits, both within the company and at our suppliers. Corresponding human resources, including a human rights officer, will be established in the course of the financial year.

Reporting sheet: Proportion of turnover derived from goods or services associated with taxonomy-aligned economic activities - Disclosure for the year 2022																				
				Substantial contribution criteria						DNSH										
Economic activities (1)	Code(s) (2)	Absolute Turnover (3)	Proportion of Turnover (4)	Climate Change Mitigation (CCM) (5)	Climate Change Adaptation (CCA) (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (CCM) (11)	Climate Change Adaptation (CCA) (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Taxonomy aligned proportion Turnover, year 2022 (18)	Taxonomy aligned proportion Turnover, year 2021 (19)	Category "enabling activities" (20)	Category "transitional activities" (21)
		€ mln.	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Infrastructure for rail transport	6.14.	970.93	5.70	100.00							Y	Y	Y	Y	Y	Y	5.70	n. a.	E	
Construction of new buildings (as general contractor)	7.1.	117.62	0.69	100.00							Y	Y	Y	Y	Y	Y	0.69	n. a.		
Turnover related to environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,088.55**	**6.39**	**100.00**													**6.39**	**n. a.**		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
Electricity generation using solar photovoltaic technology	4.1.	6.23	0.04	100.00																
Electricity generation from wind power	4.3.	44.73	0.26	100.00																
Electricity generation from hydropower	4.5.	40.25	0.24	100.00																
Electricity generation from geothermal energy	4.6.	42.11	0.25	100.00																
Electricity generation from biogas	4.7.	6.33	0.04	100.00																
Electricity generation from bioenergy	4.8.	21.92	0.12	100.00																
Transmission and distribution of electricity	4.9.	8.57	0.05	100.00															E	
District heating/cooling distribution	4.15.	18.10	0.11	100.00																
Construction and extension of water supply systems	5.1.	193.83	1.14	100.00																
Construction and extension of waste water collection and treatment	5.3.	351.36	2.06	100.00																
Infrastructure for personal mobility, cycle logistics	6.13.	166.49	0.98	100.00															E	
Infrastructure for rail transport	6.14.	649.94	3.82	100.00															E	
Construction of new buildings (as general contractor)	7.1.	3,084.87	18.12	100.00																
Renovation of existing buildings	7.2.	671.65	3.94	100.00																T
Turnover related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**5,306.38**	**31.17**	**100.00**																
Total (A.1 + A.2)		**6,394.93**	**37.56**	**100.00**																
B. Taxonomy-non-eligible activities																				
Turnover related to Taxonomy-non-eligible activites (B)		10,630.92	62.44																	
Total (A+B)		**17,025.85**	**100.0**																	

Reporting sheet: Proportion of CapEx derived from goods or services associated with taxonomy-aligned economic activities - Disclosure for the year 2022																				
				Substantial contribution criteria						DNSH										
Economic activities (1)	**Code(s) (2)**	**Absolute CapEx (3)**	**Proportion of CapEx (4)**	**Climate Change Mitigation (CCM) (5)**	**Climate Change Adaptation (CCA) (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate Change Mitigation (CCM) (11)**	**Climate Change Adaptation (CCA) (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum Safeguards (17)**	**Taxonomy aligned proportion CapEx, year 2022 (18)**	**Taxonomy aligned proportion CapEx, year 2021 (19)**	**Category "enabling activities" (20)**	**Category "transitional activities" (21)**
		€ mln.	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**%**	**E**	**T**
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Infrastructure for rail transport	6.14.	21.15	2.73	100.00							Y	Y	Y	Y	Y	Y	2.73	n. a.	E	
Construction of new buildings (as general contractor)	7.1.	1.12	0.14	100.00							Y	Y	Y	Y	Y	Y	0.14	n. a.		
CapEx related to environmentally sustainable activities (Taxonomy-aligned) (A.1)		**22.27**	**2.87**	**100.00**													**2.87**	**n. a.**		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
Electricity generation using solar photovoltaic technology	4.1.	0.02	0.00	100.00																
Electricity generation from wind power	4.3.	1.49	0.19	100.00																
Electricity generation from hydropower	4.5.	1.12	0.14	100.00																
Electricity generation from geothermal energy	4.6.	1.68	0.22	100.00																
Electricity generation from biogas	4.7.	0.01	0.00	100.00																
Electricity generation from bioenergy	4.8.	0.08	0.01	100.00																
Transmission and distribution of electricity	4.9.	0.15	0.02	100.00															E	
District heating/cooling distribution	4.15.	0.70	0.09	100.00																
Construction and extension of water supply systems	5.1.	6.33	0.82	100.00																
Construction and extension of waste water collection and treatment	5.3.	15.02	1.93	100.00																
Infrastructure for personal mobility, cycle logistics	6.13.	5.23	0.67	100.00															E	
Infrastructure for rail transport	6.14.	18.07	2.33	100.00															E	
Construction of new buildings (as general contractor)	7.1.	29.04	3.74	100.00																
Renovation of existing buildings	7.2.	6.57	0.85	100.00																T
Acquisition and ownership of buildings	7.7.	177.64	22.87	100.00																
Transport by motorbikes, passenger cars and light commercial vehicles	6.5.	5.85	0.75	100.00																T
CapEx related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**269.00**	**34.63**	**100.00**																
Total (A.1 + A.2)		**291.27**	**37.50**	**100.00**																
B. Taxonomy-non-eligible activities																				
CapEx related to Taxonomy-non-eligible activites (B)		485.50	62.50																	
Total (A+B)		**776.77**	**100.00**																	

Reporting sheet: Proportion of OpEx derived from goods or services associated with taxonomy-aligned economic activities - Disclosure for the year 2022																				
				Substantial contribution criteria						DNSH										
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (CCM) (5)	Climate Change Adaptation (CCA) (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (CCM) (11)	Climate Change Adaptation (CCA) (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum Safeguards (17)	Taxonomy aligned proportion OpEx, year 2022 (18)	Taxonomy aligned proportion OpEx, year 2021 (19)	Category "enabling activities" (20)	Category "transitional activities" (21)
		€ mln.	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Infrastructure for rail transport	6.14.	11.52	3.89	100.00							Y	Y	Y	Y	Y	Y	3.89	n. a.	E	
Construction of new buildings (as general contractor)	7.1.	0.61	0.20	100.00							Y	Y	Y	Y	Y	Y	0.20	n. a.		
OpEx related to environmentally sustainable activities (Taxonomy-aligned) (A.1)		**12.13**	**4.09**	**100.00**													**4.09**	**n. a.**		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
Electricity generation using solar photovoltaic technology	4.1.	0.01	0.00	100.00																
Electricity generation from wind power	4.3.	0.81	0.27	100.00																
Electricity generation from hydropower	4.5.	0.61	0.21	100.00																
Electricity generation from geothermal energy	4.6.	0.91	0.31	100.00																
Electricity generation from biogas	4.7.	0.01	0.00	100.00																
Electricity generation from bioenergy	4.8.	0.04	0.02	100.00																
Transmission and distribution of electricity	4.9.	0.08	0.03	100.00															E	
District heating/cooling distribution	4.15.	0.38	0.13	100.00																
Construction and extension of water supply systems	5.1.	3.45	1.16	100.00																
Construction and extension of waste water collection and treatment	5.3.	8.20	2.76	100.00																
Infrastructure for personal mobility, cycle logistics	6.13.	2.85	0.96	100.00																
Infrastructure for rail transport	6.14.	9.84	3.32	100.00															E	
Construction of new buildings (as general contractor)	7.1.	15.82	5.34	100.00																
Renovation of existing buildings	7.2.	3.58	1.21	100.00																T
Acquisition and ownership of buildings	7.7.	7.91	2.67	100.00																
Transport by motorbikes, passenger cars and light commercial vehicles	6.5.	2.36	0.80	100.00																T
OpEx related to Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**56.86**	**19.19**	**100.00**																
Total (A.1 + A.2)		**68.99**	**23.28**	**100.00**																
B. Taxonomy-non-eligible activities																				
OpEx related to Taxonomy-non-eligible activites (B)		227.41	76.72																	
Total (A+B)		**296.40**	**100.00**																	

SUSTAINABILITY PROGRESS

↗ Positive development ↘ Negative development – No change ☆ New indicator ✕ Development not assessable

Topic	Indicator	Unit	2020	2021	2022	Development compared to the previous year
Client satisfaction[1]						
	Client satisfaction index[2]		1.87	Data not available[3]	4.4	✕
	Organisational efficiency and technical realisation		n. a.	n. a.	4.3	☆
	Responsible and sustainable handling of people and resources		n. a.	n. a.	4.3	☆
	Team: professional competence as well as communication and cooperation		n. a.	n. a.	4.5	☆
Digitalisation and innovation[1]						
	Collection and analysis of machine data	%	37	44	45	↗
	Key equipment with machine control systems	%	15	15	19	↗
	BIM 5D® workstations	Number	1,908	2,165	2,435	↗
	Percentage of employees using mobile end devices (tablets)	%	23	25	28	↗
	Expenditure on research, development and innovation activities	€ mln.	approx. 17	approx. 16	approx. 16	–
	Number of development projects with funding	Number	n. a.	24	25	↗
	Ideas submitted to idea management system	Number	n. a.	153	328	↗
	Implementation rate in idea management	%	n. a.	29.4	18.9[4]	↘
Occupational safety[1]						
	Lost-time accident rate[5]	%	0.27	0.26	0.24	↗
	Accident incident rate[6]	%	15.9	15.6	14.8	↗
	Occupational accidents with serious injuries[7]	Number	n. a.	n. a.	12	☆
Health protection[1]						
	Lost-time illness rate[8]	%	5.3	5.8	6.1	↘

1 Material topic as defined by the GRI Standards
2 The customer satisfaction index is composed of the aspects "Organisational efficiency and technical realisation", "Responsible handling of people and resources" and "Team: professional competence as well as communication and cooperation".
3 Due to changes in the way data are collected
4 While the number of ideas submitted has more than doubled, the resources for implementing these ideas have not increased proportionally.
5 Number of working hours lost to accidents versus productive working hours
6 Number of accidents at work per 1 million productive working hours
7 Indicator is being reported for the first time in the 2022 financial year. STRABAG considers occupational accidents with serious injuries to be occupational accidents that lead to 43 or more days of absence and that can be assigned to the injury types of broken bones, multiple injuries, burns, poisoning or electrocution. In 2022, there were no serious accidents due to poisoning or electrocution.
8 Ratio of sick leave days to working days; values for 2020 were adjusted retroactively due to a change in the calculation method.

Positive development · Negative development · No change · New indicator · Development not assessable

Topic	Indicator	Unit	2020	2021	2022	Development compared to the previous year
Strategic human resource development[1]						
	Number of appraisal interviews held versus number of employees	%	51.10	56.19	71.73	Positive development
	Training days per employee	%	0.68	0.84	1.31	Positive development
Equal treatment of women and men						
	Diversity on the Management Board[2] (Women/Men)	%	0/100	0/100	0/100	No change
	Diversity on the Supervisory Board[2] (Women/Men)	%	27/73	18/82	33/67	Positive development
	Diversity in management (Women/Men)	%	9.3/90.7	9.3/90.7	9.5/90.5	No change
	Diversity among employees (Women/Men)	%	17.1/82.9	17.5/82.5	17.6/82.4	No change
Fair competition[1]						
	Training "Anti-Corruption and BCMS" (management)	%	81	81	86	Positive development
	Training "Cartel Law" (management)	%	83	90	89	No change
	E-learning course "Business Compliance Training" (management and employees)	%	n. a.	92	94	Positive development
	Confirmed incidents of corruption	Number	5	1	0	Development not assessable
Materials[1]						
	Percentage of recycled asphalt used in the production of asphalt mixture	%	33 (DE) 40 (PL) 14 (AT)	34 (DE) 36 (PL) 19 (AT)	35 (DE) 33 (PL) 20 (AT)	Positive development
Energy and emissions[1]						
	Vehicle fleet in Germany and Austria Diesel-powered passenger cars	l/100 km g CO_2/km	5.97 160	5.90 158	5.79 155	Positive development
	Diesel-powered commercial vehicles	l/100 km g CO_2/km	9.3 249	9.28 248	9.16 245	Positive development
	Asphalt mix produced in-house in Germany	kWh/t kg CO_2/t	93.33 31.0	97.6 31.2	92.6 29.8	Positive development
Austrian Code of Corporate Governance (ÖCGK)						
	Compliance with C-Rules and R-Rules		All C-Rules and R-Rules were complied with	All C-Rules and R-Rules were complied with	All C-Rules and R-Rules were complied with	No change

1 Material topic as defined by the GRI standards
2 Employee numbers expressed as head count as at 31 December 2022

Positive development | Negative development | No change | New indicator | Development not assessable

Topic	Indicator	Unit	2020	2021	2022	Development compared to the previous year
Human rights						
	Number of cases of discrimination	Number	3	12	13	Development not assessable
	Number of cases identified in the category “human rights and working conditions”[1]	Number	n. a.	3	3	Development not assessable
	Reports of potential human rights violations to the ombudspersons	Number	17	27	16	Development not assessable
Societal engagement						
	Expenditures for core projects and initiatives	€ mln.	3.3	3.9	4.9	Positive development

1 Category was introduced in 2021

DATA APPENDIX

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
General Employment Figures[1]							
	Number of employees	FTE	2-7	76,919	74,340	73,606	73,740
	White-collar	FTE		32,480	31,889	31,934	32,336
	Blue-collar	FTE		44,439	42,451	41,672	41,404
	Women	Head count %	2-7	16.9	17.1	17.5	17.6
	Men	Head count %	2-7	83.1	82.8	82.5	82.4
	Age group <30 years	Head count %	405-1	19	19	17	18
	Age group 30–50 years	Head count %	405-1	50	50	52	52
	Age group >50 years	Head count %	405-1	31	31	31	30
	Segment (North + West)	FTE (%)	2-7	25,386 (33)	25,801 (35)	25,430 (35)	25,693 (35)
	Segment (South + East)	FTE (%)	2-7	19,850 (26)	20,512 (27)	20,685 (28)	20,625 (28)
	Segment (International + Special Divisions)	FTE (%)	2-7	25,219 (33)	21,339 (29)	20,610 (28)	20,405 (28)
	Other	FTE (%)	2-7	6,464 (8)	6,688 (9)	6,881 (9)	7,017 (9)
	Germany	FTE	2-7	29,132	28,150	28,131	28,887
	Austria	FTE	2-7	11,524	11,514	11,515	11,606
	Americas	FTE	2-7	7,613	6,497	5,786	5,595
	Poland	FTE	2-7	6,186	6,428	6,340	6,135
	Czech Republic	FTE	2-7	3,916	4,097	4,187	4,155
	Hungary	FTE	2-7	2,890	2,880	2,921	2,978
	Slovakia	FTE	2-7	1,831	1,745	1,671	1,602
	Romania	FTE	2-7	1,524	1,739	1,743	1,768
	Middle East	FTE	2-7	2,704	1,553	1,621	1,709
	Serbia	FTE	2-7	1,392	1,452	1,346	1,343
	Croatia	FTE	2-7	1,078	1,275	1,477	1,484
	Rest of Europe	FTE	2-7	1,528	1,123	987	923
	Asia	FTE	2-7	935	960	796	906
	Switzerland	FTE	2-7	880	822	749	690
	Africa	FTE	2-7	1,063	816	1,022	818
	Russia[2]	FTE	2-7	660	644	569	529
	United Kingdom	FTE	2-7	n. a.	610	932	1,148
	Benelux	FTE	2-7	602	538	381	330
	Bulgaria	FTE	2-7	401	491	596	498
	Sweden	FTE	2-7	436	370	319	292
	Denmark	FTE	2-7	294	276	199	108
	Italy	FTE	2-7	171	212	176	98
	Slovenia	FTE	2-7	159	148	142	138
	Number of nationalities within the Group	Number		120	139	147	154
	Percentage of women in the Group and in management						
	Women in the Group	Head count %	405-1	16.9	17.1	17.5	17.6
	Women in management[3]	Head count %	405-1	9.3	9.3	9.3	9.5
	Women on the Supervisory Board[4]	Head count %	405-1	18	27	18	33
	Women on the Management Board	Head count %	405-1	0	0	0	0
	Age structures in the Management Board and Supervisory Board						
	Management Board						
	Age group <30 years	Head count %	405-1	0	0	0	0

1 All employee figures were determined by including all associated group companies and represent annual average values.
2 STRABAG is in the process of winding up its activities in Russia.
3 Hierarchy levels from business unit management up
4 As at 31 December 2022

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
	Age group 30–50 years	Head count %	405-1	20	33	17	17
	Age group >50 years	Head count %	405-1	80	67	83	83
	Supervisory Board						
	Age group <30 years	Head count %	405-1	0	0	0	0
	Age group 30–50 years	Head count %	405-1	18	18	9	9
	Age group >50 years	Head count %	405-1	82	82	91	91
Detailed employment information							
	Total number of employees by employment contract (permanent and temporary), by gender						
	Total permanent	Head count (%)	2-7	70,645 (86)	68,672 (86)	68,458 (87)	68,834 (87)
	Total temporary	Head count (%)	2-7	11,668 (14)	10,756 (14)	9,954 (13)	10,618 (13)
	Women permanent	Head count (%)	2-7	11,664 (84)	11,498 (85)	11,877 (87)	11,892 (85)
	Women temporary	Head count (%)	2-7	2,212 (16)	2,099 (15)	1,808 (13)	2,052 (15)
	Men permanent	Head count (%)	2-7	58,981 (86)	57,174 (87)	56,581 (87)	56,942 (87)
	Men temporary	Head count (%)	2-7	9,456 (14)	8,657 (13)	8,146 (13)	8,566 (13)
	Total number of employees by employment contract (permanent and temporary), by region						
	Germany permanent	Head count (%)	2-7	28,839 (88)	27,664 (87)	28,001 (89)	28,516 (88)
	Austria permanent	Head count (%)	2-7	12,119 (99)	12,095 (99)	11,792 (97)	12,196 (95)
	CEE permanent	Head count (%)	2-7	16,219 (80)	16,963 (80)	17,477 (82)	16,992 (81)
	Rest of Europe permanent	Head count (%)	2-7	3,682 (92)	3,515 (86)	3,393 (88)	3,183 (86)
	Rest of World permanent	Head count (%)	2-7	9,786 (76)	8,435 (83)	7,795 (83)	7,947 (86)
	Germany temporary	Head count (%)	2-7	4,066 (12)	4,033 (13)	3,562 (11)	4,089 (12)
	Austria temporary	Head count (%)	2-7	101 (1)	101 (1)	420 (3)	614 (5)
	CEE temporary	Head count (%)	2-7	4,058 (20)	4,304 (20)	3,874 (18)	4,099 (19)
	Rest of Europe temporary	Head count (%)	2-7	310 (8)	582 (14)	447 (12)	525 (14)
	Rest of World temporary	Head count (%)	2-7	3,133 (24)	1,736 (17)	1,651 (18)	1,291 (14)
	Total number of employees by employment type (full-time and part-time), by region[1]						
	Germany full-time	Head count (%)	2-7	n. a.	n. a.	n. a.	26,712 (82)
	Austria full-time	Head count (%)	2-7	n. a.	n. a.	n. a.	11,211 (87)
	CEE full-time	Head count (%)	2-7	n. a.	n. a.	n. a.	20,656 (98)
	Rest of Europe full-time	Head count (%)	2-7	n. a.	n. a.	n. a.	3,493 (94)
	Rest of World full-time	Head count (%)	2-7	n. a.	n. a.	n. a.	9,147 (99)
	Germany part-time	Head count (%)	2-7	n. a.	n. a.	n. a.	5,893 (18)
	Austria part-time	Head count (%)	2-7	n. a.	n. a.	n. a.	1,599 (13)
	CEE part-time	Head count (%)	2-7	n. a.	n. a.	n. a.	435 (2)
	Rest of Europe part-time	Head count (%)	2-7	n. a.	n. a.	n. a.	215 (6)
	Rest of World part-time	Head count (%)	2-7	n. a.	n. a.	n. a.	91 (1)
	Total number of employees by employment type (full-time and part-time), by gender						
	Total full-time	Head count (%)	2-7	73,789 (90)	71,220 (90)	70,459 (90)	71,219 (90)
	Total part-time	Head count (%)	2-7	8,524 (10)	8,208 (10)	7,953 (10)	8,233 (10)
	Women full-time	Head count (%)	2-7	8,863 (64)	8,740 (64)	8,907 (65)	9,017 (65)
	Women part-time	Head count (%)	2-7	5,013 (36)	4,857 (36)	4,778 (35)	4,927 (35)
	Men full-time	Head count (%)	2-7	64,926 (95)	62,480 (95)	61,552 (95)	62,202 (95)
	Men part-time	Head count (%)	2-7	3,511 (5)	3,351 (5)	3,175 (5)	3,306 (5)

Any significant variations in the numbers reported in disclosure 2-7

No significant variations in the number of employees could be determined.

An explanation of how the data have been compiled, including any assumptions made

The information required for the GRI disclosures was taken from the HR master data of the ERP system at the group headquarters as well as from group organisational units with other ERP systems through standardised monthly reporting.

1 Indicator is being reported for the first time in 2022.

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
	Percentage of total employees covered by collective bargaining agreements[1]	Head count (%)	2-30	96	94	94	94
	New hires (without temporary employment contracts)						
	Women	Head count	401-1	808	623	719	934
	Men	Head count	401-1	3,558	3,041	3,619	4,741
	Age group <30 years	Head count	401-1	1,390	1,120	1,297	1,639
	Age group 30–50 years	Head count	401-1	2,298	1,985	2,392	3,204
	Age group >50 years	Head count	401-1	678	559	649	832
	Germany	Head count (Employee hire rate %)	401-1	1,567 (5.4)	1,194 (4.3)	1,322 (4.7)	1,786 (6.3)
	Women age group <30 years	Head count	401-1	110	75	81	129
	Men age group <30 years	Head count	401-1	370	287	328	424
	Women age group 30–50 years	Head count	401-1	145	110	129	169
	Men age group 30–50 years	Head count	401-1	639	515	558	750
	Women age group >50 years	Head count	401-1	52	29	39	53
	Men age group >50 years	Head count	401-1	251	178	187	261
	Austria	Head count (Employee hire rate %)	401-1	1,282 (10.6)	1,087 (9.0)	1,102 (9.3)	1,288 (10.6)
	Women age group <30 years	Head count	401-1	82	59	59	98
	Men age group <30 years	Head count	401-1	435	360	329	353
	Women age group 30–50 years	Head count	401-1	151	128	129	162
	Men age group 30–50 years	Head count	401-1	478	415	434	491
	Women age group >50 years	Head count	401-1	34	31	45	63
	Men age group >50 years	Head count	401-1	102	94	106	121
	CEE	Head count (Employee hire rate %)	401-1	773 (4.8)	556 (3.3)	604 (3.5)	534 (3.1)
	Women age group <30 years	Head count	401-1	54	30	46	30
	Men age group <30 years	Head count	401-1	147	103	134	107
	Women age group 30–50 years	Head count	401-1	88	68	60	71
	Men age group 30–50 years	Head count	401-1	363	266	264	243
	Women age group >50 years	Head count	401-1	11	7	10	15
	Men age group >50 years	Head count	401-1	110	82	90	68
	Rest of Europe	Head count (Employee hire rate %)	401-1	290 (7.9)	342 (9.7)	327 (9.6)	371 (11.7)
	Women age group <30 years	Head count	401-1	18	16	19	21
	Men age group <30 years	Head count	401-1	72	76	57	96
	Women age group 30–50 years	Head count	401-1	20	35	48	32
	Men age group 30–50 years	Head count	401-1	129	153	146	159
	Women age group >50 years	Head count	401-1	5	11	10	10
	Men age group >50 years	Head count	401-1	46	51	47	53
	Rest of World	Head count (Employee hire rate %)	401-1	454 (4.6)	485 (5.7)	983 (12.6)	1.696 (21.3)
	Women age group <30 years	Head count	401-1	15	8	13	28
	Men age group <30 years	Head count	401-1	87	106	231	353
	Women age group 30–50 years	Head count	401-1	20	14	28	43
	Men age group 30–50 years	Head count	401-1	265	281	596	1,084
	Women age group >50 years	Head count	401-1	3	2	3	10
	Men age group >50 years	Head count	401-1	64	74	112	178

1 The national requirements are kept at all subsidiaries.

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
	Departures (without temporary employment contracts)						
	Women	Head count	401-1	801	790	806	880
	Men	Head count	401-1	4,234	4,243	4,159	4,270
	Age group <30 years	Head count	401-1	955	799	849	1,006
	Age group 30–50 years	Head count	401-1	2,575	2,649	2,623	2,699
	Age group >50 years	Head count	401-1	1,505	1,585	1,493	1,445
	Germany	Head count (Employee departure rate %)	401-1	1,487 (5.2)	1,437 (5.2)	1,419 (5.1)	1,541 (5.4)
	Women age group <30 years	Head count	401-1	62	47	48	65
	Men age group <30 years	Head count	401-1	229	215	218	254
	Women age group 30–50 years	Head count	401-1	160	158	154	146
	Men age group 30–50 years	Head count	401-1	452	454	463	551
	Women age group >50 years	Head count	401-1	124	128	115	101
	Men age group >50 years	Head count	401-1	460	435	421	424
	Austria	Head count (Employee departure rate %)	401-1	775 (6.4)	724 (6.0)	911 (7.7)	1,033 (8.5)
	Women age group <30 years	Head count	401-1	33	36	42	62
	Men age group <30 years	Head count	401-1	167	129	178	221
	Women age group 30–50 years	Head count	401-1	123	107	108	148
	Men age group 30–50 years	Head count	401-1	231	218	302	318
	Women age group >50 years	Head count	401-1	60	62	69	80
	Men age group >50 years	Head count	401-1	161	172	212	204
	CEE	Head count (Employee departure rate %)	401-1	742 (4.6)	733 (4.3)	806 (4.6)	966 (5.7)
	Women age group <30 years	Head count	401-1	21	19	28	27
	Men age group <30 years	Head count	401-1	101	64	99	118
	Women age group 30–50 years	Head count	401-1	82	73	91	101
	Men age group 30–50 years	Head count	401-1	287	280	317	396
	Women age group >50 years	Head count	401-1	30	43	33	39
	Men age group >50 years	Head count	401-1	221	254	238	285
	Rest of Europe	Head count (Employee departure rate %)	401-1	332 (9.0)	315 (9.0)	378 (11.1)	255 (8.0)
	Women age group <30 years	Head count	401-1	12	6	7	9
	Men age group <30 years	Head count	401-1	55	47	55	49
	Women age group 30–50 years	Head count	401-1	27	28	28	20
	Men age group 30–50 years	Head count	401-1	132	133	175	104
	Women age group >50 years	Head count	401-1	18	10	11	11
	Men age group >50 years	Head count	401-1	88	91	102	62
	Rest of World	Head count (Employee departure rate %)	401-1	1,699 (17.4)	1,824 (21.6)	1,451 (18.6)	1,355 (17.1)
	Women age group <30 years	Head count	401-1	11	17	14	14
	Men age group <30 years	Head count	401-1	264	219	160	187
	Women age group 30–50 years	Head count	401-1	29	40	45	40
	Men age group 30–50 years	Head count	401-1	1,052	1,158	940	875
	Women age group >50 years	Head count	401-1	9	16	13	17
	Men age group >50 years	Head count	401-1	334	374	279	222

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
Key compensation figures							
	Ratio of annual total compensation[1]	Factor[2]	2-21	n. a.	n. a.	n. a.	53.1
Client satisfaction							
	Client satisfaction index	Index		1.87[3]	1.87[3]	n. a.[4]	4.4[5]
	Organisational efficiency and technical realisation	Index		n. a.	n. a.	n. a.	4.3
	Responsible and sustainable handling of people and resources	Index		n. a.	n. a.	n. a.	4.3
	Team: professional competence as well as communication and cooperation	Index		n. a.	n. a.	n. a.	4.5
Digitalisation and innovation							
	Collection and analysis of machine data	%		34	37	44	45
	Key equipment with machine control systems	%		12	15	15	19
	BIM 5D® workstations	Number		1,560	1,908	2,165	2,435
	Percentage of employees using mobile end devices (tablets)	%		18	23	25	28
	Expenditure on research, development and innovation activities	€ mln.		approx. 17	approx. 17	approx. 16	approx. 16
	Number of development projects with funding	Number		n. a.	n. a.	24	25
	Ideas submitted to idea management system	Number		n. a.	n. a.	153	328
	Implementation rate in idea management system	%		n. a.	n. a.	29.4	18.9
Occupational safety							
	Lost-time accident rate[6]	%	403-9	0.24	0.27	0.26	0.24
	White-collar	%	403-9	0.05	0.07	0.07	0.05
	Blue-collar	%	403-9	0.37	0.41	0.40	0.37
	Accident incident rate[7]	Number	403-9	15.9	15.9	15.6	14.8
	White-collar	Number	403-9	4.3	4.9	4.4	4.1
	Blue-collar	Number	403-9	23.9	24.1	23.9	22.6
	Occupational accidents with serious injuries[8]	Number		n. a.	n. a.	n. a.	12
	Fatalities through workplace accidents	Number	403-9	5	0	0	2
Health protection							
	Lost-time illness rate[9]	%		4.9	5.3	5.8	6.1

1 Indicator is being reported for the first time in 2022.
2 The factor is calculated from the ratio of the annual total compensation for the highest-paid individual to the median annual total compensation for all employees. The median annual employee compensation was calculated on the basis of the HR master data taken from the ERP system at Group headquarters, taking into account those employees who were employed for at least six months in the calendar year. Compensation was extrapolated into an annual amount for employees who were with the company for less than 12 months in the year and to a full-time amount in the case of part-time employment.
3 1 (pos.)–6 (neg.)
4 Due to changes in the way data are collected
5 1 (neg.)–5 (pos.)
6 Number of working hours lost to accidents versus productive working hours (blue-collar: 78,960,602 hours, white-collar: 58,647,904 hours)
7 Number of accidents at work per 1 million productive working hours (blue-collar: 78,960,602 hours, white-collar: 58,647,904 hours)
8 Indicator is being reported for the first time in the 2022 financial year. STRABAG considers occupational accidents with serious injuries to be occupational accidents that lead to 43 or more days of absence and that can be assigned to the injury types of broken bones, multiple injuries, burns, poisoning or electrocution. In 2022, there were no serious accidents due to poisoning or electrocution.
9 Ratio of sick leave days to working days; values for 2020 were adjusted retroactively due to a change in the calculation method.

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
	White-collar	%		3.6	3.4	3.5	4.1
	Blue-collar	%		5.8	6.7	7.5	7.6
Strategic human resource development							
	Number of appraisal interviews held versus number of employees	%	404-3	60.00	51.10	56.19	71.73
	Women	%	404-3	n. a.	54.57	58.74	72.09
	Men	%	404-3	n. a.	49.70	55.13	71.57
	Training days per employee	Number	404-1	1.42	0.68	0.84	1.31
	Women	Number	404-1	n. a.	0.72	0.91	1.24
	Men	Number	404-1	n. a.	0.66	0.81	1.34
	Training and further education sessions	Number		3,881	2,186	2,956	3,378
	Participants	Number		32,954	25,347	33,961	38,785
	Total number of apprentices	FTE		1,724	1,801	1,829	1,870
	Trainees	FTE		162	158	135	103
	Women	FTE		46	58	52	32
	Men	FTE		116	100	83	71
	Commercial trainees	FTE		28	39	32	30
	Technical Trainees	FTE		134	119	103	73
Fair competition[1]							
	Training “Anti-Corruption and BCMS” (management)	%	205-2	90	81	81	86
	Germany	Number of participants (%)	205-2	n. a.	n. a.	n. a.	509 (86)
	Austria	Number of participants (%)	205-2	n. a.	n. a.	n. a.	307 (93)
	CEE	Number of participants (%)	205-2	n. a.	n. a.	n. a.	319 (84)
	Rest of Europe	Number of participants (%)	205-2	n. a.	n. a.	n. a.	15 (43)
	Rest of World	Number of participants (%)	205-2	n. a.	n. a.	n. a.	0 (0)
	Training “Cartel Law” (management)	%	205-2	90	83	90	89
	Germany	Number of participants (%)	205-2	n. a.	n. a.	n. a.	555 (94)
	Austria	Number of participants (%)	205-2	n. a.	n. a.	n. a.	309 (93)
	CEE	Number of participants (%)	205-2	n. a.	n. a.	n. a.	320 (84)
	Rest of Europe	Number of participants (%)	205-2	n. a.	n. a.	n. a.	14 (40)
	Rest of World	Number of participants (%)	205-2	n. a.	n. a.	n. a.	0 (0)
	Refresher course “Business Compliance” (management)	%	205-2	n. a.[2]	22	19	64
	Germany	Number of participants (%)	205-2	n. a.	n. a.	n. a.	237 (68)

1 The breakdown of training participants and rate by region is being reported for the first time in the financial year 2022.
2 2019 not available due to changes to training courses

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
	Austria	Number of participants (%)	205-2	n. a.	n. a.	n. a.	203 (94)
	CEE	Number of participants (%)	205-2	n. a.	n. a.	n. a.	86 (35)
	Rest of Europe	Number of participants (%)	205-2	n. a.	n. a.	n. a.	0 (0)
	Rest of World	Number of participants (%)	205-2	n. a.	n. a.	n. a.	0 (0)[1]
	E-learning course "Business Compliance Training" (management and employees)[2]	%	205-2	n. a.	n. a.	92	94
	Confirmed incidents of corruption	Number	205-3	2	5	1	0
Materials							
	Percentage of recycled asphalt used in the production of asphalt mixture						
	Germany	% (of total thousand t)	301-2	34 (3,140)	33 (3,303)	34 (3,076)	35 (3,036)
	Poland	% (of total thousand t)	301-2	41 (2,280)	40 (2,391)	36 (2,513)	33 (2,268)
	Austria	% (of total thousand t)	301-2	13 (1,248)	18 (1,287)	19 (1,360)	20 (1,077)
	Materials used						
	Stone/Gravel	thousands of tonnes	301-1	70,410	69,960	64,790	59,991
	Asphalt	thousands of tonnes	301-1	13,270	12,745	12,715	12,056
	Concrete	thousands of m³	301-1	5,519	5,089	4,775	5,154
	Cement	thousands of tonnes	301-1	1,642	1,739	1,555	1,239
	Structural steel	tonnes	301-1	476,901	447,213	444,698	463,853
Energy and emissions							
	Vehicle fleet						
	Diesel-powered passenger cars in Germany and Austria[3]	litre/100 km (g CO_2/km)		6.01 (161)	5.97 (160)	5.90 (158)	5.79 (155)
	Diesel-powered commercial vehicles in Germany and Austria	litre/100 km (g CO_2/km)		9.18 (246)	9.33 (249)	9.28 (248)	9.16 (245)
	Asphalt mix produced in-house in Germany	kWh/t (kg CO_2/t)		93.0 (31.8)	93.0 (31.0)	97.6 (31.2)	92.6 (29.8)
	Energy costs	€ mln.		281	242	283	407
	Share of fuel in energy costs	%		65	61	64	67
	Energy consumption	MWh	302-1	3,545,606	3,163,103	3,274,577	3,467,402
	Fuel consumption from non-renewable sources[4]	MWh	302-1	3,064,026	2,708,997	2,838,073	3,007,256
	Electricity	MWh	302-1	432,755	411,441	394,859	417,340
	thereof green electricity	%		n. a.	6	26	23
	Fuel	MWh	302-1	1,986,883	1,732,783	1,754,901	1,961,591
	Gas	MWh	302-1	430,143	332,625	428,683	416,171
	Heating oil	MWh	302-1	165,764	142,857	151,406	153,519
	Pulverised lignite	MWh	302-1	481,235	500,732	503,083	475,975
	District heating	MWh	302-1	48,826	42,665	41,645	42,806
	CO_2 emissions						

1 There currently are no managers in the "Rest of World" region who must attend the refresher training.
2 Training was first implemented in 2021.
3 Until 2019, the figure was reported including petrol-driven vehicles.
4 New indicator since 2021. Number is composed of fuel, gas, heating oil and pulverised lignite.

Topic	Indicator	Unit	GRI Standard	2019	2020	2021	2022
	Carbon footprint Scope 1	t CO_2	305-1	833,816	738,708	768,433	809,104
	Carbon footprint Scope 1	t CO_2e	305-1	n. a.	742,063	771,799	813,242
	Carbon footprint Scope 2, location-based	t CO_2e	305-2	n. a.	171,353	165,711	175,191
	Carbon footprint Scope 2, location-based	t CO_2	305-2	n. a.	170,076	164,315	174,419
	Carbon footprint Scope 2, market-based	t CO_2e	305-2	n. a.	151,185	125,723	148,454
	Carbon footprint Scope 2, market-based	t CO_2	305-2	177,387	150,109	124,521	147,120
	CO_2 emissions by energy source[1]	%	305-1	100	100	100	100
	Fuels	%	305-1	52	51	50	53
	Pulverised lignite	%	305-1	17	19	18	16
	Electricity	%	305-1	16	18	17	17
	Gas	%	305-1	9	7	9	9
	Heating oil	%	305-1	4	4	4	4
	District heating	%	305-1	1	1	1	1
	CO_2 emissions by country	%	305-1	100	100	100	100
	Germany	%	305-1	36	37	36	33
	Poland	%	305-1	15	17	16	15
	Austria	%	305-1	8	9	8	11
	Czech Republic	%	305-1	8	8	10	8
	Other	%	305-1	33	29	30	33
Risk and opportunity management – Project risk management							
	EBIT margin	%	201-1	3.8	4.3	5.9	4.9
Human rights							
	Number of confirmed cases of discrimination	Number	406-1	1	3	12	13
	Number of cases identified in the category “human rights and working conditions”[2]	Number	406-1	n. a.	n. a.	3	3
	Reports of potential human rights violations to the ombudspersons	Number		12	17	27	16
Societal engagement							
	Expenditures for core projects and initiatives	€ mln.		4.2	3.3	3.9	4.9

1 The numbers are based on the location-based calculation method. Up to and including 2019, market-based emissions were used.
2 Category was introduced in 2021.

GRI CONTENT INDEX

Statement of use	STRABAG has reported in accordance with the GRI Standards for the period 1 January 2022–31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable sector standard

GRI Standard	Disclosure number and title		Page	Omission / Notes
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-1	Organizational details	21–22; 27; 311	www.strabag.com > Locations
	2-2	Entities included in the organization's sustainability reporting	230–240	
	2-3	Reporting period, frequency and contact point	7; 308	www.strabag.com > Investor Relations > IR Contact & Service www.strabag.com > Investor Relations > Company Calendar
	2-4	Restatements of information	7; 73	
	2-5	External assurance	7; 166–168	
	2-6	Activities, value chain and other business relationships	21–22; 25–28; 30; 298	www.strabag.com > Activities www.strabag.com > STRABAG SE > Our Brands www.strabag.com > Strategy > Stakeholder Involvement
	2-7	Employees	76–78; 152–153	2-7-b-iii does not apply to STRABAG/is not applicable because all STRABAG employment contracts have a fixed number of working hours.
	2-8	Workers who are not employees		2-8 does not apply to STRABAG/is not applicable, as each employee has an employment relationship with STRABAG governed by a valid employment contract.
	2-9	Governance structure and composition	43–54	
	2-10	Nomination and selection of the highest governance body	55–56	
	2-11	Chair of the highest governance body	48–55	
	2-12	Role of the highest governance body in overseeing the management of impacts	55–56; 71	
	2-13	Delegation of responsibility for managing impacts	53; 74; 104	
	2-14	Role of the highest governance body in sustainability reporting	73	
	2-15	Conflicts of interest	52; 54; 298	
	2-16	Communication of critical concerns	47; 59–60; 129	This information is currently incomplete. For the future disclosure of 2-16-b in the coming reporting period, a definition of "critical concerns" is being worked on.
	2-17	Collective knowledge of the highest governance body	70–71	
	2-18	Evaluation of the performance of the highest governance body	59–60	
	2-19	Remuneration policies		www.strabag.com > Investor Relations > Corporate Governance > Supervisory Board www.strabag.com > Investor Relations > Corporate Governance > Management Board
	2-20	Process to determine remuneration		www.strabag.com > Investor Relations > Corporate Governance > Supervisory Board www.strabag.com > Investor Relations > Corporate Governance > Management Board
	2-21	Annual total compensation ratio	155	2-21-b is not available, as indicator 2-21-a is being reported for the first time; as a result, a comparison with the previous year is not possible.
	2-22	Statement on sustainable development strategy	8–11	
	2-23	Policy commitments	103; 128–130; 142–144	
	2-24	Embedding policy commitments	103	
	2-25	Processes to remediate negative impacts	72; 103; 128–129	
	2-26	Mechanisms for seeking advice and raising concerns	104; 129	
	2-27	Compliance with laws and regulations	107	Significant violations of laws and regulations in the reporting year occurred only in the areas of corruption and antitrust law. These are reported under the indicators GRI 205: Anti-Corruption 2015 and GRI 206: Anti-Competitive Behaviour.

GRI Standard	Disclosure number and title		Page	Omission / Notes
GRI 2: General Disclosures 2021	2-28	Membership associations		www.strabag.com > Strategy > Strategic Approach (Download)
	2-29	Approach to stakeholder engagement	71–73	www.strabag.com > Strategy > Stakeholder Inclusion
	2-30	Collective bargaining agreements	154	

MATERIAL TOPICS

GRI 3: Material Topics 2021	3-1	Process to determine material topics	73–74	
	3-2	List of material topics	74	
	3-3	Management of material topics	74	

Client satisfaction

GRI 3: Material Topics 2021	3-3	Management of material topics	79–80	
	Own indicator	Client satisfaction index	80; 148; 155–156	This indicator was determined for the first time according to a new methodology in the 2022 financial year.

Digitalisation and innovation

GRI 3: Material Topics 2021	3-3	Management of material topics	81–83	
	Own indicator	Collection and analysis of machine data	83; 148; 156	
		Key equipment with machine control systems	83; 148; 156	
		BIM 5D® workstations	83; 148; 156	
		Percentage of employees using mobile end devices (tablets)	83; 148; 156	
		Expenditure on research, development and innovation activities	83; 148; 156	
		Development projects with funding	84; 148; 156	
		Ideas submitted to idea management system	84; 148; 156	
		Implementation rate in idea management system	84; 148; 156	

Occupational safety

GRI 3: Material Topics 2021	3-3	Management of material topics	88–92	
GRI 403: Occupational Health and Safety 2018	403-1–403-7	Disclosures on management approach to occupational safety	88–92	
	403-8	Workers covered by an occupational health and safety management system	88	
	403-9	Work-related injuries	90; 148; 156	
	403-10	Work-related ill health		This information is not available as it is personal data subject to privacy laws. Based on an evaluation of sick leave reports from health insurance funds and employers' liability insurance associations, it is only possible to provide generic information on work-related illnesses.

Health protection

GRI 3: Material Topics 2021	3-3	Management of material topics	93–94	
	Own indicator	Lost-time illness rate	93–94; 148; 156	

Strategic human resource development

GRI 3: Material Topics 2021	3-3	Management of material topics	95–101	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	96; 149	This information is currently incomplete. At present, there is no consistent systematic tracking of training hours for blue-collar workers. The company is committed to establishing a structured human resources development for blue-collar workers, however, which is to be planned and largely implemented by the end of 2023.
	404-2	Programs for upgrading employee skills and transition assistance programs	97–101	
	404-3	Percentage of employees receiving regular performance and career development reviews	95–96; 149; 156	This information is currently incomplete. The disclosure currently covers only white-collar workers, but not blue-collar workers.

GRI Standard	Disclosure number and title		Page	Omission/Notes
Fair competition				
GRI 3: Material Topics 2021	3-3	Management of material topics	102–109	
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption		This indicator is not applicable. In accordance with the business activities and organisational structure of STRABAG, operations are generally not an adequate starting point for assessing corruption risks. STRABAG's business activities are conducted in organisational units, which can be structured geographically or according to business segments. The identification and assessment of corruption risks is therefore consequently based on organisational units, whereby the extent of corruption risks can vary greatly in different organisational units.
	205-2	Communication and training about anti-corruption policies and procedures	105–106; 149; 157–158	No information can be provided on contractual partners. For detailed information on the breakdown by region and employee category, see www.strabag.com > Strategy > Strategic Approach > Business Compliance
	205-3	Confirmed incidents of corruption and actions taken	106; 149; 158	
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	107	
Energy and emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	110	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	111; 113; 158	
	302-2	Energy consumption outside of the organization		This information is currently incomplete. The focus is currently on collecting data on Scope 3 emissions upstream and downstream of the value chain, rather than on energy consumption.
	302-3	Energy intensity		This information is currently incomplete. STRABAG currently publishes the CO_2 intensity of relevant energy consumption categories. Work is underway to collect energy intensity data and to publish it in the coming reporting years.
	302-4	Reduction of energy consumption		This information is currently incomplete. We currently show the development of energy consumption for fuel, electricity, gas and pulverised lignite. Separate disclosure of steam (because included in district heating) and cooling (because included in electricity) is currently not possible.
	302-5	Reductions in energy requirements of products and services		This information is currently incomplete. STRABAG is currently collecting complex data required to calculate Scope 3 emissions and associated energy consumption and has set up a separate task group for this purpose. It is also planned to successively collect Scope 3 emissions and publish them in the coming reporting years.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	111–112; 158	
	305-2	Energy indirect (Scope 2) GHG emissions	111–112; 158	
	305-3	Other indirect (Scope 3) GHG emissions	111–112	This information is currently incomplete. STRABAG is currently collecting complex data required to calculate Scope 3 emissions and associated energy consumption and has set up a separate task group for this purpose. It is also planned to successively collect Scope 3 emissions and publish them in the coming reporting years.
	305-4	GHG emissions intensity	113; 149; 158	This information is currently incomplete. STRABAG currently publishes the CO_2 intensity of relevant energy consumption categories, including for asphalt mix and the diesel-powered vehicle fleet in Germany and Austria (cars and commercial vehicles).
	305-5	Reduction of GHG emissions		This information is currently incomplete. The disclosure of the actual reduction for the CO_2e emissions from Scope 1–3 and the determination of a base year will be prepared for the coming reporting years.
	305-6	Emissions of ozone-depleting substances (ODS)		This information is currently not available. STRABAG greenhouse gas accounting is currently limited to CO_2, N_2O und CH_4. Work is underway to improve data quality and to publish emissions from ozone-depleting substances (ODS) in the coming reporting years.
	305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions		This information is currently not available. STRABAG greenhouse gas accounting is currently limited to CO_2, N_2O und CH_4. Work is underway to improve data quality and to publish emissions from NO_x, SO_x and other significant emissions in the future.

GRI Standard	Disclosure number and title		Page	Omission / Notes
Materials				
GRI 3: Material Topics 2021	3-3	Management of material topics	115–117	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	93; 158	
	301-2	Recycled input materials used	116; 149; 158	
	301-3	Reclaimed products and their packaging materials		This indicator is not applicable to the core business of STRABAG SE.
Waste and circularity				
GRI 3: Material Topics 2021	3-3	Management of material topics	118–120	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related Impacts	118	This information is currently incomplete. The impacts of waste generation are currently incomplete and will be included in the development of risk management in the future.
	306-2	Management of significant waste-related impacts	118	This information is currently incomplete. The total volume of waste depends on the size and type of construction contracts (e.g., buildings, road demolition and removal, excavations or recycling activities) and on quality specifications. Since these specifications are determined by third parties, STRABAG has only limited influence on them.
	306-3	Waste generated	120	This information is currently incomplete. STRABAG is working on expanding the collection of waste-related data. So far, the Group collects data for handled waste, i.e., waste that STRABAG receives or processes as part of its project business. For individual Group entities, waste directed to disposal and waste diverted from disposal (including preparation for reuse, recycling and other recovery processes) are quantified. The total volume of waste depends on the size and type of construction contracts (e.g., buildings, road demolition and removal, excavations or recycling activities) and on quality specifications. Since these specifications are determined by third parties, STRABAG has only limited influence on them. The total quantity is therefore not defined as a controllable variable.
	306-4	Waste diverted from disposal	120	
	306-5	Waste directed to disposal	120	
ADDITIONAL SUSTAINABILITY TOPICS				
Human rights				
GRI 3: Material Topics 2021	3-3	Management of material topics	128–129	
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	129–130; 150; 159	
Societal engagement				
GRI 3: Material Topics 2021	3-3	Management of material topics	131–135	
	Own indicator	Expenditures for core projects and initiatives	131; 150; 159	
Equal treatment of women and men				
GRI 3: Material Topics 2021	3-3	Management of material topics	55–58	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	43–52; 56; 149; 152–153	

Villach, 6 April 2023

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Responsibility Central Staff Divisions and Central Divisions BMTI, CML, TPA, STRABAG Innovation & Digitalisation as well as Zentrale Technik, Winding up Russia

Mag. Christian Harder
CFO
Responsibility Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Responsibility Segment North + West

Dipl.-Ing. Siegfried Wanker
Responsibility Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Responsibility Segment South + East

INDEPENDENT ASSURANCE REPORT ON THE NON-FINANCIAL REPORTING ACCORDING TO § 267A UGB

We have performed an independent limited assurance engagement on the consolidated nonfinancial report according to § 267a UGB ("NFI report") for the financial year 2022, which has been published as Non-financial Report of

STRABAG SE,
Villach, Austria

(referred to as "STRABAG" or "the Company").

Conclusion

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NFI report of the Company is not in accordance with [the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the provisions of Article 8 of the Regulation (EU) 2020/852 as amended and the supplementing delegated Regulation (EU) 2021/2178 (hereafter "EU Taxonomy Regulation") and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" in all material respects.

Management's Responsibility

The Company's management is responsible for the proper preparation of the NFI report in accordance with the reporting criteria. The Company applies [the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" as reporting criteria. In addition, the company prepares disclosures in accordance with the EU Taxonomy Regulation, which are published as part of sustainability reporting.

The Company's management is responsible for the selection and application of appropriate methods for non-financial reporting (especially the selection of significant matters) as well as the use of appropriate assumptions and estimates for individual non-financial disclosures, given the circumstances. Furthermore, their responsibilities include the design, implementation and maintenance of systems, processes and internal controls that are relevant for the preparation of the sustainability report in a way that is free of material misstatements – whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to state whether, based on our procedures performed and the evidence we have obtained, anything has come to our attention that causes us to believe that the Company's NFI report is not in accordance with [the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the legal requirements of the EU Taxonomy Regulation and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" in all material respects. The audit of the disclosures included in the NFI report in accordance with the EU Taxonomy Regulation is not part of our engagement

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance engagement"), thus providing reduced assurance. Despite diligent engagement planning and execution, it cannot be ruled out that material misstatements, illegal acts or irregularities within the non-financial report will remain undetected.

The procedures selected depend on the auditor's judgment and included the following procedures in particular:

- Inquiries of personnel at the group level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting threshholds of the Company;

- A risk assessment, including a media analysis, on relevant information on the Company's sustainability performance in the reporting period;

- Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of disclosures on environmental, social and employees matters, respect for human rights, anti-corruption as well as bribery and also includes the consolidation of data;

- Inquiries of personnel at the group level, who are responsible for providing, consolidating and implementing internal control procedures relating to the disclosure of concepts, risks, due diligence processes, results and performance indicators;

- Inspection of selected internal and external documents, in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;

- Assessment of the processes for local data collection, validation and reporting, as well as the reliability of the reported data through a (remotely conducted) survey performed on a sample basis;

- Analytical evaluation of the data and trend of quantitative disclosures regarding the GRI Standards listed in the GRI-Index, submitted by all locations for consolidation at the group level;

- Evaluation of the consistency of the of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the EU Taxonomy Regulation and the GRI Standards, Option "in accordance with" to disclosures and indicators of the NFI report, which apply to the Company;

- Evaluation of the overall presentation of the disclosures by critically reading the NFI report.

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to audit future- related disclosures, prior year figures, statements from external sources of information, expert opinions or references to more extensive external reporting formats of the Company.

Restriction on use

Because our report will be prepared solely on behalf of and for the benefit of the principal, its contents may not be relied upon by any third party, and consequently, we shall not be liable for any third-party claims. We agree to the publication of our assurance certificate and NFI report. However, publication may only be performed in its entirety and as a version has been certified by us.

General Conditions of Contract

Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.

Linz, 6 April 2023

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

qualified electronically signed:

Mag. Gerold Stelzmüller

Wirtschaftsprüfer

(Austrian Chartered Accountant)

This document was signed with a qualified electronic signature and only this electronic version is valid.

Group Management Report, Consolidated Financial Statements and Notes

GROUP MANAGEMENT REPORT

Important events

FEBRUARY

STRABAG continues upgrade of S19 expressway in Poland for € 85 million

The Group's Polish subsidiary received another major contract to expand the S19 expressway in Poland. The project comprises approximately 7.5 km of new roadway plus a further 6.2 km upgrade of the carriageway of the Międzyrzec Podlaski bypass as part of the second construction stage. The contract will be implemented over a period of 42 months as a design-and-build project.

MARCH

Core shareholder Haselsteiner Familien-Privatstiftung terminates syndicate agreement

On 15 March 2022, STRABAG was informed by its core shareholder Haselsteiner Familien-Privatstiftung that it had terminated as of 31.12.2022 the syndicate agreement in place with UNIQA Group, Raiffeisen Group and MKAO "Rasperia Trading Limited" after all efforts to acquire the Russian shares had failed. The syndicate agreement had been in effect since 2007 and, in addition to the nomination of Supervisory Board members, also provided for the coordination of voting results at the General Meeting.

STRABAG implements ÖGNI-certified Grünblick project in Vienna

STRABAG was commissioned by Value One to act as general contractor on the Grünblick residential project in Viertel Zwei in Vienna. Grünblick was already awarded the gold sustainability certificate by the Austrian Society for Sustainable Real Estate (ÖGNI). The urban development project, located directly at Vienna's Prater public park, involves the construction of 340 premium private flats on 27 floors, ranging in size from just under 44 m² to 134 m². The contract also includes retail space as well as a children's nursery on the ground floor and underground parking levels with around 220 parking spaces. The € 110 million project is scheduled for turnkey delivery to Value One in summer 2025.

The Grünblick project will be a residential tower in the car-free Viertel Zwei in the immediate proximity of Prater park and the Krieau Trabrennbahn (harness racing track)

APRIL

Sanctions against Oleg Deripaska

After Canada, the United Kingdom and Australia, the European Union on 8 April 2022 added Oleg Deripaska, who controls the STRABAG SE shareholder MKAO "Rasperia Trading Limited", to its sanctions list. The EU sanctions thus also apply to MKAO "Rasperia Trading Limited". STRABAG is not a sanctioned company, as STRABAG SE is not controlled by MKAO „Rasperia Trading Limited" (or indirectly by Oleg Deripaska) as defined by the sanction regulations.

MAY

Construction of headquarters for Volksbank Raiffeisenbank Bayern Mitte

STRABAG subsidiary ZÜBLIN was commissioned to build the company headquarters for Volksbank Raiffeisenbank Bayern Mitte in Ingolstadt, Germany. The building will be completed in an energy-efficient design with technologies such as concrete core temperature control and a photovoltaic system on the roof. Gold certification with the DGNB sustainability seal is also planned. The cooperation between Volksbank Raiffeisenbank Bayern Mitte and ZÜBLIN is based on the

TEAMCONCEPT® partnering model, which focuses on the early involvement of the construction partner in the planning and a partnership-based handling of construction projects. Construction work should be completed by the end of 2024.

STRABAG Real Estate (SRE) is also involved in the DonauTower project: SRE was commissioned by the bank as a service developer in 2019, among other things to prepare the building site for construction in a project-related development plan.

Klemens Haselsteiner appointed new CEO

Klemens Haselsteiner succeeds Thomas Birtel as CEO

STRABAG received a new CEO effective from 1 January 2023. Klemens Haselsteiner succeeds Thomas Birtel, who was stepping down as CEO after ten years at the helm upon reaching the specified age limit. Haselsteiner has been on the Management Board since 2020, where he set up and established the Digitalisation, Corporate Development and Innovation portfolio. In addition to overseeing pilot projects, his focus as Chief Digital Officer was on the definition and implementation of a corporate-wide digitalisation and sustainability strategy.

JUNE

STRABAG subsidiary ZÜBLIN receives orders worth around € 283 million in Chile

With two new tunnelling contracts for the Candelaria Norte and El Teniente mines, the STRABAG Group is further advancing its successful mining business in Chile. The contracts have a total value of around € 283 million. Through its subsidiary ZÜBLIN, the company has spent the last 16 years developing the copper ore mine in the Atacama region, 650 km north of the capital Santiago. During this period, 140 km of tunnels in total have been built, and a further 40 km are to be constructed in the coming three-year contract period on behalf of client Lundin Mining.

The new contract also includes the loading and transport of more than three million tonnes of rock.

ZÜBLIN has been working for the client, the National Copper Corporation of Chile (CODELCO), at the El Teniente copper mine since 1992. The new two-year contract includes, among other things, the development of a tunnel system with a length of 13.4 km on different levels, 1,503 m of vertical shafts, and other infrastructure work. The company is currently working on seven major projects in Chile, including mining projects in Chuquicamata, Candelaria and El Teniente as well as laying 140 foundations for the largest wind farm in South America with a projected output of 778 MW. After its completion, the wind farm will cover the energy needs of around 700,000 households.

JULY

Federal Competition Authority requests review of antitrust decision

On 21 October 2021, the Vienna Higher Regional Court (OLG), sitting as the Cartel Court, issued a final decision in the antitrust proceedings against STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H & Co. KG and a fine of € 45.37 million was imposed on the two group companies. The Austrian Federal Competition Authority (BWB) subsequently requested that this decision should be reviewed. The Cartel Court rejected the motion. The BWB and the Federal Cartel Prosecutor have appealed against the ruling. A decision by the Austrian Supreme Court (OGH) is pending.

Modernisation of railway line between Zagreb and Rijeka for € 228 million

STRABAG signed a contract in Croatia for the modernisation of a 44 km railway line between Zagreb and the port city of Rijeka. The order includes, among other things, the upgrade of the existing track, construction of a new track and the modernisation of several stations and stops. The contract has a value of € 228 million and is mainly being co-financed through the European Union's Cohesion Fund.

AUGUST

Core shareholders of STRABAG SE agree on new syndicate

The core shareholders Haselsteiner Familien-Privatstiftung, the UNIQA Group and Raiffeisen Group concluded a new syndicate agreement on 18 August 2022. The Management Board of STRABAG SE welcomes the continuation of the core shareholder group, which supports the company's successful strategic orientation and growth.

Austrian core shareholders make mandatory offer required as a result of MKAO "Rasperia Trading Limited" asset freeze

The asset freeze imposed by the EU prohibits MKAO "Rasperia Trading Limited" from exercising all rights associated with its STRABAG SE shares. This had the following consequence in accordance with the Austrian Takeover Act: the remaining core shareholders – Haselsteiner Familien-Privatstiftung, the UNIQA Group and Raiffeisen Group – acquired passive control over STRABAG SE. By law, this triggered a restriction of the voting rights of the Austrian core shareholders to a combined 26% despite the fact that they effectively hold 57.8% of the shares.

To lift the legal restriction on voting rights, it was necessary for Haselsteiner Familien-Privatstiftung, the UNIQA Group and Raiffeisen Group to make an anticipatory mandatory offer. Pursuant to the Austrian Takeover Act, the voting right restriction will cease to apply following settlement of the offer.

SEPTEMBER

STRABAG gives itself new look, focuses on progress and sustainability

STRABAG is addressing the most pressing issues facing the construction industry in the future and is committing itself to becoming climate neutral along the entire value chain by 2040. In total, STRABAG is currently working on 250 innovation and 400 sustainability projects across the entire Group. All relevant information is summarised in the Work On Progress Hub at work-on-progress.strabag.com. The hub contains up-to-date details on the topics of digitalisation and innovation, the reduction of greenhouse gases, and materials and circularity. The site also offers further information on specific flagship and pilot projects that STRABAG is currently working on: building projects where STRABAG creates the walls using 3D concrete printing directly on site; asphalt that is recycled and reused in the construction of new roads; conveyor belts that generate their own electricity; an old oil port that STRABAG is redeveloping into a centre for urban mining.

OCTOBER

Upgrade of Berlin-Köpenick station for regional rail service

STRABAG Rail has been commissioned by DB Netz AG to upgrade the Köpenick railway station in south-east Berlin to handle regional rail traffic. The new station is a key element of Berlin's transport concept and part of the extensive project to modernise the west-east corridor from Berlin to the Polish border near Frankfurt an der Oder. STRABAG Rail GmbH is leading the comprehensive modernisation works together with STRABAG AG, STRABAG Fahrleitungen GmbH and ZÜBLIN Stahlbau GmbH. The contract value amounts to around € 154 million. Starting in 2027, the railway line will enable shorter travel times between the cities of Magdeburg, Potsdam, Berlin and Frankfurt an der Oder at speeds of up to 160 km/h.

Development of A3 motorway in Romania for € 85 million

STRABAG's Romanian subsidiary was awarded another key contract. Together with consortium partner GEIGER, STRABAG is building a 15.7 km long section of the A3 motorway between Câmpia Turzii and Chețani for € 85 million (STRABAG's share: 60%). Construction was scheduled to start in 2022 and will take around 18 months.

NOVEMBER

STRABAG Environmental Technology lays foundation for circular construction of the future with pilot project in Bremen

The STRABAG Group launched a pioneering flagship project as part of its sustainability strategy in November with a symbolic groundbreaking ceremony that marked the start of remediation and construction work for the Circular Construction & Technology Center (C3) at Bremen's former oil port. As a pilot project, the competence centre for urban mining and construction waste processing will lay the foundation for the resource-saving, low-carbon construction of the future. The recycled building materials developed and obtained here will make a significant contribution to establishing closed material cycles in the construction industry in the Bremen region. Over the next two years, however, STRABAG Environmental Technology must first comprehensively and sustainably clean up the site of the former refinery tank farm, which was heavily contaminated with mineral oil. The step-by-step construction of the buildings and of the plant technology will begin in 2024; the facilities for recycling construction waste are also scheduled to go into operation that same year.

Visualisation of C3 in Bremen

DECEMBER

STRABAG expands facility services business through acquisition of Bockholdt GmbH & Co. KG

With the acquisition of northern German cleaning service provider Bockholdt GmbH & Co. KG, STRABAG Property and Facility Services (STRABAG PFS) is expanding its activities in infrastructural facility management. With the acquisition, STRABAG PFS is significantly strengthening its own service volume and expanding its presence in northern Germany. The Lübeck-based family business was founded in 1959 and specialises in cleaning buildings, industrial facilities and hospitals. With around 3,600 employees, an in-house training academy, and 13 locations, Bockholdt is one of the largest employers in northern Germany.

Country report

DIVERSIFYING THE COUNTRY RISK

STRABAG sees itself as a European technology group for construction services with a strong focus on Central and Eastern Europe. With a dense network of numerous subsidiaries in many European countries and on other continents, we are expanding our area of operation far beyond the borders of Austria and Germany. On the one hand, it is a tradition for the company to follow its clients into new markets; on the other hand, the existing country network with local management and established organisational structures makes it easier to export and to use the technology and the equipment in new regions with little expense. To diversify the country risk even further, and to profit from the market opportunities in other parts of the world, STRABAG is also active internationally, i.e., in countries outside of Europe.

The STRABAG Group recorded a 10% higher output of € 17,735.47 million in the 2022 financial year. The greatest increase in output volume in absolute figures was recorded in our home market in Germany, followed by Austria and the United Kingdom, where the two major projects are currently being executed, and the Czech Republic.

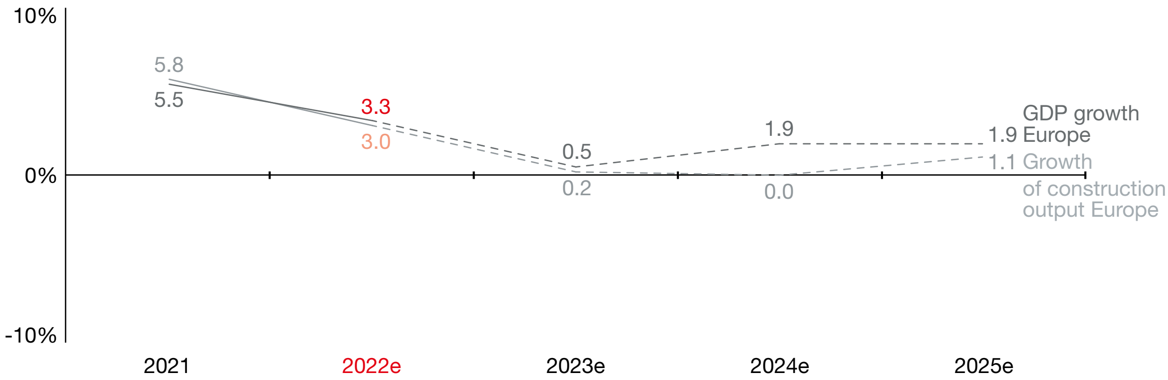
OUTPUT VOLUME BY COUNTRY

€ mln.	2022	% of total output volume 2022[1]	2021	% of total output volume 2021[1]	Δ %	Δ absolute
Germany	8,347	47	7,462	46	12	885
Austria	2,935	17	2,694	17	9	241
Poland	1,126	6	1,152	7	-2	-26
Czech Republic	1,093	6	948	6	15	145
Hungary	688	4	652	4	6	36
United Kingdom	578	3	390	2	48	188
Americas	558	3	482	3	16	76
Slovakia	351	2	289	2	21	62
Romania	315	2	264	2	19	51
Middle East	252	1	203	1	24	49
Croatia	238	1	177	1	34	61
Switzerland	197	1	192	1	3	5
Benelux	176	1	233	1	-24	-57
Sweden	152	1	121	1	26	31
Serbia	146	1	155	1	-6	-9
Asia	136	1	145	1	-6	-9
Rest of Europe	110	1	136	1	-19	-26
Slovenia	81	0	104	1	-22	-23
Bulgaria	68	0	82	1	-17	-14
Denmark	61	0	109	1	-44	-48
Russia[2]	59	0	46	0	28	13
Africa	47	0	35	0	34	12
Italy	21	0	58	0	-64	-37
Total	**17,735**	**100**	**16,129**	**100**	**10**	**1,606**

1 Rounding differences are possible.
2 STRABAG is in the process of winding up its activities in Russia.

GLOBAL ECONOMY SLOWED DOWN[1]

GROWTH COMPARISON CONSTRUCTION VS GDP EUROPE



Following a significant catch-up effect in 2021, global economic growth weakened noticeably in 2022 in the wake of numerous challenges such as the ongoing disruption of supply chains as a result of the pandemic and Russia's invasion of Ukraine. The war has led, among other things, to supply bottlenecks for gas and oil as well as to restrictions in global trade, which in turn resulted in sharp price increases, especially for energy. This also triggered a significant increase in the general price level, which could not be offset by wage increases. Continuing inflationary pressures were compounded by rising interest rates and tighter lending standards. Moreover, China's zero-Covid policy put further pressure on both the national and global economies.

At the same time, the impact of climate change is also becoming more noticeable in the individual economies. There is widespread agreement that measures for an energy transition away from fossil fuels are indispensable and that corresponding investments are urgently needed.

The IMF expects the global economy to grow by 3.2% in 2022 and by 2.7% in 2023. The weak level of growth is likely to persist for longer, as prices are expected to remain high over the long term, triggering additional monetary policy measures.

The OECD estimates the European Union's economic growth at 3.3% in 2022. The gross domestic product of the 19 Euroconstruct countries (EC-19) also rose by 3.3% in the same year. The growth rates of the individual countries vary greatly, however, ranging from +1.5% to +10.0%. The high energy prices will sharpen the focus on the energy transition in Europe in the future. GDP growth of only 0.5% is expected for the EC-19 region in 2023, followed by 1.9% in each of the two subsequent years.

WEAKER GROWTH IN THE CONSTRUCTION SECTOR

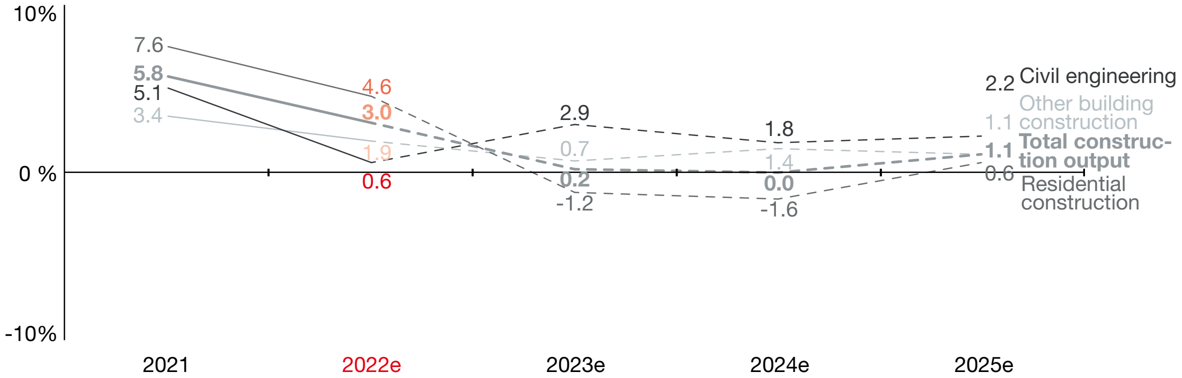
With growth of 3.0% in 2022, the construction industry in the EC-19 countries grew at a lower rate than in the previous year (2021: +5.8%). The tremendous changes in Europe, above all Russia's military aggression against Ukraine, significantly impacted the construction industry in the reporting year. The steadily rising construction costs and consumer prices, as well as the repeated interest rates hikes in the eurozone, led to many projects launches being postponed or cancelled entirely. Due to the uncertain economic outlook and rising property prices, a decline in consumer confidence was also observable. These negative effects were offset by positive influences from public subsidies, especially for renovation work.

In a sector-by-sector comparison, residential construction performed best in 2022 with a plus of 4.6%, ahead of non-residential construction with +1.9% and civil engineering with +0.6%. The strongest growth was again seen in the Italian construction industry with a plus of 12.1%, followed by Ireland with +9.0%. Portugal brought up the rear with -2.5%, followed by Switzerland (-1.8%) and Germany (-0.5%). Construction in the 19 Euroconstruct countries is expected to decline significantly or stagnate in the coming years. Growth is projected to remain nearly flat at +0.2% in 2023 before stagnating entirely the following year (2024: 0.0%). A slight increase, of 1.1%, is not expected until 2025.

1 All growth forecasts as well as the particular national construction volumes are taken from the Euroconstruct and EECFA (Eastern European Construction Forecasting Association) winter 2022 reports. The indicated market share data are based on the data from the year 2022 and 2022 estimates from Euroconstruct and EECFA.

RESIDENTIAL CONSTRUCTION AS DRIVING SEGMENT AHEAD OF OTHER BUILDING CONSTRUCTION AND CIVIL ENGINEERING

GROWTH COMPARISON CONSTRUCTION SECTOR EUROPE

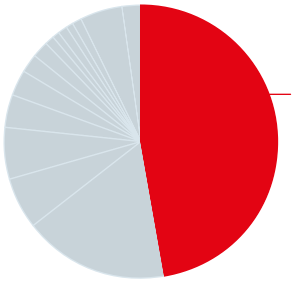


Residential construction, which continues to account for almost half of total European construction output, grew by 4.6% in 2022 with a volume of € 941.4 billion. The 15 western Euroconstruct countries, with growth of 4.7%, outperformed the eastern countries (+3.2%). In absolute terms, Germany was in the lead ahead of Italy, followed by the UK and France. Forecasts predict a decline in construction output in this segment for 2023 and 2024 (-1.2% and -1.6%, respectively), with a slight recovery of +0.6% expected in 2025.

Non-residential construction, which accounts for 30% of the European construction volume, grew at 1.9% in 2022, which represents a weaker rate than in the previous year. Germany is the largest market for this segment, followed by the UK, France and Italy. The strongest growth was seen in Sweden, the Czech Republic, France, Poland and the Netherlands. Non-residential construction grew most weakly in Switzerland, Germany and Belgium. Euroconstruct forecasts a slight increase of 0.7% and 1.4% for the segment in 2023 and 2024, respectively, followed by +1.1% in 2025.

Civil engineering, which contributes around 20% to European construction output, managed only slight growth in 2022 (+0.6%) after +5.1% in the previous year. Heavily dependent on public investors, the segment was hit especially hard by the sharp rise in prices for energy and building materials. The trend in the individual countries was quite different. Although Germany is the largest civil engineering market in the EC-19, ahead of France, it closed the reporting year negatively with -1.0%. Measured by the volume of construction output, the United Kingdom and Italy followed. The strongest growth was in Spain, Norway and Belgium, while the biggest decline was in Portugal. The growth rate for European civil engineering is expected to reach +2.9% in 2023 and +1.8% in 2024, with a plus of 2.2% projected for 2025. More than half of European civil engineering investments are in road and rail networks, followed by energy and water supply projects.

GERMANY



Overall construction volume:	€ 418.7 billion
GDP growth:	2022e: 1.5% / 2023e: -0.5%
Construction growth:	2022e: -0.5% / 2023e: 0.4%

The initially positive development of the German economy was severely dampened by Russia's invasion of Ukraine in February 2022. Businesses came under enormous pressure as a result of the sharp increases in fuel, gas and electricity prices and the skyrocketing prices for raw materials and intermediate products. The massive increase in energy prices resulted in noticeable financial losses for both private households and companies, despite a multitude of government aid measures. At the same time, the inflation rate reached 8.5%, the highest level in approximately 70 years. Euroconstruct expects GDP growth in 2022 to have reached 1.5%, but already anticipates a moderate decline in 2023 of 0.5%. In the medium term, growth should then level off again between +2.5% and +2.0% annually.

With a decline in construction output of only 0.5%, the German construction industry has come through the crisis relatively well so far. Construction companies continued to benefit from their full order books for the time being. In addition to the shortage of skilled labour, however, the sector remained beset by supply bottlenecks for building materials and the associated price increases. The changed interest rate level also had a dampening effect on growth. The new market environment led to a 16% increase in prices for construction services in 2022. Based on the existing order backlog, Euroconstruct still expects slight growth of 0.4% and 0.1% for the sector in 2023 and 2024, respectively, with a decline of 0.4% forecast for 2025. An end to real growth is not expected until the medium term for all areas of the construction industry.

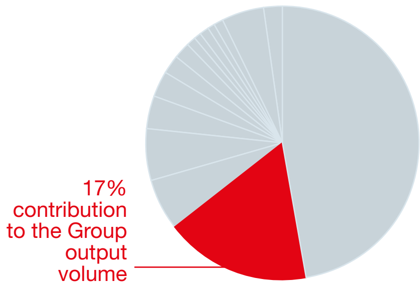
In residential construction, the volume increased only slightly by 0.2%. The sector recently benefited from the still low interest rates and the lack of investment alternatives. Repeated material bottlenecks, rising building material and energy costs, and the declining economic performance combined to inhibit growth. For the residential construction sector, Euroconstruct still expects a slight plus of 0.7% for 2023, followed by negative growth of -0.3% and -1.1% for 2024 and 2025, respectively.

Non-residential construction, which contracted by 1.7% in 2022, was increasingly affected by economic uncertainty and investment restraint on the part of businesses and the public sector, especially municipalities. In this segment, too, investment caution was exacerbated by the price increases for building materials as a result of temporary supply bottlenecks. Euroconstruct therefore sees only a slight increase of 0.4% and 0.6% for the sector in 2023 and 2024, respectively, followed by +0.4% in 2025.

The civil engineering sector recorded a slight decline of 1.0% in 2022. The long-term government investment programmes in rail and road infrastructure continue to have a positive effect. The energy sector is receiving new tailwind from investments in power plants based on renewable energies. Municipalities, on the other hand, have been holding back on road and water construction projects due to the sharp rise in construction prices. A slight minus of 0.2% is expected in civil engineering for 2023, followed by a plus of 1.0% in each of the subsequent two years.

The STRABAG Group has a market share of 2.0% of the total construction market in Germany. Its 16.9% share of the German road construction sector is significantly higher than that of the market as a whole. With € 8,346.74 million, around 47% of STRABAG's total Group output volume was generated in Germany in 2022 (2021: 46%). Most of the output is allocated to the North + West segment, while the property and facility services provided in Germany are allocated to International + Special Divisions.

AUSTRIA



Overall construction volume: € 51.2 billion
GDP growth: 2022e: 4.8% / 2023e: 0.2%
Construction growth: 2022e: 0.2% / 2023e: 0.3%

Following a strong expansion of the economy in the first half of 2022, Austria found itself in a downturn at the end of the year. Sharp increases in the global market prices for energy led to a slowdown in growth accompanied by a high inflation of 8.3%. This in turn led to a decline in real income and put a damper on private consumption. With inflation remaining high in 2023, Austria's economy is heading for stagflation for the first time since the 1970s. The GDP still managed to grow by 4.8% in 2022 but is forecast to stagnate at +0.2% in 2023. In the two following years, Euroconstruct expects only slightly higher growth rates of 1.0% and 1.1%, respectively.

The Austrian construction industry stagnated in 2022 with only marginal growth of 0.2%. The massive increase in construction costs of around 10% significantly dampened real growth in the sector. In combination with the expected downward trend in residential construction, only a low growth rate of 0.3% is projected for 2023 as well. Despite some clear economic impetus, the years 2024 and 2025 will also see only weak development with growth rates of 0.7% and 0.8%.

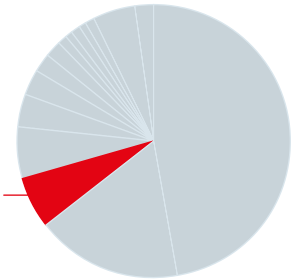
After nearly a decade of a continuously rising number of building permits, residential construction ushered in an already expected downward trend in 2022 with a decline of 2.1%. Decisive factors for this development included the sharp rise in energy prices combined with the great uncertainty regarding the further development of construction costs. While new construction registered the greatest losses, renovation still showed slight growth due to environmental and energy-related factors. Overall, declines of 1.1% and 0.3% are expected for residential construction in 2023 and 2024, respectively. The trend should then turn positive again in 2025 with slight growth of 0.7%.

Non-residential construction still exhibited clearly positive growth with a plus of 2.1%. While the economic environment remained stable in the first half of 2022, strong increases in construction prices dampened the segment's development over the course of the year. Construction price increases in non-residential construction reached a level last seen in the early 1970s, when prices grew by around 16% annually. It is therefore to be expected that some planned investments will be postponed or even cancelled due to this development. For 2023, Euroconstruct therefore forecasts growth of only 0.6% for the segment; in 2024 and 2025, growth should reach 1.0% and 1.2%, respectively.

Civil engineering exhibited positive growth of 2.0% in 2022 due to strong government investment activity in sustainability terms. In recent years, the segment had primarily benefited from public-sector investments in transport infrastructure. The further expansion of the road and, in particular, the rail network will continue to be a fixed item in the Austrian budget in the years to come. Investments in a nationwide broadband network as well as in construction projects in the energy sector and in environmental protection are becoming increasingly important. Growth is expected to rise to 3.0% in 2023, followed by +2.4% in 2024 and a slowdown to +0.2% in 2025.

The STRABAG Group generated 17% of the total Group output volume in its home market of Austria in 2022 (2021: 17%). Austria thus continues to be one of the Group's top three markets along with Germany and Poland. The output reached a volume of € 2,935.19 million in 2022. This gives STRABAG a 5.7% share of the construction volume in the overall market in Austria. In road construction, the market share stands at 44.0%.

POLAND



Overall construction volume:	€ 57.9 billion
GDP growth:	2022e: 4.6% / 2023e: 1.7%
Construction growth:	2022e: 4.5% / 2023e: 0.1%

Poland's economy achieved growth of 4.6% in 2022. Sharply rising consumer demand, supply chain problems and the war in neighbouring Ukraine, however, led to a very high inflation of 13.5%. The breakdown of trade with Russia and Ukraine and the decline in demand from major trading partners also had a negative impact on export performance. The National Bank of Poland raised the key interest rate in several steps to 6.75% in 2022, significantly above the key interest rate of the European Central Bank. Euroconstruct forecasts significantly slower economic growth of 1.7% for 2023, followed in 2024 and 2025 by more optimistic rates of around +3.1%.

The Polish construction industry continued to benefit from the strong growth of the past years in 2022, achieving another solid increase of 4.5%. In addition to the booming residential construction sector, non-residential construction and civil engineering also registered solid growth. In June, the European Commission gave a positive assessment of Poland's € 35.4 billion National Recovery and Resilience Plan as part of the NextGenerationEU instrument. The implementation of this plan is expected to contribute significantly to the decarbonisation of the Polish economy while strengthening the country's energy independence. Final approval of the plan is linked to clear commitments by Poland regarding the independence of the judiciary that must be fulfilled before any actual funds can flow. Against this backdrop, Euroconstruct forecasts the Polish construction sector to stagnate at +0.1% in 2023 and grow slightly (+1.3%) in 2024, before picking up some more momentum again in 2025 with +3.7%.

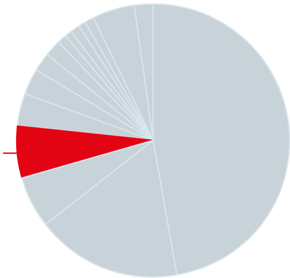
Poland's residential construction sector also benefited from the strong performance of the past few years for a plus of 6.0% in 2022. The massive increase in interest rates for housing loans had a negative impact, however. In the first three quarters of 2022, the country recorded a 44.7% decline in the number of housing loans compared to the same period of the previous year and a 40.8% decline in the overall volume of loans. In contrast, positive momentum is expected from the country's new construction legislation that came into force on 1 January 2023 with the aim of significantly simplifying and accelerating the investment and construction process. For 2023, Euroconstruct expects a clear minus of 4.2%, followed by -2.8% in 2024 before an upward trend with a plus of 3.0% takes hold in 2025.

Non-residential construction recorded a plus of 4.7% in 2022. The thriving business of online retailing led to an increased demand for warehouse space. Strong demand was seen especially in the education and health sectors, while demand for office premises, commercial buildings, restaurants, hotels as well as tourism and transport services decreased noticeably. At the same time, increased cost pressure, heightened uncertainty and stricter financing conditions prompted the first investors to postpone their construction projects. Euroconstruct still expects a slight increase of 1.1% in 2023. For the years thereafter, however, growth rates in the sector should again reach regularly solid values between +3.4% and +3.9%.

The civil engineering segment managed to grow by 3.0% in Poland in 2022. Rising public-sector spending on infrastructure projects, especially multi-year government programmes for the construction and modernisation of transportation infrastructure, is driving the development of the civil engineering sector in the country. The construction of long-distance pipelines and railway lines also showed above-average development. Euroconstruct therefore expects growth to return to +3.1% and +2.7% in 2023 and 2024, respectively, rising to +3.9% in the following year.

As the number two in the construction sector in Poland, STRABAG realised a construction volume of € 1,126.39 million here in 2021, representing 6% of the Group's total output volume (2021: 7%). Poland thus represents the third-largest market of the STRABAG Group. Its market share in the entire Polish construction market was 1.9% and its share of road construction was 10.5%.

CZECH REPUBLIC



Overall construction volume:	€ 26.3 billion
GDP growth:	2022e: 2.2% / 2023e: 1.1%
Construction growth:	2022e: 1.4% / 2023e: -1.8%

The Czech economy achieved growth of 2.2% in 2022. The Czech National Bank tried to counter the extreme rise in inflation with a strong increase in the key interest rate from 0.75% to 7.0%, which had a significant impact on the interest rates for ongoing loans and mortgages. The rising national debt was accompanied by massively increased energy prices and production declines in industry due to material shortages. Shortages were seen not only in raw materials but also in labour from Ukraine, which some sectors, including construction, are highly dependent on. If the fiscal situation stabilises, however, the coming years should bring at least slight growth. Euroconstruct forecasts growth of 1.1% in 2023, followed by +3.2% and +2.4% in the subsequent two years.

The Czech construction industry recorded a slight increase of 1.4% in 2022. The biggest challenges facing the sector are structural problems, such as the long duration of approval processes and the glaring shortage of labour. The country, which is almost exclusively dependent on imports for building materials, also had to deal with extreme price increases. Many experts, however, question to what extent these increases were due to the lack of raw materials or whether it was speculation. Euroconstruct forecasts a decline of 1.8% for the Czech construction industry in 2023, followed by a strong increase of 3.1% in 2024 and a slight slowdown to +1.9% in 2025.

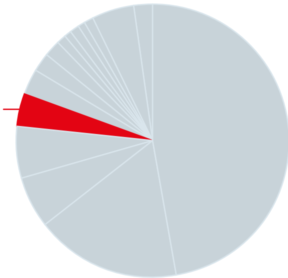
Residential construction recorded a slight decline of 0.7% in 2022, as high demand was dampened primarily by the high lending rates and high rate of inflation. The rising energy prices shifted household expenditure towards renovation works, especially thermal insulation. Against this backdrop, Euroconstruct predicts a significant decline of 3.9% for residential construction in 2023, followed by growth of 3.2% and 3.9% in 2024 and 2025, respectively.

Non-residential construction exhibited strong growth in 2022 with a plus of 5.9%. Many of the postponed private construction projects, investments in medical facilities and planned office buildings, especially in Prague and Brno, were finally realised. The higher volume of building permits issued in recent years was also reflected in this positive development. In the years to come, however, real growth is likely to slow once more due to high inflation and high energy prices, which are forcing investors to save. Euroconstruct expects an up-and-down progression in non-residential construction, with stagnant growth of 0.2% in 2023, a strong plus of 5.1% in 2024 and another slight increase of 0.6% in 2025.

Czech civil engineering showed a slight decline in 2022 with a minus of 0.1%. The government, as the largest investor, is attempting to strengthen the weakened economy through investments in transportation infrastructure and raised the funds earmarked for this purpose with the help of EU subsidies, so that only a slight decline of 0.8% is expected for 2023. Growth should then pick up again with a slight increase of 0.9% in 2024 and 0.5% in 2025.

STRABAG is the number two on the market in the Czech Republic. With an output volume of € 1,092.61 million in 2022, around 6% of the Group's total output (2021: 6%) was generated in the country. The market share in the entire construction market is 4.2% and in road construction amounts to 21.7%.

HUNGARY



Overall construction volume:	€ 18.3 billion
GDP growth:	2022e: 3.0% / 2023e: 0.5%
Construction growth:	2022e: 0.7% / 2023e: -6.6%

The growth dynamic of the Hungarian economy, with a plus of 3.0%, was in line with the European average in 2022. The Hungarian central bank, projecting a crisis scenario for the coming years, has tried to decisively counteract high inflation and the persistent weakness of the national currency, but with little success. One of the largest net recipients of EU funds, the country also faces accusations of having violated key aspects of the rule of law. The European Commission has frozen billions in funding from several EU programmes on the basis of the so-called rule of law mechanism. These funds will be released if Hungary implements reforms to strengthen the independence of the judiciary, expand the fight against corruption and promote competition in public procurement. Against this background, Euroconstruct forecasts a plus of only 0.5% for 2023, followed by a more optimistic 3.5% and 3.6% for 2024 and 2025, respectively.

The Hungarian construction industry exhibited a slight increase of 0.7% in 2022. In the event of a partial agreement or no agreement on EU funds, the construction market is likely to face considerable difficulties. Should the public sector lose out on construction projects, all other players, including businesses and private individuals, will react to the supply shock by reducing their demand. As a result, Euroconstruct has further downgraded its growth forecasts – which are based on a timely agreement between the government and the EU and the associated release of subsidies. While at least residential construction and non-residential construction still recorded slight growth in 2022, Euroconstruct expects, given the aforementioned conditions, all sectors to decline sharply in 2023 and 2024 and that the entire Hungarian construction market will shrink massively by around 11% by 2024. Euroconstruct does predict that a recovery of +2.0% could set in by 2025.

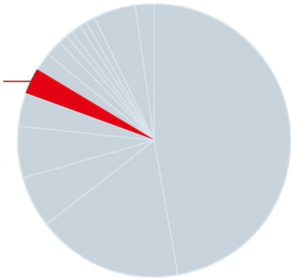
Supported by numerous government measures, residential construction was able to stabilise somewhat in 2022 with a plus of 2.5%. For 2023, Euroconstruct expects a sharp drop of 8.5% for the sector, whereby new construction, due to the decline in real wages and high inflation, could be much more affected than the renovation business. The continuing rise in inflation, driven by energy prices, means that a decline of 7.4% is also expected for residential construction in 2024. The trend should turn positive again in 2025, however, with a plus of 1.5%.

Non-residential construction was still able to grow slightly in 2022, posting a plus of 0.6%. For the development in the next few years, however, Euroconstruct is similarly cautious as with residential construction, especially as the government has temporarily suspended the start of construction on all publicly funded projects. According to an official announcement, all plans with a possible launch in 2025 are to be rescheduled. This decision affects projects in the education and health sectors in particular. For 2023 and 2024, the Euroconstruct experts forecast a massive decline of -7.4% and -5.8%, respectively; in 2025, the downward trend is expected to slow to -0.6%.

Civil engineering declined slightly by 0.7% in 2022. Assuming that Hungary manages to mend its conflict with the European Commission, the sector could recover in the next few years. Several megaprojects, two of them financed by a Chinese and a Russian loan each, are about to be implemented, but these projects are also dependent on EU funds. Based on this scenario, Euroconstruct predicts a decline of 3.7% and 0.2% in 2023 and 2024, respectively, with a solid +5.9% forecast for 2025.

The STRABAG Group generated € 687.90 million, or 4% of its output, in Hungary in 2022 (2021: 4%). This puts STRABAG in second place in the Hungarian construction market. Its share of the total market reached 3.8%, that in road construction 17.1%.

UNITED KINGDOM



Overall construction volume: € 238.7 billion
GDP growth: 2022e: 4.4% / 2023e: -0.3%
Construction growth: 2022e: 2.8% / 2023e: -0.4%

With GDP growth of 4.4%, the British economy was still in a recovery phase in 2022. Massively rising energy prices, however, caused inflation to soar to its highest level in four decades this year, causing real wages to fall rapidly. The combination of high inflation and a slumping economy has already had a significant negative impact on morale. The United Kingdom saw a wave of strikes across the country in the last quarter: in healthcare, postal services, railways, education, airports and other areas of public administration. Euroconstruct therefore projects a slight recession for the British economy in 2023, with a decline of 0.3%. In 2024 and 2025, the situation should ease somewhat with +1.0% and +1.6%, respectively.

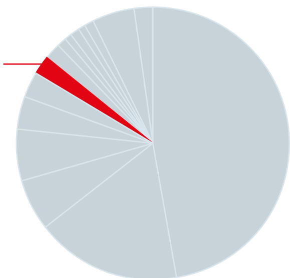
Supported by massive government initiatives, the British construction industry still managed a plus of 2.8% in 2022. In 2023, however a decline of 0.4% is expected for the sector as a whole, followed by slight growth of 1.2% in 2024 and 1.8% in 2025, respectively. Thanks to public subsidies in social housing, residential construction still recorded growth of 4.3% in 2022. For 2023, Euroconstruct predicts a decline of 1.5% for this segment before the trend turns positive again with +1.3% and +1.8% in 2024 and 2025, respectively.

Growth was also recorded in non-residential construction in 2022, with an increase of 3.8%, though the segment was not yet able to reach pre-crisis levels. The health sector as well as the industrial buildings and commercial buildings sectors performed well. Euroconstruct forecasts a slight increase of 0.5% for non-residential construction in 2023, with growth of 1.5% and 1.6% expected for 2024 and 2025, respectively.

Following the previous year's record growth of 25.6%, the British civil engineering segment suffered a decline of 2.1% in 2022. The segment was bolstered in part by the High Speed 2 railway project, which also includes STRABAG as a consortium partner. Euroconstruct forecasts only very slight growth of 0.2% and 0.3% for the segment in 2023 and 2024, respectively, before a return to stronger growth of 2.1% in 2025.

The output volume of the STRABAG Group in the United Kingdom amounted to € 578.38 million in 2022.

SLOVAKIA



Overall construction volume: € 4.9 billion
GDP growth: 2022e: 1.9% / 2023e: 0.6%
Construction growth: 2022e: -0.1% / 2023e: 3.4%

The strongly export-oriented Slovak economy grew by 1.9% in 2022 despite increasingly severe price pressures. Especially in the second half of the year, rising business costs due to high energy prices, along with supply chain problems, led to a decline in economic strength. The high inflation of 12.4% put pressure on private consumption. The negative impact will intensify in 2023, accompanied by nominally lower incomes, although a state family package is expected to offer some support. Positive impulses are also expected from the investments of the European recovery plan as well as the utilisation of EU structural funds. The development of exports continues to depend heavily on the security of the supply chains. For 2023, Euroconstruct expects GDP growth of 0.6%, followed by a plus of 1.7% and 2.3% in 2024 and 2025.

Construction output in Slovakia, which had already languished in previous years, declined by 0.1% in 2022. Rising prices for construction materials, labour and energy, supply chain problems, and the war in Ukraine exacerbated the already difficult situation: skilled labour was in short supply, and construction activity weakened as a whole because private and public clients were reluctant to invest. Nevertheless, Euroconstruct expects the situation to ease in the next few years, mainly due to the increased use of EU funds and various government measures. A plus of 3.4% is expected for 2023, with growth of 5.1% and 2.1% in the following two years.

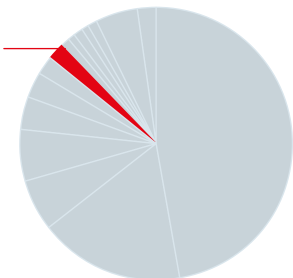
Residential construction saw a slight increase of 1.7% in 2022, both for new buildings as well as for renovation and refurbishment. Due in part to the strong demand for housing in Bratislava and other larger cities, this segment will continue to recover in 2023 and 2024 with +2.6% and +4.7%, respectively. Slightly lower growth of 2.2% is then expected in 2025.

In non-residential construction, output increased by only 0.8% in the reporting year due to uncertainties in the markets and the high energy prices. In the coming years, investments from the European recovery plan will contribute to the segment's growth. This primarily concerns the areas of education, health, offices, and historic and listed buildings. For 2023, Euroconstruct expects a plus of 2.7%, followed by +6.3% and +2.7%, respectively, for 2024 and 2025.

Construction output in civil engineering declined once again in 2022 with a minus of 2.6%. In the future, however, strong momentum is expected from public investments, especially in the road network, railway infrastructure and environmental construction. This is contrasted, on the other hand, by a lack of building materials, rising prices and inadequate project planning with lengthy public procedures. Growth of 5.0% is forecast for civil engineering in 2023, with +4.0% and +1.4% expected in the following years.

With a market share of 7.2% and an output volume of € 351.37 million in 2022, STRABAG is the leader in Slovakia. In road construction, STRABAG's share is 23.5%. In 2022, Slovakia contributed 2% to the Group's total output volume (2021: 2%).

ROMANIA



Overall construction volume: € 27.2 billion
GDP growth: 2022e: 4.6% / 2023e: 2.8%
Construction growth: 2022e: -3.4% / 2023e: -1.0%

The Romanian economy posted GDP growth of 4.6% in the reporting year. The growth rate is expected to slow down somewhat in 2023 to +2.8%, mainly due to a higher rate of inflation. In the following year, the measures taken to combat this inflation should already have had an effect and it should be possible to roll them back already as well. EECFA therefore forecasts GDP growth of 4.8% for 2024.

The Romanian construction industry (-3.4%) performed significantly weaker than the national economy in 2022. Although Romania does not maintain close trade relations with Russia, Ukraine or Belarus, the country is strongly connected to the international markets and so finds itself indirectly affected by Russia's invasion of Ukraine. For the construction industry, this means, among other things, a rapid raise in construction costs (+20.2% in the year under review) with constantly rising energy prices and a lack of building materials. This situation is exacerbated by delays in the implementation of EU programmes and – due to the country's good economic performance – less funding from the EU's recovery plan. EECFA therefore expects the construction industry to decline by 1.0% and 3.9% in 2023 and 2024, respectively.

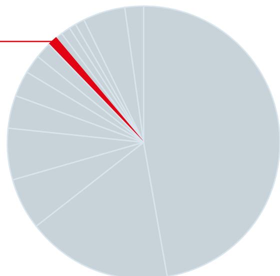
In residential construction, usually one of the most successful sectors of the Romanian construction industry, several factors contributed to slower growth in 2022. These include rising construction costs, more complicated lending standards and higher interest rates, as well as the lack of real wage growth. Residential construction therefore grew only marginally by 0.6% in the reporting year. This will be followed by a downward correction in 2023 (-3.6%) and stagnation in 2024 (0.0%).

In non-residential construction, construction output fell by 2.4% in 2022, and EECFA expects stagnation for the following two years at -0.1% and 0.0% respectively. The end of the pandemic-related restrictions should have a positive impact on office, commercial, industrial and hotel construction, but higher financing and operating costs are expected to dampen growth. The health and education sector in particular grew strongly in 2022 thanks to high demand and the availability of EU funds. Increases were also seen in retail and wholesale buildings, hotels, industrial buildings and warehouses, while the office and transport construction sector presented a slowdown.

The Romanian civil engineering segment has not yet been able to fully exploit the large growth potential that would be available thanks to EU programmes and the EU recovery plan. Rising costs also weighed down on the segment. Construction output declined in all sectors in 2022, resulting in an overall minus of 10.1%. The looming deadline for the allocation of EU funds should bring new momentum in 2023 (+2.4%), especially in road construction, but also in port and airport construction. EECFA sees further positive impetus for the segment in light of the 2024 election year with parliamentary, presidential, EU and local elections. In the run-up to these elections, increased political activity is expected to exploit EU funds. A sharp downward correction (-13.4%) is forecast for Romanian civil engineering in 2024.

With an output of € 315.46 million in 2022, the STRABAG Group holds a 1.2% share in the entire Romanian construction market. In Romanian road construction, the share of the market stands 4.3%.

CROATIA



Overall construction volume: € 5.2 billion
GDP growth: 2022e: 6.0% / 2023e: 1.0%
Construction growth: 2022e: 0.4% / 2023e: 3.1%

The Croatian economy, which managed to rebound quickly from the effects of the pandemic, continued to grow significantly in 2022 (+6.0%). The tourism industry experienced an extraordinary upswing, and EU funds were utilised effectively by the government. Even if Russia's invasion of Ukraine resulted in some negative economic impacts, e.g., due to strong price increases, parts of the economy benefited from the capital flight involving wealthy citizens from Ukraine and other neighbouring countries. Croatia's entry into the Schengen and euro area at the beginning of 2023 is projected to bring significant growth impulses. The expected interest rate hike by the national bank, however, is dampening these growth prospects, so that EECFA expects GDP growth of only 1.0% and 1.7% for 2023 and 2024, respectively.

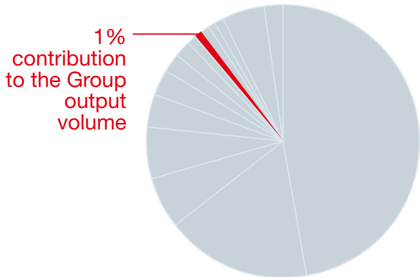
The Croatian construction industry felt the effects of Russia's war against Ukraine in 2022 in the form of cost increases and high energy prices. Buyers took advantage of real estate as a hedge against inflation, and projects ready to be financed were implemented sooner rather than later in anticipation of rising interest rates. At the same time, the construction boom that started after Croatia's independence in 1991 is gradually slowing down. Access to EU and other international funds continues to be of great importance. In the year under review, the Croatian construction industry grew by 0.4%, while a plus of 3.1% is forecast for 2023, followed by a slight minus of 0.4% in 2024.

Residential construction continued to develop positively in 2022 with +3.1%. Sharp price increases, higher interest rates and fewer buyer resources due to inflation are dampening the outlook, however. A plus of just 1.7% is forecast for 2023, followed by a decline of 3.3% in 2024. In non-residential construction, the industrial buildings and warehouses segment is proving to be the strongest segment overall. The segment as a whole grew by 3.8% in 2022, while EECFA predicts -0.5% and +0.7% for the two following years.

After a boom in the previous year, Croatia's civil engineering sector declined significantly in 2022 (-5.0%). This development had already become apparent in 2020 in the declining number of building permits. Only pipelines, communication and power line construction, as well as complex building construction on industrial sites, showed a highly positive performance. In the medium term, transport infrastructure will pick up speed again as well. The further development of civil engineering depends largely on how effectively and how quickly the government implements the EU partnership projects. For 2023 and 2024, EECFA again projects growth of 7.6% and 2.0%, respectively, for the segment.

The STRABAG Group generated € 238.26 million on the Croatian market in 2022.

SWITZERLAND



Overall construction volume:	€ 63.2 billion
GDP growth:	2022e: 2.3% / 2023e: 0.7%
Construction growth:	2022e: -1.8% / 2023e: 0.5%

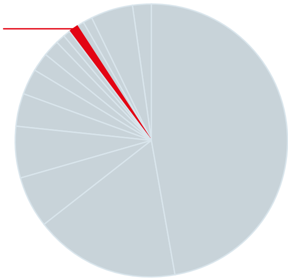
The Swiss economy proved itself robust in the reporting period, despite sharply rising energy prices, with growth of 2.3%. Positive factors included the high domestic demand (+4.0% in private consumption), low inflation (3.0%) compared to other countries, and a strong labour market. In addition, the decline in purchasing power was offset by higher nominal wages. Euroconstruct anticipates weaker growth (+0.7%) for 2023, with GDP gains of 2.1% and 1.3% forecast for each of the following years.

The Swiss construction industry recovered from the consequences of the Covid-19 crisis more slowly than expected and still recorded a minus of 1.8% in 2022. Rising prices for construction materials and energy worldwide, as well as the increasing shortage of skilled workers, weighed heavily on the sector. In the years from 2023 to 2025, construction output will gradually increase again with +0.5%, +0.9% and +1.9%. Residential construction, the strongest sector of the Swiss construction industry, has been in a cyclical downturn for several years and continued to decline by 2.6% in 2022. In the wake of the pandemic, however, demand for housing and especially home ownership is on the rise, while at the same time an ever-increasing share of the investment volume is going into renovation and modernisation. Euroconstruct expects a recovery in residential construction from 2023 onwards (+0.6%), with increases of 1.3% and 2.9% in 2024 and 2025.

Construction output in non-residential construction also fell in 2022, with a minus of 1.9% mainly due to the declines in industrial and office building construction. However, several large-volume healthcare and education construction projects will significantly stimulate the segment in 2023. Euroconstruct expects non-residential construction to grow slightly by 0.4% in 2023, with growth of 0.6% and 1.2% in the following years. In Switzerland's civil engineering sector, on the other hand, declines in road and rail infrastructure in particular led to zero growth in 2022. The segment should regain some momentum thanks to several ongoing and new transport infrastructure projects, including the capacity expansion and modernisation of the railway stations in Lausanne and Bern and the metro expansion in Geneva, as well as the final section of the A9 motorway in the canton of Valais and the northern Zurich bypass. Euroconstruct expects the Swiss civil engineering segment to grow by 0.3% in 2023, by 0.6% in 2024 and by 0.7% in 2025.

In 2022, Switzerland contributed € 196.82 million, or 1% (2021: 1%), to the total output volume of the STRABAG Group.

BENELUX (BELGIUM AND THE NETHERLANDS)



BELGIUM

Overall construction volume:	€ 52.5 billion
GDP growth:	2022e: 2.6% / 2023e: 0.5%
Construction growth:	2022e: 1.4% / 2023e: -0.1%

NETHERLANDS

Overall construction volume:	€ 101.3 billion
GDP growth:	2022e: 4.6% / 2023e: 1.5%
Construction growth:	2022e: 3.3% / 2023e: 1.2%

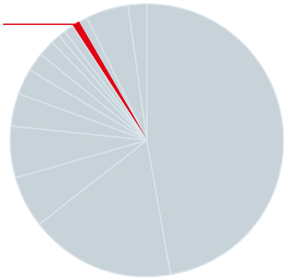
The economies of Belgium and the Netherlands recorded increased growth in 2022. Belgium's GDP grew by 2.6%, that of the Netherlands by 4.6%. Still, the impact of the war in Ukraine was felt clearly here as well, with sharply rising prices, inflation and uncertainties regarding global trade. Offsetting this are government measures to support household incomes as well as economic stimulus programmes and public investment in connection with the European recovery plan, all of which points to moderate growth in the coming years. Euroconstruct expects the GDP in Belgium and the Netherlands to grow by 0.5% and 1.5%, respectively, in 2023. In the following years, growth is projected at 1.9% and 1.2% for Belgium and 2.0% and 1.7% in the Netherlands.

After a significant recovery in the previous year, the Belgian construction industry was only able to grow slightly in 2022 with a plus of 1.4%. The strongest growth was in civil engineering with +5.1%. The necessary repair and reconstruction work after the flood disaster in the summer of 2021, as well as several important infrastructure projects such as the Oosterweelverbinding around the city of Antwerp, played a major role in this development. Due to the numerous existing or expected public sector projects, Euroconstruct forecasts solid growth of 2.6% and 2.9% for Belgium's civil engineering sector in 2023 and 2024, respectively, before a contraction of 1.8% in 2025. Residential construction also showed consistent positive growth of 2.3% in 2022. Economic stimulus and construction programmes are providing additional momentum in the renovations segment, so that residential construction will also grow by 1.6% in 2023 and by 2.2% and 0.7% in the following two years. The weakest development in the year under report was in non-residential construction, with a minus of 1.7%. Demand declined in almost all areas. The negative trend will continue in the coming years with -3.9% (2023), -0.6% (2024) and -1.1% (2025). Overall, Euroconstruct predicts stagnation for the Belgian construction industry at -0.1% in 2023, a slight increase of 1.4% in 2024 and -0.4% for 2025.

The Dutch construction industry, which had already proven to be quite stable in 2021 despite the effects of the Covid-19, continued to grow in the reporting year thanks to strong economic growth of 3.3%. Towards the end of 2022, however, increasing uncertainty in the economy, inflation and rising interest rates pointed to a slowdown of future growth. Euroconstruct therefore expects growth to fall to 1.2% for 2023 and 0.5% in each of the following two years. Good results were achieved in 2022, especially in Dutch building construction. Residential construction, for example, achieved a plus of 4.0% thanks to unabated high demand. Corresponding government measures for housing procurement will continue to strengthen the market. As a result, this segment is expected to grow between 2023 and 2025, albeit at a relatively slow pace of 2.5%, 1.9% and 1.0%, respectively. Non-residential construction proved to be the strongest market segment in the Netherlands in 2022, with a plus of 4.7% thanks to several large-scale greenhouse projects and numerous warehouses, new agricultural buildings and commercial buildings, as well as renovation and maintenance orders. For 2023, however, Euroconstruct expects growth in this segment to slow down to 0.9%, followed by a slight decline of 1.2% and 0.7% in 2024 and 2025, respectively. The Dutch civil engineering market was characterised by price increases, supply problems due to the pandemic and the Ukraine war with the associated budgetary pressure on clients. Construction output in this segment thus stagnated at +0.1% in the reporting year. For 2023, Euroconstruct expects a minus of 0.7%, followed by a plus of 0.1% and 1.1% in 2024 and 2025.

STRABAG achieved an output volume of € 176.24 million in the Benelux countries in 2022. This corresponds to a 1% share of the Group output volume (2021: 1%).

SWEDEN



Overall construction volume:	€ 61.9 billion
GDP growth:	2022e: 2.7% / 2023e: -0.1%
Construction growth:	2022e: 3.2% / 2023e: -6.6%

The Swedish economy grew by 2.7% in the year under review. Economists are seeing a clear reversal of the trend, however. Sweden is experiencing its highest inflation in 30 years, with high energy prices and rising interest rates. After a long period of low inflation, the expansionary monetary policy to stimulate the economy is now coming to an end. All of this is putting pressure on household confidence and, as a result, on consumer spending. Euroconstruct therefore expects a slight GDP minus of 0.1% for 2023 before a return to economic growth of 2.0% in 2024 and 2.5% in 2025.

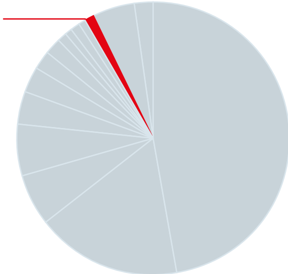
The Swedish construction industry also grew in 2022, gaining 3.2% after a strong upswing the previous year. The outlook for the next two years, however, is not very optimistic. Euroconstruct predicts a decline in construction output of 6.6% for 2023, before the situation eases again in 2024 with only a slight minus of 0.4%, followed by a significant plus of 4.2% in 2025. Especially in residential construction, a clear downturn soon became apparent after strong momentum in the first quarter of the reporting period (2022: -0.5%). While the need for houses and flats in Sweden remains high, demand is falling due to the high energy prices, interest rate pressures and high inflation. In this difficult environment, renovation and maintenance activities are often being postponed to a later date as well. All of this leads Euroconstruct to expect a dramatic slump in residential construction in 2023 (-14.2%), though the market should ease back somewhat in 2024 with a slight minus of 1.9% and then pick up significantly in 2025 with +4.4%.

Non-residential construction proved to be very robust in 2022 with an increase of 8.6%. Industrial buildings, warehouses and logistics buildings, as well as buildings in the healthcare sector, were the main contributors to this development. Demand for modern and climate-friendly office buildings remains high despite the trend to working from home. Overall, sustainable construction is becoming increasingly important in this segment. For 2023, Euroconstruct predicts a minus of 3.2% for non-residential construction, though the development for the following years is pointing upwards again with +0.3% and +3.6%.

Sweden's civil engineering sector managed to grow slightly in 2022 with a plus of 2.5%. In most regions of the country, the need for infrastructure expansion and maintenance is high, especially in the transport sector and in water and energy utilities. A state plan for urgently needed investments in infrastructure is in place, but the experts do not believe it will hold. This is because the new Swedish government elected in September 2022 has other priorities, in part given the country's aspiration to join NATO. The civil engineering sector will also be burdened by delays, higher costs for building materials and the expected cement shortage from the middle of 2023. Euroconstruct predicts a minus of 1.7% for Swedish civil engineering in 2023, followed by a slight plus of 0.4% in 2024. In 2025, the trend will move clearly upwards again with +4.5%.

The output volume of the STRABAG Group in Sweden amounted to € 151.72 million in 2022.

SERBIA



Overall construction volume: € 4.5 billion
GDP growth: 2022e: 2.9% / 2023e: 3.5%
Construction growth: 2022e: -8.7% / 2023e: -0.6%

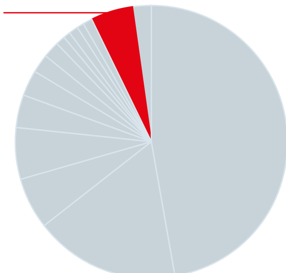
Serbia's economy has flourished for the past few years thanks to public and private investment, substantial wage growth and high employment levels. In 2022, however, geopolitical events weighed heavily on the situation, leading to double-digit inflation and high energy prices, among other things. Nevertheless, the country's GDP grew by 2.9% in the year under review, and EECFA forecasts increases of 3.5% and 4.5% for the following years.

Following tremendous growth in the previous years, the Serbian construction industry suffered a slump of 8.7% in the year under report. Economic uncertainty, interrupted supply chains, rising prices for building materials and cyclical developments played a significant role in this development. EECFA still expects a slight decline in the construction industry of 0.6% in 2023 before a return to growth of 4.3% in 2024. After the extraordinary increases in previous years, output in residential construction fell by 2.7% in 2022. A minus of 3.2% is also expected for 2023, followed by a slight plus of 0.4% for 2024.

The strong decline in non-residential construction (-13.3%) in 2022 is due mainly to the end of the growth cycle. After -3.4% in 2023, a plus of 0.5% is forecast for 2024, marking the beginning of the next cycle. The focus here should be on hotel and office buildings as well as buildings in the health and education sectors. In civil engineering, the growth engine of the Serbian construction industry, output also declined by 8.3% in the reporting year. There were declines in almost all sectors, after some strong increases in the previous year. EECFA is already predicting a plus of 1.6% for civil engineering in 2023, followed by growth of 7.2% in 2024.

The STRABAG Group generated an output volume on the Serbian market of € 146.36 million in 2022.

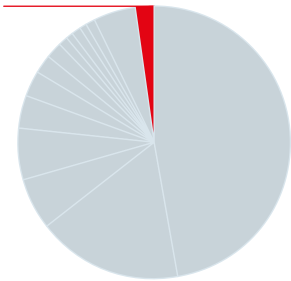
MIDDLE EAST, AMERICAS, AFRICA, ASIA



In order to make itself as independent as possible from the economic development of individual countries and so spread its country risk as widely as possible, STRABAG is also active outside of its main markets in Europe. As a rule, the company acts as a main contractor in direct export. With this in mind, the Group has been present in Africa, Asia, Canada, Chile and the Middle East for many years, often even decades. STRABAG focuses on areas that are characterised by high technological expertise: civil engineering, industrial and infrastructure projects as well as tunnelling.

In 2022, the STRABAG Group generated € 992.47 million, or 6% of its total output, outside Europe (2021: 5%). The activities in non-European countries are – with a few exceptions – assigned to the International + Special Divisions segment.

SLOVENIA, BULGARIA, DENMARK, ITALY, REST OF EUROPE AND RUSSIA[1]



BULGARIA

Overall construction volume:	€ 9.7 billion
GDP growth:	2022e: 3.1% / 2023e: 1.1%
Construction growth:	2022e: 4.3% / 2023e: 2.0%

DENMARK

Overall construction volume:	€ 42.6 billion
GDP growth:	2022e: 2.2% / 2023e: -0.3%
Construction growth:	2022e: -0.3% / 2023e: -1.5%

SLOVENIA

Overall construction volume:	€ 4.0 billion
GDP growth:	2022e: 5.0% / 2023e: 1.4%
Construction growth:	2022e: 2.1% / 2023e: 1.5%

ITALY

Overall construction volume:	€ 255.3 billion
GDP growth:	2022e: 3.3% / 2023e: 0.2%
Construction growth:	2022e: 12.1% / 2023e: 0.6%

Slovenia

The Slovenian economy proved to be very robust in 2022, with a plus of 5.0%. The persistent inflation, however, along with a more restrictive monetary policy with rising interest rates, is weighing on the economy. This situation is compounded by high energy prices and disrupted supply chains as a result of Russia's war against Ukraine. EECFA therefore predicts GDP growth of only 1.4% for 2023 and 2.6% for 2024.

The Slovenian construction industry grew at a slower pace than the GDP, namely by +2.1%. The growth rate is expected to decline to 1.5% in 2023 before a decline in construction output of 0.2% in 2024. Residential construction still increased slightly by 0.7% in 2022. More restrictive lending standards and higher interest rates will cause demand in the segment to decline further, however, resulting in -1.1% in 2023 and -2.0% in 2024. Non-residential construction managed to grow by 2.1% in 2022, mainly due to the large demand for buildings in the health and education sectors, including the renovation of Slovenia's largest hospital. Both EU financing as well as the national budget, which emphasises health and the environment, are enabling the realisation of long-delayed projects. EECFA therefore calculates a plus of 3.4% for non-residential construction for 2023, but only +0.4% for 2024.

Slovenia's civil engineering sector performed well in 2022, gaining 3.1%, thanks to several large projects. These include the extension of the railway to Koper and several large road projects financed by the EU recovery plan. EECFA forecasts the segment to grow by 2.4% in 2023 and another 0.7% in 2024.

The STRABAG Group achieved an output volume of € 80.66 million in Slovenia in 2022.

Bulgaria

The Bulgarian economy had performed better than expected in 2021 and continued to grow in 2022 with a plus of 3.1%. Although the high inflation of 12.8% in the reporting year is expected to decline starting in 2023, the country lacks a stable government with four parliamentary elections in less than two years. Moreover, Bulgaria has an ageing society with a declining population. EECFA therefore predicts lower GDP growth of 1.1% and 2.4% for 2023 and 2024, respectively.

The situation of the Bulgarian construction industry is largely dependent on the use of EU funds. Political instability, however, is currently delaying many investments. Nevertheless, the construction industry grew by 4.3% in 2022, especially due to the strong tailwind in residential construction. This sector benefited from low interest rates and high inflation, which made investments in real estate an attractive option, contributing to growth of 10.8% in 2022. The rise in construction and labour costs, the material bottlenecks and the higher interest rates, however, will lead to lower residential construction growth already in 2023 (2.8%) and to a minus of 3.7% in 2024.

Non-residential construction recovered after the decline of the previous years and reached a plus of 3.3% in 2022, with +1.4% and -0.6% expected for 2023 and 2024, respectively. Growth was

1 STRABAG is in the process of winding up its activities in Russia.

particularly strong in the industrial buildings and warehouses sector. The Bulgarian civil engineering segment grew by just 1.0% in 2022, with EECFA predicting growth of 1.8% and 3.1% for each of the following two years. This development will depend to a large degree on how quickly the EU funds can be utilised. Overall, growth of 2.0% and 0.2% is forecast for the Bulgarian construction industry for 2023 and 2024, respectively.

The STRABAG Group generated € 67.84 million on the Bulgarian market in 2022.

Denmark

The Danish economy showed itself to be stable and in consistently good shape at the beginning of 2022. The situation only became bleaker with the outbreak of the war in Ukraine in February. Despite the increasing inflation, however, coupled with rising interest rates, high energy prices and many additional uncertainties challenging politicians and the population, the GDP continued to grow with a plus of 2.2% in 2022. Euroconstruct forecasts a slight downturn for 2023 (-0.3%) but expects the GDP to return to growth in the following years, with +1.1% and +2.6% in 2024 and 2025, respectively.

After two years of strong growth, the Danish construction industry posted a slight decline of 0.3% in the reporting year. Euroconstruct expects another minus of 1.5% and 0.2% for 2023 and 2024, respectively, followed by a plus of 1.3% in 2025. Uncertainties existed at the time of the forecast with regard to the policies of the new government, which was elected in November 2022. This concerns the expansion of infrastructure as well as the future taxation of residential property.

Danish residential construction declined significantly in 2022 (-1.0%) after two boom years with double-digit growth rates. This trend will continue in 2023 and 2024 (with -3.9% and -1.7%, respectively), partly due to inflation, rising interest rates and higher construction costs. Residential construction should then pick up again in 2025 with slight growth of 1.4%. The mild growth in non-residential construction (2022: +0.4%) is largely due to the construction of educational and healthcare buildings as well as warehouses, while demand for office buildings has declined. The sector will continue to grow by only 0.5%, 0.9% and 1.1% in 2023 and the following years. Denmark's civil engineering sector showed a similar trend, with growth of 0.6% in the period under review. Growth of 1.4% and 1.7% is expected for 2023 and 2024, respectively, with a plus of 1.4% in 2025. Driving this development is, among other things, transportation infrastructure and wind power projects as well as the expansion of district heating.

The output volume of the STRABAG Group in Denmark amounted to € 61.49 million in 2022.

Italy

The Italian economy, which had managed to recover quickly from the Covid-19 fallout, continued to grow in 2022 with a plus of 3.3%. However, the outlook is being significantly clouded by the war in Ukraine, supply bottlenecks, rising prices, especially for construction materials, and the energy supply crisis. The strong dependence of Italian production companies on Russian gas is having a negative impact. The purchasing power of households is also declining. Euroconstruct therefore predicts only weak growth of 0.2% for the Italian economy in 2023, followed by a plus of 1.5% and 1.3%, respectively, for the following years.

The construction industry performed far better than the GDP, with growth of 12.1% in the reporting year. A significant part of this was due to residential construction, which, after a record result in 2021, was also able to generate a plus of 22.5% in 2022. A decisive factor here is the government's temporary "super bonus" with highly attractive tax breaks for the energetic, ecological and safety-related modernisation of residential buildings. Once this boom is over, Euroconstruct expects a sharp decline for Italian residential construction in the following years (2023: -6.0%, 2024: -15.6%), followed by a less pronounced decline of -1.3% in 2025.

Non-residential construction recorded only a small increase of 1.3% in 2022. Publicly financed projects such as education and healthcare buildings should provide significant momentum as early as 2023. The modernisation of office buildings and the redevelopment of large urban areas will also have a positive impact. Euroconstruct expects non-residential construction to increase by 3.6% in 2023, with +5.2% in 2024 and +1.1% in 2025.

The energy crisis, rising material prices, and material and labour shortages interrupted the strong upward curve in Italian civil engineering in 2022 (-1.3%). The implementation of the National Recovery and Resilience Plan (NRRP) also proved to be highly complex. The EU-funded plan, however, is expected to provide powerful stimuli for the segment in the years to come. This applies in particular to the railways (+40.6%) and telecommunications (e.g., national ultra-broadband project) as well as renewable energy. The strong civil engineering growth of 17.9% forecast as a result in 2023 will continue more moderately in 2024 and 2025, with +5.4% and +5.7%, respectively. In view of the very different outlooks in the individual segments, Euroconstruct calculates a slight increase of 0.6% for the Italian construction industry as a whole in 2023, followed by a minus of 6.0% in 2024 and a slight plus of 1.0% again in 2025.

The output volume of the STRABAG Group in Italy amounted to € 20.59 million in 2022.

Russia

The STRABAG Group still generated an output volume of € 58.85 million in Russia in 2022. In the region, STRABAG was almost exclusively active in building and industrial construction. In March 2022, the Management Board of STRABAG SE made the decision to wind up all activities in the country.

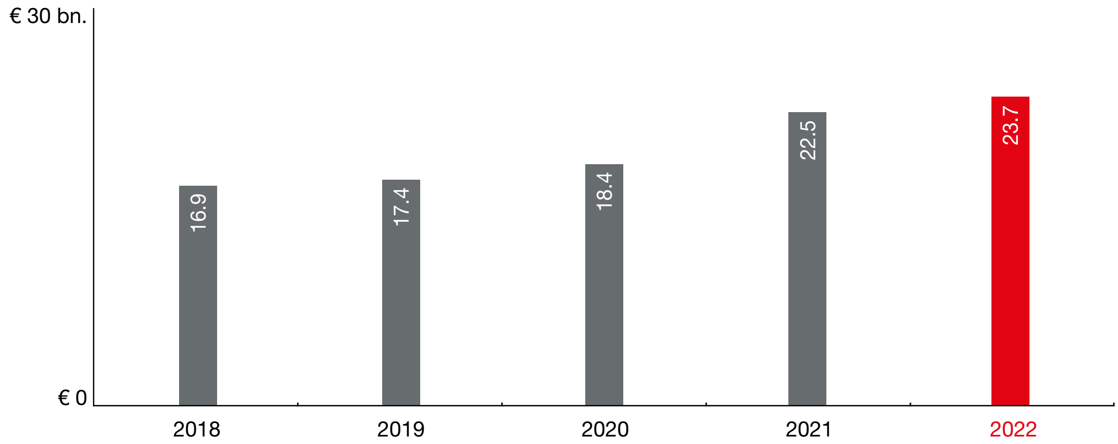
Order backlog

ORDER BACKLOG BY SEGMENT AS AT 31 DECEMBER 2022

€ mln.	Total 2022	North + West	South + East	International + Special Divisions	Other	Total 2021	Δ Total %	Δ Total absolute
Germany	11,154	9,815	211	1,116	12	10,724	4	430
Austria	2,992	73	2,535	384	0	2,663	12	329
United Kingdom	2,216	18	0	2,198	0	2,209	0	7
Poland	1,634	1,599	2	33	0	1,628	0	6
Czech Republic	993	0	973	14	6	930	7	63
Americas	883	0	0	883	0	815	8	68
Hungary	719	0	707	11	1	711	1	8
Romania	567	7	549	11	0	248	129	319
Croatia	408	0	408	0	0	242	69	166
Italy	374	0	9	365	0	61	513	313
Slovakia	320	0	302	18	0	290	10	30
Middle East	256	1	13	242	0	368	-30	-112
Asia	253	0	10	243	0	272	-7	-19
Benelux	220	209	0	11	0	232	-5	-12
Rest of Europe	184	11	172	1	0	173	6	11
Switzerland	101	0	98	3	0	102	-1	-1
Sweden	98	93	0	5	0	119	-18	-21
Slovenia	95	0	95	0	0	56	70	39
Russia[1]	86	0	85	1	0	122	-30	-36
Africa	72	0	55	17	0	107	-33	-35
Serbia	67	0	67	0	0	93	-28	-26
Bulgaria	31	0	30	1	0	178	-83	-147
Denmark	16	16	0	0	0	158	-90	-142
Total	**23,739**	**11,842**	**6,321**	**5,557**	**19**	**22,501**	**6**	**1,238**

1 STRABAG is in the process of winding up its activities in Russia.

DEVELOPMENT OF ORDER BACKLOG



Despite rising construction costs and the accelerated interest rate turnaround, the order backlog as at 31 December 2022 increased by 6% year-on-year to € 23,738.84 million, which is only slightly below the previous record level from the end of the first six months of 2022. Projects were successfully acquired in our home markets of Germany and Austria in particular, but also in Romania, Italy and Croatia. The order backlog declined in Bulgaria, Denmark and the Middle East.

The additions to the order books in Germany and Austria include the Grünblick sustainable housing project with 340 units in Vienna, the construction of the headquarters of Volksbank Raiffeisenbank Bayern Mitte in Ingolstadt and the upgrade of the Berlin–Köpenick railway station. The company was also awarded a contract in Croatia for the modernisation of the railway line between Zagreb and Rijeka and, in Romania, for the expansion of the A3 motorway over a length of 15.7 km. Contracts worth around € 283 million were acquired in Chile, enabling STRABAG to further expand its strong market position in the mining business in the region.

CONSTRUCTION SITES INCLUDED IN THE ORDER BACKLOG AS AT 31 DECEMBER 2022[1]

Category	Number of construction sites	Number of construction sites as % of total	Order backlog € mln.[1]	Order backlog as % of total
Small orders (€ 0–1 mln.)	9,866	78	1,926	8
Medium-sized orders (€ 1–15 mln.)	2,230	18	4,179	18
Large orders (€ 15–50 mln.)	361	3	5,051	21
Very large orders (>€ 50 mln.)	154	1	12,583	53
Total	**12,611**	**100**	**23,739**	**100**

The total order backlog is comprised of 12,611 individual projects. More than 9,800 of these, or 78%, involve small orders with a volume of up to € 1 million each; the remaining proportion of 22% covers medium-sized to very large orders with contract volumes of € 1 million and up. A total of merely 154 projects have a volume above € 50 million.

The high number of individual contracts guarantees that the risk involved with one project does not, as far as possible, threaten the group success as a whole. The ten largest projects in the order backlog as at 31 December 2022 added up to 21% of the order backlog.

1 Rounding differences are possible.

SELECTED LARGE PROJECTS IN THE ORDER BACKLOG AS AT 31 DECEMBER 2022

Country	Project	Order backlog € mln.[1]	As % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1,420	6.0
United Kingdom	Woodsmith Project	723	3.1
Germany	US hospital, Weilerbach	703	3.0
Germany	Central Business Tower	432	1.8
Canada	Scarborough Subway Extension Line 2	346	1.5
Germany	Stuttgart 21, underground railway station	337	1.4
Croatia	Railway line Leskovac–Karlovac	254	1.1
Germany	PPP A49 motorway	220	0.9
Czech Republic	D1 Říkovice–Přerov	185	0.8
Germany	A1 Lohne–Bramsche	160	0.7
Total		**4,780**	**20.3**

Financial performance

The consolidated **group revenue** for the 2022 financial year amounted to € 17,025.85 million. As with the output volume, this corresponds to a plus of 11%. The ratio of revenue to output increased slightly year-on-year from 95% to 96%. The operating segments North + West contributed 47%, South + East 32% and International + Special Divisions 21% to the revenue.

The **changes in inventories** mainly involve real estate project developments. The business continued to be actively pursued. The disposals resulted mainly from successful sales and were almost entirely offset by existing and new project developments. The **own work capitalised** increased slightly from a low basis due to the realisation of several new corporate locations. The total of **expenses for construction materials, consumables and services used** and the **employee,** expressed in relation to the revenue, grew from 87% to 89%.

EXPENSES

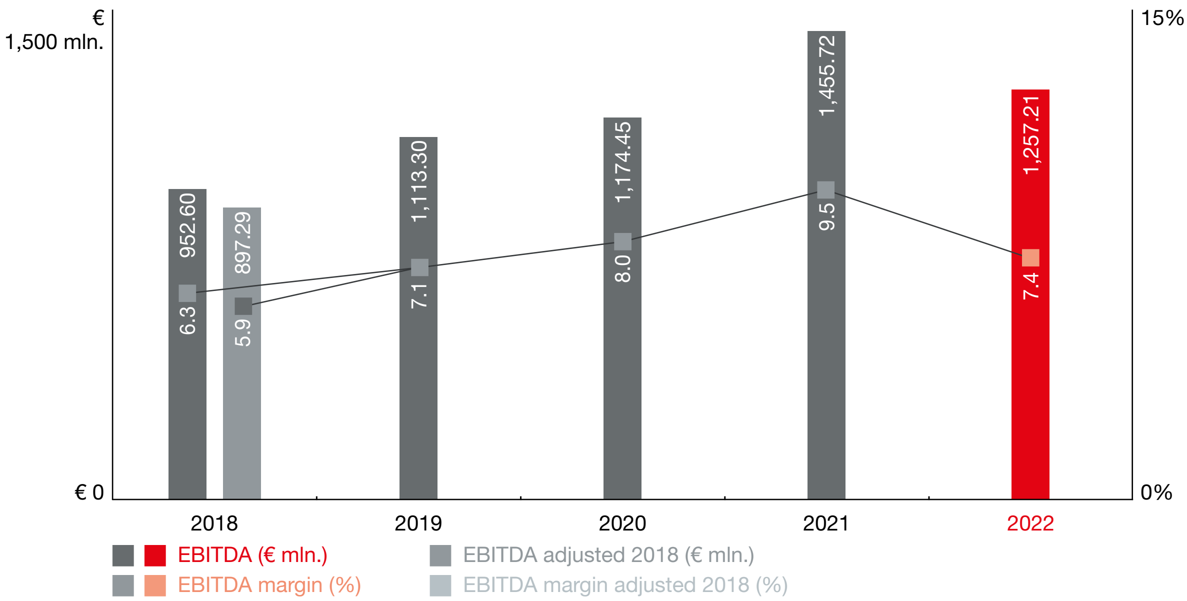
€ mln.	2022	2021	Δ %
Construction materials, consumables and services used	10,988.65	9,415.08	17
Employee benefits expense	4,133.73	3,843.58	8
Other operating expenses	1,013.28	823.82	23
Depreciation and amortisation expense	550.81	549.61	0

Following a significant increase in 2021, lower earnings from joint ventures and consortia in the reporting period in particular led to a reduction in **earnings from equity-accounted investments** to € 60.89 million. The **net income from investments,** which comprises the dividends and expenses of many smaller companies or financial investments, increased compared with the previous year.

In total, the **earnings before interest, taxes, depreciation and amortisation (EBITDA)** decreased by 13%, although, at € 1,257.21 million, this figure was still well above the € 1.0 billion mark for the fourth year in a row. The EBITDA margin decreased accordingly from 9.5% to 7.4%. The **depreciation and amortisation expense** amounted to € 550.81 million (+0.2%), roughly on a par with the previous year.

1 Rounding differences are possible.

DEVELOPMENT OF EBITDA AND EBITDA MARGIN[1]



Effective tax rate: 33.0%

Following exceptionally high **earnings before interest and taxes (EBIT)** in the previous year, characterised by numerous positive earnings influences in all segments, normalisation set in during 2022 as expected. Nevertheless, the EBIT of € 706.40 million was the second highest in the Group's history. The EBIT margin amounted 4.2% (2021: 5.9%), in line with the goal of achieving at least 4% on a sustainable basis starting from 2022.

Earnings per share: € 4.60

The **net interest income** was positive, at € 10.67 million, compared to € -12.57 million in the previous year, mainly due to the increased interest income. The exchange rate result included in this figure also turned positive in 2022 at € 3.20 million, after reporting € -3.88 million in the previous year.

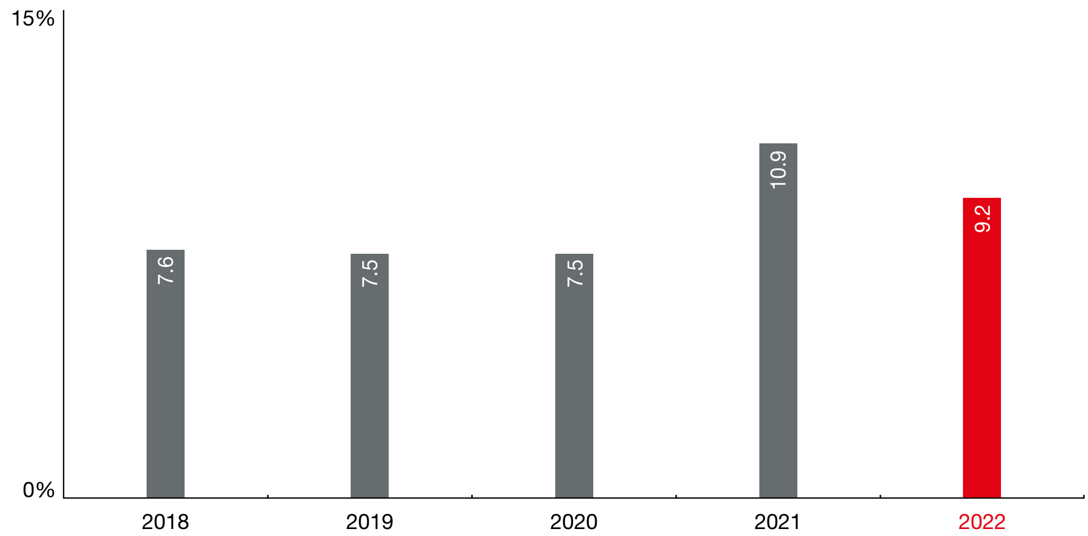
On balance, the **earnings before taxes** stood at € 717.07 million. The income tax rate, at 33.0%, was slightly higher than in the previous year. The **net income** amounted to € 480.13 million compared to € 596.40 million in 2021.

The earnings owed to minority shareholders amounted to € 7.68 million after € 10.69 million in the previous year. The **net income after minorities** – due to the exceptionally positive earnings effects in the previous year – was 19.3% lower in 2022, although with € 472.45 million it still posted the second-highest figure since the establishment of STRABAG SE. The earnings per share amounted to € 4.60 (2021: € 5.71).

The **return on capital employed** (ROCE)[2] came in at 9.2% after 10.9% in the previous year, well above the multi-year average.

1 2018 adjusted for a non-operating step-up profit in the amount of € 55.31 million
2 ROCE = (net income + interest on debt – interest tax shield (25 %)) / (average group equity + interest-bearing debt)

DEVELOPMENT OF ROCE



Financial position and cash flows

BALANCE SHEET

€ mln.	31.12.2022	% of balance sheet total[1]	31.12.2021	% of balance sheet total[1]
Non-current assets	5,292.10	42	4,989.56	41
Current assets	7,391.66	58	7,236.21	59
Equity	4,025.24	32	4,071.82	33
Non-current liabilities	2,193.76	17	2,146.39	18
Current liabilities	6,464.76	51	6,007.56	49
Total	**12,683.76**	**100**	**12,225.77**	**100**

The total of assets and liabilities increased year-on-year from € 12.2 billion to € 12.7 billion. An increase in property, plant and equipment – including the addition of real estate in Stuttgart for the expansion of the corporate location there – and in inventories as well as an output-related increase in trade receivables were offset by a decrease in cash and cash equivalents. The equity declined slightly, although it remained above the € 4 billion mark at € 4,025.24 million. This decrease results in particular from the fact that the buyback obligation for own shares, which existed as at 31 December 2022 due the anticipatory mandatory offer underway at the time and which amounted to a maximum of 10% of the share capital (€ 399.52 million), had to be deducted directly from retained earnings. As only 2.7% of own shares were ultimately purchased, the difference of € 291.31 million will have to be transferred to retained earnings in 2023. As a result, the **equity ratio** decreased at a high level from 33.3% to 31.7% in 2022.

KEY BALANCE SHEET FIGURES

	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
Equity ratio (%)	31.6	31.5	33.9	33.3	31.7
Net debt (€ mln.)	-1,218.28	-1,143.53	-1,747.23	-1,937.18	-1,927.70
Gearing ratio (%)	-33.3	-29.7	-42.5	-47.6	-47.9
Capital employed (€mln.)	5,552.09	5,838.71	5,815.14	5,750.63	5,407.37

1 Rounding differences are possible.

Net cash position remains at € 1.9 billion

A net cash position was reported as usual on 31 December 2022. At € 1.9 billion, this figure remained unchanged year-on-year.

The lower cash and cash equivalents were offset by a reduction in financial liabilities as a result of the bond repayment in the amount of € 200 million.

CALCULATION OF NET DEBT[1]

€ mln.	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
Financial liabilities	1,363.33	1,422.21	1,156.01	1,193.62	957.20
Severance provisions	114.68	124.68	122.55	108.36	91.38
Pension provisions	420.31	435.92	428.36	376.83	333.55
Non-recourse debt	-730.77	-665.53	-597.20	-652.74	-607.97
Cash and cash equivalents	-2,385.83	-2,460.81	-2,856.95	-2,963.25	-2,701.85
Total	**-1,218.28**	**-1,143.53**	**-1,747.23**	**-1,937.18**	**-1,927.70**

The **cash flow from operating activities** decreased as a result of lower cash flow from earnings and a noticeable increase in working capital from € 1,220.56 million to € 812.86 million compared with the same period of the previous year. In view of the rising interest rates, a significant reduction in advance payments and an associated increase in working capital, which had already begun in 2022, can be expected in the coming reporting periods.

The **cash flow from investing activities** was more negative, as expected, in particular due to higher investments in intangible assets and property, plant and equipment, including the expansion of the Stuttgart location. The **cash flow from financing activities** amounted to € -503.66 million, compared with € -743.90 million in the previous year. The reduction in the dividend payment – following a special dividend in the previous year – more than compensated for the repayment of the bond in the amount of € 200 million.

REPORT ON OWN SHARES

The company held no own shares as at 31 December 2022.

Capital expenditures

STRABAG had forecast net investments (cash flow from investing activities) of up to € 550 million for the 2022 financial year. In the end, they amounted to € 560.42 million.

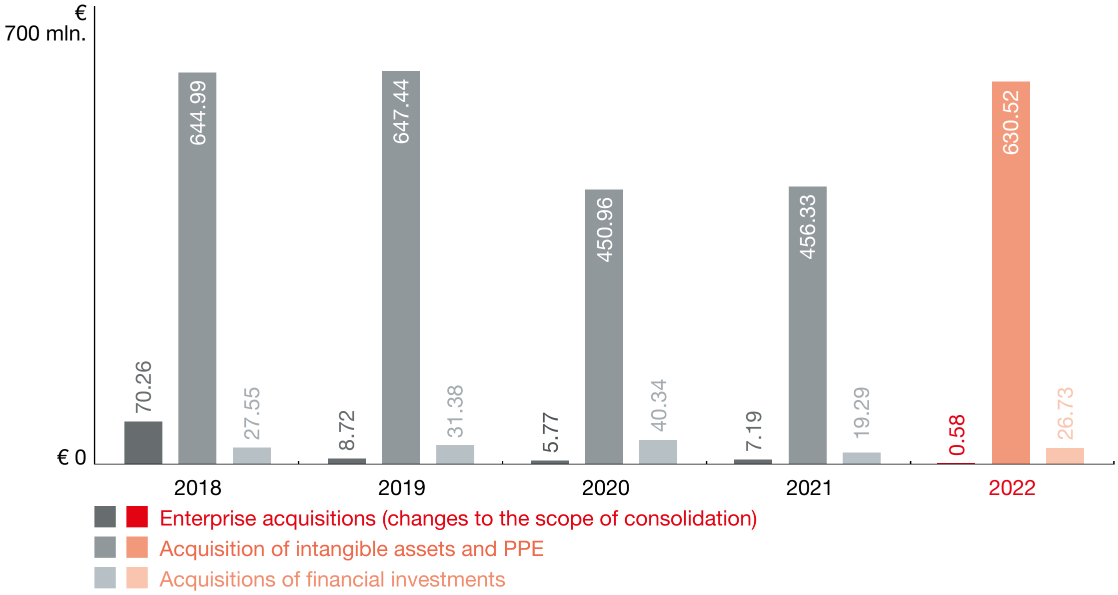
The gross investments (CapEx) before subtraction of proceeds from asset disposals stood at € 657.83 million. This figure includes **expenditures on intangible assets and on property, plant and equipment** not including the non-cash additions to right-of-use assets of € 630.52 million, the **purchase of financial assets** in the amount of € 26.73 million and € 0.58 million from changes to the scope of consolidation.

Particularly significant investments include the maintenance expenditures at our permanent establishments in the core markets of Germany, Austria and the Czech Republic as well as the additional investments in rail construction in several different countries. In addition, substantial investments were made as part of large-scale projects in a production plant for tunnel segments in the UK and in equipment technology in the mining sector in Chile.

Expenditures on intangible assets and on property, plant and equipment during the year under report must be seen against the depreciation and amortisation expense in the amount of € 550.81 million. At € 6.70 million, goodwill impairment was slightly higher than the previous year's value of € 5.67 million.

1 The non-recourse liabilities that were considered are related to three major projects. Non-recourse liabilities from other PPP projects had, based on their amount, only an immaterial impact and are therefore not subtracted in the calculation of net debt.

COMPOSITION OF CAPEX



Financing/Treasury

KEY FIGURES TREASURY

	2018	2019	2020	2021	2022
Interest and other income (€ mln.)	38.62	30.97	27.89	26.96	50.74
Interest and other expense (€ mln.)	-66.05	-56.32	-48.49	-39.53	-40.07
EBIT/net interest income (x)	-20.4	-23.8	-30.6	-71.3	66.2
Net debt/EBITDA (x)	-1.3	-1.0	-1.5	-1.3	-1.5

The number one objective for the treasury management of STRABAG SE is assuring the continued existence of the company through the maintenance of constant solvency. This objective is to be reached through the provision of sufficient short-term, medium-term and long-term liquidity. Liquidity for STRABAG SE means not only solvency in the strict sense but also the availability of guarantees. The activity of building requires the constant availability of bid, contract fulfilment, advance payment and warranty guarantees and/or sureties. The financial scope of action is thus defined by sufficient cash and cash credit lines, on the one hand, and by sufficient surety credit lines on the other.

The management of **liquidity risks** has become a central element of the corporate management at STRABAG. In practice, liquidity risks come in various forms:

- In the short term, all daily payment obligations must be covered in time and/or in their entirety.
- In the medium term, liquidity levels must be sufficient so that no transactions or projects become impossible due to a lack of sufficient financial means or guarantees or that they cannot be executed at the desired pace.
- In the long term, there should be sufficient financial means available to be able to pursue the strategic development targets.

In the past, STRABAG has always oriented its financing decisions according to the risk aspects outlined above and has organised the maturity structure of the financial liabilities in such a way as to avoid a refinancing risk. In this way, the company has been able to maintain a great scope for action, which is of particular importance in a difficult market environment. The respective liquidity needed is determined by targeted liquidity planning. Based on this, liquidity assurance measures are made, and a liquidity reserve is defined for the entire Group.

The medium- and long-term liquidity needs are also covered by the **issue of corporate bonds** when needed. STRABAG SE (and its predecessor FIMAG) has regularly issued bonds on the Austrian capital market since 2002. In the 2015 financial year, the company successfully placed a € 200 million tranche with a coupon of 1.625% and a term to maturity of seven years. This bond was repaid in 2022. No bonds were on the market at the end of 2022.

The existing liquidity of € 2.7 billion assures the coverage of the Group's liquidity needs. STRABAG SE has a total credit line for cash and surety loans in the amount of € 8.2 billion. The credit lines include a **syndicated surety credit line** in the amount of € 2.0 billion and a revolving **syndicated cash credit line** of € 0.4 billion, each with a term to maturity until 2026. The Group also has bilateral credit lines with banks. With a high degree of diversification regarding its surety and cash credit, STRABAG creates an adequate risk spread in the provision of the credit lines and secures its comfortable liquidity position.

In June 2015, Standard & Poor's (S&P) raised STRABAG SE's investment grade rating by one level from BBB-, outlook stable, to BBB, outlook stable. This rating was again confirmed in August 2022. S&P sees STRABAG SE's strengths and opportunities above all in the stable margins in an otherwise quite cyclical market environment, the strategic access to construction materials, the strong market positions and the high reputation in the credit markets.

PAYMENT OBLIGATIONS

€ mln.	Book value 31.12.2022	Book value 31.12.2021
Bonds	0	200.00
Bank borrowings	624.76	687.76
Lease liabilities	332.44	305.85
Total	**957.20**	**1,193.61**

Segment report

OVERVIEW OF THE FOUR SEGMENTS WITHIN THE GROUP

The business of STRABAG SE was divided into four segments in 2022, of which there are three operating segments, North + West, South + East and International + Special Divisions, and the segment Other, which encompasses the Group's central divisions and central staff divisions. In 2022, the segments were comprised as follows[1]:

NORTH + WEST
Management Board responsibility[2]: Alfred Watzl
Germany, Poland, Benelux, Scandinavia, Ground Engineering

Switzerland was added to the North + West segment with effect from 1 January 2023. As of 1 January 2023, Poland will be reported in the South + East segment.

SOUTH + EAST
Management Board responsibility[2]: Alfred Watzl[3]
Austria, Czech Republic, Slovakia, Hungary, South-East Europe, Switzerland, Environmental Technology

Poland was added to the South + East segment with effect from 1 January 2023. As of 1 January 2023, Switzerland will be reported in the North + West segment.

Management Board responsibility[2]:
Klemens Haselsteiner
Winding up Russia

INTERNATIONAL + SPECIAL DIVISIONS
Management Board responsibility[2]:
Siegfried Wanker
International, Tunnelling, Services, Real Estate Development, Infrastructure Development, Construction Materials

OTHER
Management Board responsibility[2]:
Thomas Birtel, Christian Harder and Klemens Haselsteiner
Central Divisions, Central Staff Divisions

Construction projects are assigned to one of the segments (see chart below). Of course, projects may also be assigned to more than one segment. This is the case, for example, with PPP projects in which the construction part is assigned to its respective geographic segment, but the concession part is assigned to the concessions unit of International + Special Divisions. In projects which span more than one segment, the commercial and technical responsibility is generally assigned to that segment which has the higher share of the overall project value.

Geographic segments may be desirable, but they are not always possible. Particularly the specialty fields – e.g. tunnelling – are in demand all around the world. As it is therefore not possible to assign these to a certain country, such business fields are listed under the segment International + Special Divisions. At the same time, the two segments North + West and South + East may contain international business fields such as sports facilities. These are usually organised from a country assigned to one of the respective geographic segments.

1 Services may be performed in more than one segment. The activities and countries below have been assigned to those segments in which the most significant portion of the services was provided. Details are available in the table.
2 Situation as at 31 December 2022
3 Peter Krammer resigned from the Management Board effective 12 June 2022. Alfred Watzl took over the South + East segment on an interim basis from 13 June to 31 December 2022.

With only a few exceptions, STRABAG offers its services in all areas of the construction industry in the individual European markets in which it operates and covers the entire construction value chain. These services include:

	North + West	South + East	International + Special Divisions
Residential Construction	✓	✓	✓
Commercial and Industrial Facilities	✓	✓	✓
Public Buildings	✓	✓	✓
Engineering Ground Works	✓	✓	✓
Bridge Construction	✓	✓	✓
Power Plants	✓	✓	✓
Roads, Earthworks	✓	✓	✓
Protective Structures	✓	✓	✓
Sewerage Systems	✓	✓	✓
Production of Construction Materials	✓	✓	✓
Railway Construction	✓	✓	
Waterway Construction, Embankments	✓	✓	
Landscape Architecture and Development, Paving, Large-Area Works	✓	✓	
Sports and Recreation Facilities	✓	✓	
Ground Engineering	✓		
Environmental Technology		✓	
Production of Prefabricated Elements		✓	
Tunnelling			✓
Real Estate Development			✓
Infrastructure Development			✓
Operation/Maintenance/Marketing of PPP Projects			✓
Property and Facility Services			✓

SEGMENT NORTH + WEST: HIGH EBIT MARGIN MAINTAINED

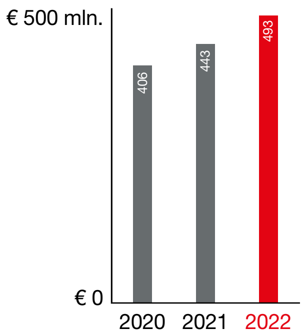
The North + West segment executes construction services of nearly any kind and size with a focus on Germany, Poland, the Benelux countries and Scandinavia. Ground engineering can also be found in this segment. Switzerland was added to the North + West segment with effect from 1 January 2023. As of 1 January 2023, Poland will be reported in the South + East segment.

€ mln.	2022	2021	Δ 2021–2022 %	Δ 2021–2022 absolute
Output volume	8,690.69	7,902.46	10	788
Revenue	8,032.71	7,317.95	10	715
Order backlog	11,841.89	11,628.13	2	214
EBIT	492.89	443.03	11	50
EBIT margin (% of revenue)	6.1	6.1		
Employees (FTE)	25,693	25,430	1	263

OUTPUT VOLUME NORTH + WEST

€ mln.	2022	2021	Δ 2021 – 2022 %	Δ 2021 – 2022 absolute
Germany	7,206	6,360	13	846
Poland	1,017	1,036	-2	-19
Benelux	143	218	-34	-75
Sweden	121	101	20	20
Denmark	56	90	-38	-34
Austria	50	24	108	26
United Kingdom	48	26	85	22
Romania	26	21	24	5
Rest of Europe	18	15	20	3
Hungary	5	9	-44	-4
Middle East	1	1	0	0
Switzerland	0	1	-100	-1
Total	**8,691**	**7,902**	**10**	**789**

EBIT

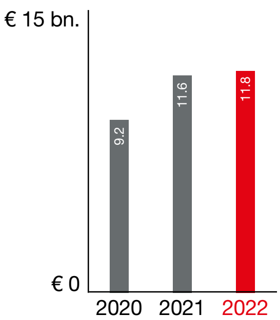


Strong output growth in Germany

The North + West segment recorded a 10% year-on-year increase in output volume to € 8,690.69 million in 2022. This was attributable in particular to the home market of Germany, both in building construction & civil engineering and in transportation infrastructures, and to a lesser extent to the Swedish market. This growth was contrasted by declines in Poland, the Benelux countries and Denmark.

The revenue increased by 10% to € 8,032.71 million. Starting from a high level in the previous year, earnings before interest and taxes (EBIT) also grew by 11% to € 492.89 million, maintaining the very good EBIT margin of 6.1%. Earnings improvements were seen in the German building construction and civil engineering business, among others.

ORDER BACKLOG



Order backlog expands slightly at a high level

The already high order backlog was expanded by 2% to € 11,841.89 million as at 31 December 2022, mainly due to growth in the home market of Germany. Notable additions to the order backlog in Germany include the construction of the corporate headquarters of Volksbank Raiffeisenbank Bayern Mitte in Ingolstadt and the expansion of Berlin-Köpenick railway station for regional traffic. An increase in the order backlog was also recorded in Poland. Here, STRABAG will continue to upgrade the S19 expressway in two sections.

Slight increase in number of employees

The number of employees in the entire North + West segment increased by 1% to 25,693 FTEs. The increase in the home market of Germany more than compensated for the declines in Poland, Denmark, the Benelux countries and Sweden.

Outlook: Slightly lower output expected

In view of the high order backlog, only a slight decline in output is expected in the North + West segment for 2023 despite the challenging business environment.

In the **German building construction** sector, material and energy prices are showing signs of normalising at a high level. Despite the higher prices, projects are still being brought to market. As a consequence of the interest rate turnaround, however, there is a noticeable shift from the private to the public sector.

A high order backlog is also reported in the **transportation infrastructures** business. This allows for a very selective approach to bidding. At the same time, output is expected to remain at a similarly high level as in the previous year.

Intense cut-throat competition prevails in the **Benelux** countries and in **Scandinavia**. The focus will remain as planned on stabilisation and consolidation as well as on the completion of large projects and selective bidding.

The strategic and organisational changes introduced in **Switzerland** in the past are beginning to show positive results. The Group will continue to pursue and expand this successfully chosen path in the future.

SELECTED PROJECTS NORTH + WEST

Country	Project	Order backlog in € mln.	As % of total Group order backlog
Germany	US hospital, Weilerbach	703	3.0
Germany	Central Business Tower	432	1.8
Germany	Stuttgart 21, underground railway station	336	1.4
Germany	PPP A49 motorway	220	0.9
Germany	A1 Lohne–Bramsche	160	0.7

SEGMENT SOUTH + EAST: ORDER BACKLOG ABOVE GROUP AVERAGE

The geographic focus of the South + East segment is on Austria, the Czech Republic, Slovakia, Hungary, South-East Europe and Switzerland. The environmental technology activities are also handled within this segment. Poland was added to the South + East segment with effect from 1 January 2023. As of 1 January 2023, Switzerland will be reported in the North + West segment.

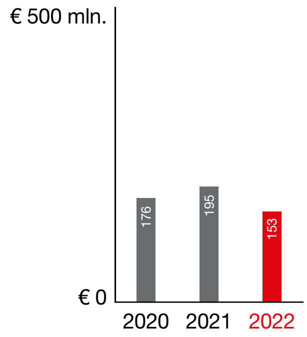
€ mln.	2022	2021	Δ 2021–2022 %	Δ 2021–2022 absolute
Output volume	5,461.54	4,930.38	11	531
Revenue	5,495.54	4,924.60	12	571
Order backlog	6,320.72	5,596.97	13	724
EBIT	153.39	194.93	-21	-42
EBIT margin (% of revenue)	2.8	4.0		
Employees (FTE)	20,625	20,685	0	-60

OUTPUT VOLUME SOUTH + EAST

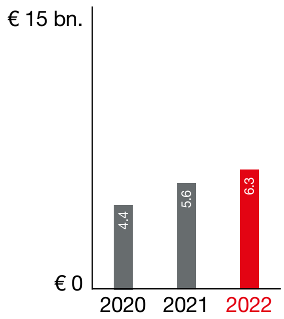
€ mln.	2022	2021	Δ 2021–2022 %	Δ 2021–2022 absolute
Austria	2,474	2,206	12	268
Czech Republic	895	782	14	113
Hungary	531	503	6	28
Slovakia	298	243	23	55
Romania	231	202	14	29
Croatia	220	162	36	58
Switzerland	193	186	4	7
Germany	184	152	21	32
Serbia	143	150	-5	-7
Rest of Europe	84	110	-24	-26
Russia[1]	70	43	63	27
Slovenia	66	94	-30	-28
Bulgaria	43	68	-37	-25
Italy	10	6	67	4
Africa	9	7	29	2
Poland	5	3	67	2
Asia	4	8	-50	-4
Middle East	1	4	-75	-3
Benelux	0	1	-100	-1
Total	**5,461**	**4,930**	**11**	**531**

1 STRABAG is in the process of winding up its activities in Russia.

EBIT



ORDER BACKLOG



Significantly higher output in Austria and the Czech Republic

The output volume in the South + East segment increased significantly by 11% to € 5,461.54 million in the past 2022 financial year. The largest increase in absolute terms was generated in our home market of Austria, followed by the Czech Republic and Croatia. With a few exceptions, including Bulgaria, the remaining countries of Central and Eastern Europe also recorded increases in output across the board.

The revenue increased by 12%, at a slightly higher rate than the output volume, to € 5,495.54 million. Due to provisions and as a result of strong cost inflation in Southern and Eastern Europe, the EBIT decreased to € 153.39 million, compared to € 194.93 million in 2021.

Order backlog: positive growth momentum continues

At € 6,320.72 million, the order backlog as at 31 December 2022 was 13% higher than on the previous year's reporting date. The largest additions to the order books were generated in Romania, Austria and Croatia. These include the expansion of the Romanian A3 motorway, the construction of the sustainable residential project Grünblick with 340 apartments in Vienna and the modernisation of the railway line between Zagreb and Rijeka. With the exception of Bulgaria and Serbia, the order backlog also increased in the other markets. The order volume in Switzerland remained virtually stable, while that in Russia decreased significantly as a result of STRABAG's ongoing exit from the market there.

Employees numbers remained constant

The number of employees remained virtually constant year-on-year at 20,625 FTEs. In line with the higher output volume, the number of employees increased mainly in Austria and in Hungary. Declines were recorded in Bulgaria and Slovakia in particular.

Outlook: Mixed trends

Stable year-on-year performance is expected in the South + East segment for the 2023 full year.

Thanks to the good order backlog, another solid output can be expected in **Austria** in 2023, both in building construction and in transportation infrastructures. In view of the significantly higher construction costs and interest rates, however, demand for residential construction can be expected to decline in the future. It should be possible to partially compensate for this with special buildings, for example in the health, sports and education sectors. The increasing stabilisation of energy and subcontractor prices at a high level should have a positive effect on the earnings development.

The **Polish economy** is strongly affected by the fallout from the Russian invasion of Ukraine. The country is also dealing with a comparatively high rate of inflation. Sharply increased energy and commodity prices as well as rising interest rates are impacting the entire economy, including the construction and real estate sectors. The European Commission's decision to withhold structural funds from Poland is delaying planned investments, especially in railway construction and in the energy and environmental sectors. Despite agreed price escalation clauses with public sector clients, it must be assumed that the massive increase in input costs cannot be fully compensated.

The **Hungarian economy** is suffering greatly as a result of the high inflation, the weakness of the forint and the frozen funds from several EU programmes. These factors are significantly reducing the country's construction output, especially in the infrastructure sector. Large-scale projects, such as the railway construction between Budapest and Belgrade, will therefore remain an exception. On a positive note, there are orders from the private sector and from German automotive manufacturers and suppliers who produce here.

The **Czech transportation infrastructures** sector is experiencing a period of increased competition. The high interest rate level could lead to declines in building construction, especially residential construction. Investments in industrial and logistics complexes have not yet shown any significant changes. Due to the comfortable order backlog in the Czech Republic, STRABAG expects this market to make a solid contribution to the Group's output volume in 2023.

In **Slovakia**, the number of projects tendered by the public sector in transportation infrastructures seems to be increasing again, while output in the building construction sector is expected to remain stable despite the challenging business environment. Early elections this autumn could have a positive effect on construction momentum. Growth is currently being curbed by the sharp rise in labour costs, which is further boosting the already high level of inflation.

In the markets of **South-East Europe,** an increasing number of new projects are also expected to come onto the market in 2023. In Romania, STRABAG is currently participating in tenders for projects in transportation infrastructures; in the country's building construction sector, public contracts for hospitals and military facilities are on the rise. In Croatia, infrastructure projects financed with EU funds offer opportunities for STRABAG, as does the tourism sector. Private investors here are concentrating on the construction of logistics centres and housing projects. In Slovenia, there are opportunities in the infrastructure sector, while industrial construction in particular is booming in building construction. In Serbia, North Macedonia and Montenegro, strong pressure can be felt from companies from China, the USA, Turkey and Azerbaijan – a challenge that affects the entire region.

SELECTED PROJECTS SOUTH + EAST

Country	Project	Order backlog in € mln.	As % of total Group order backlog
Croatia	Railway line Leskovac–Karlovac	254	1.1
Czech Republic	D1 Řikovice–Přerov	185	0.8
Romania	Mihail Kogălniceanu Airport	145	0.6
Czech Republic	Pankrác–Olbrachtova underground line	135	0.6
Hungary	Railway line Békéscsaba–Lökösháza	126	0.5

SEGMENT INTERNATIONAL + SPECIAL DIVISIONS: FLUCTUATIONS IN THE PROJECT BUSINESS

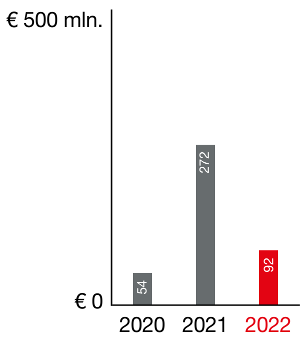
The International + Special Divisions segment includes the field of tunnelling as well as the concessions business, which, especially in transportation infrastructures, operates worldwide. In the markets of the United Kingdom and Chile, STRABAG offers tunnelling as well as a variety of country-specific services. Regardless of the location, all construction materials activities – with the exception of asphalt – are also part of this segment, with a dense network of production plants. The real estate business, which stretches from project development and planning to construction and operation and also includes the property and facility services business, completes the wide range of services in this segment. Additionally, most of the other services in non-European markets are also bundled in this segment.

€ mln.	2022	2021	Δ 2021–2022 %	Δ 2021–2022 absolute
Output volume	3,445.12	3,161.46	9	284
Revenue	3,479.97	3,039.14	15	441
Order backlog	5,556.81	5,268.22	5	289
EBIT	91.95	272.08	-66	-180
EBIT margin (% of revenue)	2.6	9.0		
Employees (FTE)	20,405	20,610	-1	-205

OUTPUT VOLUME INTERNATIONAL + SPECIAL DIVISIONS

€ mln.	2022	2021	Δ 2021–2022 %	Δ 2021–2022 absolute
Germany	924	906	2	18
Americas	556	479	16	77
United Kingdom	530	364	46	166
Austria	386	435	-11	-49
Middle East	250	198	26	52
Czech Republic	185	159	16	26
Asia	132	137	-4	-5
Hungary	127	120	6	7
Poland	90	107	-16	-17
Romania	56	40	40	16
Slovakia	52	42	24	10
Africa	38	28	36	10
Benelux	33	13	154	20
Sweden	29	18	61	11
Croatia	18	13	38	5
Slovenia	15	10	50	5
Italy	11	52	-79	-41
Bulgaria	10	6	67	4
Rest of Europe	8	9	-11	-1
Denmark	5	18	-72	-13
Serbia	2	3	-33	-1
Switzerland	2	2	0	0
Russia[1]	-14	2	n. a.	-16
Total	**3,445**	**3,161**	**9**	**284**

EBIT

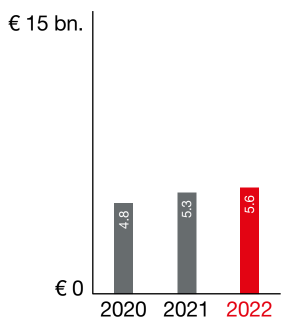


Significant revenue growth

The International + Special Divisions segment generated an output volume of € 3,445.12 million in 2022, 9% higher than in the previous year. This is mainly attributable to the ongoing fulfilment of large orders in the United Kingdom, Chile and the Middle East.

With an increase of 15%, the revenue rose faster than output to €3,479.97 million. Due to the existence of several large projects, the segment experiences regular fluctuations. In this respect, the diversification of the facility management portfolio and the infrastructure development business, among other things, made a positive contribution to earnings, although it could not compensate for adverse effects in the volatile international project business. Accordingly, after an extraordinarily high increase in the previous year, there was now a reduction in EBIT to € 91.95 million, so that the EBIT margin fell from 9.0% to 2.6%.

ORDER BACKLOG



Italy and Americas driving order backlog

The order backlog increased by 5% to € 5,556.81 million as at 31 December 2022 compared to the same time in the previous year. As already reported in the 2022 half-year report, Italy contributed mainly to the growth of the order situation thanks to contracts won in transportation infrastructures and in road maintenance. In addition, the construction of 140 wind farm foundations in Chile opened up a new business segment. Meanwhile, a significant decline was registered in the Middle East.

Employees numbers down slightly

In view of the relative size of the individual projects in the International + Special Divisions segment, the number of employees in the different countries varies greatly. Overall, the number of employees decreased by 1% to 20,405 FTEs. This decline is partly related to the foreseeable

1 STRABAG is in the process of winding up its activities in Russia.

completion of the tunnelling works for the Alto Maipo hydropower plant megaproject in Chile.

Alternatively, in the UK, employee levels increased due to the execution of the HS2 high-speed railway line and the Woodsmith Project.

Outlook: output growth expected in a challenging environment

For the full year 2023, the International + Special Divisions segment is expected to generate a higher output volume than in the previous year. This forecast is well supported by the high order backlog.

Due to the size of the projects, the **tunnelling business** is subject to constant volatility. Growing demand for tunnelling works can be seen globally, especially in metropolitan regions. Mining companies are also increasingly opting for tunnel-based development. While the number of construction companies specialising in large-scale tunnelling projects seems to be decreasing worldwide, the intensity of competition in the German-speaking region remains high. In view of the significantly greater project size, consideration of the risk profile of these projects is growing in importance.

In the **international business,** especially the markets in the United Kingdom and Canada are being followed with continued interest. Demand for construction services should persist in the Middle East as long as oil prices stay at a higher level. Chile holds opportunities in the mining business and for construction services for renewable energy, while the focus in Central America and Colombia will be on infrastructure projects. In Africa, STRABAG will examine projects on a selective basis, although the local conditions remain very challenging.

The **property and facility services business,** which is currently undergoing a process of digitalisation and efficiency enhancement, can look to the future with optimism. As a not insignificant share of carbon emissions can be attributed to building operations, this business segment is becoming increasingly important within the construction industry. STRABAG PFS aims to grow in Germany, Austria and Poland, both organically and through acquisitions.

In **infrastructure development,** STRABAG offers infrastructure services in all European countries. The strongest demand for these services can currently be found in Germany, though overall the number of projects put out to tender remains modest. Central and South America could prove interesting for road concessions in the future.

Real estate development is adversely affected by persistently high construction prices and the turnaround in interest rates. Land acquisitions, material and subcontractor services as well as disruptions in the supply chains require careful management. STRABAG Real Estate's very prudent market development in the past could prove to be a strength in the current environment. Our real estate subsidiary is currently benefiting from the robust development in residential construction. Office properties, on the other hand, could show weaker development overall due to the economic development and the trend towards working from home. As a result of its strong development and implementation competence with regard to sophisticated sustainability and new work concepts, STRABAG Real Estate expects competitive advantages in this asset class.

The **building materials business** is also showing a satisfactory trend overall. This business contributes a 7% share to the Group's total output volume. This segment is also proving to be a strategic advantage for the Group, especially in times of strained supply chains. In the current situation, our dense network of building materials operations and materials-based services remains an important basis for self-supply within the Group and thus for greater competitiveness.

SELECTED PROJECTS INTERNATIONAL + SPECIAL DIVISIONS

Country	Project	Order backlog in € mln.	As % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1,419	6.0
United Kingdom	Woodsmith Project	723	3.1
Canada	Scarborough Subway Extension Line 2	346	1.5
Chile	Candelaria Norte 2022	156	0.7
Chile	El Teniente main access tunnel	115	0.5

SEGMENT OTHER (SERVICE COMPANIES AND CENTRAL STAFF DIVISIONS)

This segment encompasses the Group's internal central divisions and central staff divisions.

€ mln.	2022	2021	Δ 2021–2022 %	Δ 2021–2022 absolute
Output volume	138.12	134.62	3	4
Revenue	17.64	16.85	5	1
Order backlog	19.42	7.53	158	12
EBIT	1.00	0.69	45	0
EBIT margin (% of revenue)	5.7	4.1		
Employees (FTE)	7,017	6,881	2	136

Risk management

The STRABAG Group encounters many different risks and opportunities in the course of its business activities. These risks are systematically identified and assessed using a proactive risk management system and managed in a consistent and goal-oriented manner through an appropriate risk management policy. This risk management policy is an integral part of the management system and describes a set of fixed principles and responsibilities for risk management and how to deal with the material risk categories.

RISK MANAGEMENT AS A CORE TASK OF MANAGEMENT

Risk management is a core task of the management. Risk identification and risk assessment are the responsibility of the respective management level. Our risk management process involves our integrated quality management system, supporting central divisions and central staff divisions with technical, legal and administrative service and consulting activities and the internal audit department as a neutral and independent auditing entity.

Responsibility for implementation of the project risk management systems in the divisions has been assigned to the commercial division managers. The central division Project Risk Management System/System Development/International BRVZ Coordination handles the continuous improvement and development of the risk management system for the procurement and execution of construction projects.

All STRABAG leadership employees, within the scope of their duties and responsibilities, and in accordance with the Rules of Procedure and relevant company regulations, are obliged to

- work with the employees to set risk identification measures,
- monitor the risks,
- introduce countermeasures, and
- pass on relevant information about risks to other units or levels within the company. This requirement especially applies to all employees of the STRABAG Group.

The STRABAG SE Management Board prohibits engaging in business transactions whose realisation could endanger the company's existence.

RISK MANAGEMENT USING DEFINED RISK GROUPS

The Group's internal risk reporting defines the following central risk categories

- External risks
- Operating and technical risks
- Financial risks
- Ethical risks
- Human resource risks
- IT risks
- Investment risks

- Legal risks
- Political risks

Additional risks exist with regard to work safety, environmental protection, quality, business continuity and supply chain.

Following ISO 31000 and the Committee of Sponsoring Organisations of the Treadway Commission (COSO), our risk management system forms part of our integrated management system. We deal with the risks identified by us as follows:

EXTERNAL RISKS COUNTERED THROUGH DIVERSIFICATION

The entire construction industry is subject to **cyclical fluctuations** and reacts to varying degrees depending on region and sector. Overall economic growth, development of the construction markets, the competitive situation, the conditions on the capital markets and technological changes in construction can all result in risks. These risks are continually observed and monitored by the central departments and operating units. Changes in external risks lead to adjustments in STRABAG's organisation, its market presence and its range of services and to the adaptation of its strategic and operational planning. STRABAG further counters market risk through geographic and product-related diversification in order to minimise the influence of an individual market or the demand for certain services on the success of the company.

OPERATING AND TECHNICAL RISKS REDUCED THROUGH BINDING MINIMUM STANDARDS

These risks primarily include the complex risks associated with project selection and execution along with the technical risks that need to be assessed for each project, such as subsoil, geology, construction methods, technology, building materials, equipment, design, work planning, etc. An integral part of the project risk management system are minimum standards with corporate-wide validity for the procurement and execution of construction projects (common project standards). These comprise clearly defined criteria for the evaluation of new projects, a standardised process for the preparation and submission of bids, and integrated internal control systems serving as a filter to avoid loss-making projects. Business transactions requiring approval are reviewed and approved in accordance with the internal rules of procedure.

Depending on the risk profile, bids must be analysed by **internal commissions** and reviewed for their technical and economic feasibility. The construction and project teams can contact the experts at the central divisions BMTI, TPA, ZT and SID for assistance in assessing the technical risks and working out innovative solutions to technical problems. Project execution, monitored by **monthly target/performance comparisons,** is managed by the construction or project team on-site using documented procedures. At the same time, our central controlling department provides constant back-office support for the project, ensuring that risks of individual projects do not jeopardise the continued existence of the company.

FINANCIAL RISK: ACTIVE LIQUIDITY AND RECEIVABLES MANAGEMENT

Under financial risks, STRABAG understands risks in financial matters and in accounting, including instances of manipulation. Special attention is paid to the **liquidity and receivables management,** which is secured through continuous financial planning and daily status reports. Compliance with internal commercial guidelines is ensured by the central accounting and controlling departments, which are also responsible for internal reporting and the periodic planning process. Risks from possible instances of manipulation (acceptance of advantages, fraud, deception or other infringements of the law) are monitored by the central divisions in general and the **internal audit department** in particular.

STRABAG is subject to interest, currency, credit and liquidity risks with regard to its assets, liabilities and planned transactions. The goal of financial risk management is to minimise these risks through ongoing financial activities. The basic principles of the financial policy are determined by the Management Board and monitored by the Supervisory Board. The implementation of the financial policy and responsibility for the ongoing risk management are the domain of the Group's treasury department. Detailed information can be found in the Notes under item 35 Financial Instruments.

ETHICAL RISKS COUNTERED WITH AN ETHICS AND BUSINESS COMPLIANCE SYSTEM

Given the risk of corruption and anti-competitive behaviour in the construction industry, STRABAG has implemented a set of tools that have proven effective in combating these problems. The rules for proper business behaviour are conveyed by the **STRABAG Ethics Business Compliance System.** These have corporate-wide validity. The STRABAG business compliance model is based on the Business Compliance Management System (BCMS) along with supplementary management directives, the Code of Conduct and the personnel structure defined for enforcement, consisting of the Chief Compliance Officer, the Corporate Business Compliance Officers and the Regional Business Compliance Officers as well as the internal ombudspersons and the external ombudsman. Details on the ethical risks are available in the Consolidated Non-Financial Report pursuant to Sec 267a of the Austrian Commercial Code (UGB).

HUMAN RESOURCE RISKS: COUNTERMEASURES WITH CENTRAL HUMAN RESOURCE MANAGEMENT AND NEEDS-ORIENTED HUMAN RESOURCE DEVELOPMENT

Material human resource risks, such as recruiting bottlenecks, skilled labour shortages, fluctuation and labour law risks, are countered with a **central human resource administration** and **long-term, needs-oriented human resource development.** Human resource risks are to be reduced to a large extent through targeted recruiting of qualified specialists and leaders, extensive training activities, performance-based remuneration under compliance with labour law, and early succession planning. Additionally, systematic potential management is in place to ensure the development and career planning of company employees. Complementary initiatives to promote employee health, improve employment conditions and raise employee satisfaction further contribute to the company's appeal and prestige. Details on the human resource risks are available in the Consolidated Non-Financial Report pursuant to Sec 267a UGB.

IT RISKS: IT USAGE GUIDELINES AND CONTINUOUS REVIEW OF SECURITY CONCEPTS TO COUNTER CYBERCRIME

With the increasing threat of IT risks, different measures are being implemented in the form of multistep security and anti-virus concepts, user access rights, password-controlled access, expedient data backups and independent power supply. The Group is also working together with professional **specialty service providers** to ensure an efficient defence against cybercrime and is constantly reviewing its security concepts. By issuing IT usage guidelines and repeatedly informing on the necessity of risk awareness when working with information and communication technologies, we aim to ensure the security, availability, performance and compliance of the IT systems. Project ideas to improve and develop IT-related processes and control systems are evaluated and prepared through cooperation between the central divisions SID and BRVZ Information Technology.

INVESTMENT RISKS: SECTOR-TYPICAL MINORITY HOLDINGS OF MIXING PLANTS

The shares in mixing companies typically involve **minority interests,** as is usual in this sector. With these companies, economies of scope are at the fore.

LEGAL RISKS AVOIDED THROUGH EXTENSIVE RISK ANALYSIS

The central division CML Construction Services supports the risk management of the operating entities in matters of construction management and construction operation in all project phases **(Contract Management)** and provides, organises and coordinates legal advice **(Legal Services)** in this regard. Its most important tasks include comprehensive reviews and consultation in project acquisition – e.g., analysis and clarification of tender conditions, performance specifications, pre-contract agreements, tender documents, draft contracts and framework conditions – as well as support in project management.

POLITICAL RISK: INTERRUPTIONS AND EXPROPRIATIONS CONCEIVABLE

The Group also operates in countries experiencing political instability. Interruptions of construction activity, restrictions on ownership by foreign investors, and even expropriations are among the possible consequences of political changes which could have an impact on the Group's financial structure. These risks are analysed during the tendering phase and assessed by **internal commissions.**

MANAGEMENT SYSTEM FOR OCCUPATIONAL SAFETY AND HEALTH PROTECTION

In order to control the risks related to employee safety and health, STRABAG has implemented a work safety and health management system in accordance with **ISO 45001** and/or **SCC.** Moreover, the company works to maintain this system and ensures a suitable emergency organisation. Specially appointed officers and representatives ensure that the corporate-wide work safety standards are followed. In 2020 and 2021, the country-specific safety and hygiene regulations in connection with Covid-19 had to be implemented in particular. The infection figures could be kept at a very low level in most of the Group countries due to the strict implementation. The aspects of work safety and health also form part of the evaluation of subcontractors and suppliers. Details on the risks related to employee safety and health are available in the Consolidated Non-Financial Report pursuant to Sec 267a UGB.

CERTIFIED ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEM DESIRED

STRABAG is committed to reducing the negative environmental impact of its activities as far as this is technically possible and economically feasible. The company has implemented and is maintaining an environmental and energy management system based on **ISO 14001** or **EMAS, ISO 50001** or equivalent and – wherever possible – seeks to minimise the use of natural resources, avoid waste and promote recycling. Details on the environmental risks are available in the Consolidated Non-Financial Report pursuant to Sec 267a UGB. Risks from the effects of climate change are presented in the Notes.

QUALITY MANAGEMENT AS A COMPONENT OF THE INTEGRATED MANAGEMENT SYSTEM

In accordance with its vision and values, it is the Group's aim to **realise construction projects on schedule, of the best quality and at the best price.** This quality of the company's processes, services and products must therefore be ensured at all times. To achieve this goal, quality management forms an integral component of an integrated management system. This system is documented in the Management Manual, in Group directives and in subordinated provisions.

BUSINESS CONTINUITY: RIGOROUS INCLUSION OF CENTRAL DIVISIONS

The failure of equipment and production facilities, subcontractors and suppliers, human resources, the IT system or office buildings and accommodation must not be allowed to jeopardise the continued existence of the company. For this reason, precautions are taken under a business continuity management system to ensure that incidents or **disasters only temporarily interrupt business activity –** if at all. This includes the consistent involvement of the Group's own specialised central divisions, which can, for example, procure equipment, accommodation, IT systems or staff on short notice, build up long-term strategic partnerships with selected subcontractors and suppliers, and arrange for the audit of emergency scenarios in IT.

EVALUATION OF PARTNER COMPANIES TO REDUCE RISKS IN THE SUPPLY CHAIN

In the interest of quality and efficiency, STRABAG not only taps its own skills and resources to work off its orders, but also relies on the support of proven subcontractors and suppliers. The company focuses on long-term partnerships, a clear, transparent and complete description of the services and products to be procured, and an agreement on acceptance criteria for the products and services. STRABAG also systematically **evaluates subcontractors, service providers** and **suppliers** as part of its **decision-making foundation** for **future orders.**

A review of the current risk situation reveals that there were no risks which jeopardised the company's existence, nor were there any visible future risks.

REPORT ON KEY FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN RELATION TO THE FINANCIAL REPORTING PROCESS

Introduction

The control structure as defined by COSO (Committee of Sponsoring Organisations of the Treadway Commission) provides the basis for describing the key features of the internal control and risk management systems with regard to the financial reporting process in the management report. The COSO framework consists of five interrelated components: control environment, risk assessment, information and communication, control activities and monitoring activities. On this basis, the STRABAG Group has set up a corporate-wide risk management system in accordance with generally accepted principles. The aim of the internal control system is to support the management in such a way that it is able to ensure internal controls with regard to financial reporting which are effective and which are improved on an ongoing basis. The system is geared to the compliance with rules and regulations and to creating conditions which are conducive to performing specific controls in key accounting processes.

Control environment

The corporate culture determines the control environment in which management and employees operate. STRABAG is constantly working to improve its communication and to convey its corporate values as defined in its Code of Conduct and its Business Compliance Management System (BCMS) in order to ensure moral standards, ethics and integrity within the company and in its dealings with others. The implementation of the internal control system with regard to the financial reporting process is based on internal rules and regulations. Responsibilities for internal control have been adapted to fit the corporate organisation. The internal audit department carries out periodic reviews – announced as well as unannounced – of all relevant business units as part of its responsibility for monitoring compliance with the law and corporate guidelines in the technical and commercial areas. The internal audit department also monitors the effectiveness of business compliance. During these reviews, the internal audit department analyses the legality and correctness of individual actions. The department also conducts regular, independent reviews of compliance with internal guidelines in the area of accounting. The head of the internal audit department reports directly to the CEO. The effectiveness of the work of the internal audit department is reviewed periodically by the financial auditor. The last review was carried out in the 2019 financial year.

Internal audit report in the Consolidated Corporate Governance Report

Risk assessment

The management identifies and monitors risks relating to the financial reporting process, with a focus on those risks that are typically considered to be material.

The preparation of the financial statements requires regular forecasts, with the inherent risk that the actual future development will deviate from the expectation. This especially affects the following matters/items of the Consolidated Financial Statements: assessment of unfinished construction projects, recognition and measurement of provisions (including social capital), the outcome of legal disputes, the collectability of receivables as well as the recoverability of investments and goodwill. In individual cases, external experts are called in or publicly available sources are considered in order to minimise the risk of a false assessment.

Control activities

All control activities are applied in the ongoing business process to ensure that errors or deviations in financial reporting are avoided or detected and subsequently corrected. The control activities range from a review of the period results to the specific monitoring of accounts and cost centres to the analysis of ongoing accounting processes. It is the responsibility of the Management Board to design the levels of hierarchy in such a way that an activity and the control of that activity are not performed by the same person **(four-eyes principle).** This separation of functions encompasses a separation between decision-making, implementation, review and reporting. The organisational units of the BRZV central division support the Management Board in this task.

Processes which are relevant to financial reporting are increasingly automated. **IT security** control activities therefore represent a cornerstone of the internal control system. The separation of sensitive activities, for example, is supported by a restrictive allocation of IT authorisations. For its accounting and financial reporting, the company mainly uses self-developed software which reflects the unique features of the construction sector. The effectiveness of the financial reporting system is further assured through automated IT controls included in the system.

Information and communication

The management regularly updates the rules and regulations for financial reporting and communicates them to all employees concerned. In addition, regular discussions regarding the financial reporting and the rules and regulations in this context take place in various committees. These committees are composed of the corporate **management** as well as the **department head** and **senior staff from the accounting department.** The committees' work aims, among other things, to ensure compliance with accounting rules and regulations and to identify and communicate weak points and potential areas for improvement in the financial reporting process. Furthermore, accounting employees receive regular training with regard to innovations in national and international financial reporting in order to identify risks of unintended misreporting at an early stage.

Monitoring

The Management and Supervisory Boards bear responsibility for the ongoing company-wide monitoring. Additionally, the remaining management levels are responsible for the monitoring of their respective areas of responsibility. Controls and plausibility checks are carried out at regular intervals. The internal audit department is also involved in the monitoring process. The top management receives monthly summarised financial reports on the development of the output volume and earnings of the respective segments and countries and of the liquidity. Financial statements to be published are reviewed internally by several instances within management, receiving a final appraisal by the senior accounting staff and the Chief Financial Officer before being passed on to the Audit Committee of the Supervisory Board.

Research and development

As a technology partner for the construction of tomorrow, STRABAG recognises new trends at an early stage, finds innovative solutions and actively works on the development of promising new technologies. In this context, it uses the full knowledge, organisational and relationship potential of its employees.

The STRABAG Group does business in a rapidly changing environment. The growing crossover between industries confronts the company with ever more rapidly shifting challenges. Ecological demands and technological developments in information and communication technology go hand in hand with increased customer expectations. For this reason, the systematic innovation management established in 2014 was transferred into the STRABAG central division Innovation and Digitalisation (SID) in 2020. The division functions as an innovation and digitalisation hub within the Group.

The cooperation among the various divisions facilitates and promotes new developments across the individual business units. A special focus in 2022 was again on the continued digitalisation of processes in planning and in logistics. **Generative design,** a method for the algorithm-based optimisation of planning options, gives us the opportunity to investigate urban development, building and spatial concepts as well as building physics requirements by means of rapidly generated variants. Meanwhile, the **platform-based tracking of prefabricated parts,** such as stairs or façade elements, is being used in additional large construction projects. Countless time-consuming, error-prone paper-based entries during the construction process – related to work safety inspections, work status, concrete deliveries and reinforcement performance levels – are now being performed via app. The data is entered on mobile end devices suitable for construction sites, with logs and target/actual comparisons generated automatically and made available to the construction offices and back offices involved. This significantly reduces the time required for construction-related administrative tasks. In transportation infrastructures, the focus is on the road as a driver of innovation. Pilot projects have been carried out here to investigate the possibilities associated with self-driving vehicles or the use of pavement sensors to monitor road conditions.

Cooperation with international universities and research institutions, joint development activities with partner companies around the world, and internal research and development projects have also been a routine part of the Group's daily activities for years. In overall charge of the planning and implementation of these projects within the STRABAG Group are the central divisions **Innovation & Digitalisation (SID), Zentrale Technik (ZT), TPA Gesellschaft für Qualitätssicherung und Innovation GmbH (TPA)** and **EFKON GmbH,** each of which report directly to a member of the Management Board.

With around 425 highly qualified employees at more than ten locations, **SID** takes the lead in initiating developments and providing expert support while maintaining a full overview of corporate-wide innovation activities and their measurable results. Because digitalisation must not be an end in itself, operating needs have priority and digital tools should be made available without delay. Work is also being done on the latest topics in the industry, such as robotics and automation to increase productivity. TPA is the Group's competence centre for asphalt, concrete, earthworks, geotechnics and environmental engineering, quality management and applied R&D projects for transportation infrastructures as well as building construction and civil engineering. Its main tasks include ensuring the quality of the construction materials, structures and services, the safety and improvement of the processes, as well as developing and reviewing standards for the handling and processing of construction materials. TPA employs 975 people at 135 locations in 15 countries, making it one of the largest private laboratory companies in Europe.

TPA is a partner in the multi-year joint research project ROBOT Road Construction 4.0 on the use of autonomous machinery in road construction. The project received € 1.7 million in funding from the German Federal Highway Research Institute. Together with the Technical University of Cologne, the Technical University of Darmstadt, MOBA Mobile Automation AG and 3D Mapping Solutions GmbH, TPA is pursuing the overarching goals of improving occupational and road safety as well as reducing the strain on the workers in road construction. These goals were essentially realised through the automation of all work functions of an asphalt road paver. In the future, the paver will function in a connected manner, autonomously and exclusively under the control of the machine operator. In order to achieve the process reliability of the overarching goals, research activities are being continued together with European partner organisations in the EU-funded project InfraROB (2021–2025).

The new **ELMAR research project** is one of the ways in which TPA is breathing life into our Work On Progress mission. The aim of the project is to transform the Eigenrieden quarry operated by Mineral Baustoff GmbH into STRABAG's first climate-neutral quarry using digital planning, new machine technology and alternative forms of energy.

EFKON GmbH – a subsidiary of STRABAG – is active in intelligent traffic telematics systems, especially with regard to electronic toll collection and enforcement, a business field that requires intensive research, development and innovation activities. The focus last year was on the further development of complex toll collection and enforcement systems that blend unobtrusively into the cityscape (example: Norway, environmental zones) or can be used efficiently on motorways and expressways (example: national tolling system in Belgium). Here EFKON is increasingly using high-performance machine vision components, developed in-house, that are capable of identifying and classifying vehicles across multiple lanes. Another focus was on the more extensive vehicle integration of toll communication equipment. Several renowned vehicle manufacturers in Asia use EFKON technology in their vehicles, integrating it directly during assembly in their manufacturing plants.

In 2022, EFKON successfully completed the development of an intelligent luminance meter for use in road tunnels. The device is used to measure the brightness at tunnel entrances and adapt the light intensity of tunnel lighting to the brightness perception of motorists through intelligent control. This new development expands our product range for increasing road safety.

The STRABAG Group spent about € 16 million on research, development and innovation activities during the 2022 financial year (2021: approx. € 16 million) The majority of the **development activity** is triggered by **construction projects** in all our business areas. Here challenges or specific questions regularly arise that require a technologically new process or an innovative solution on-site. In many cases, support is offered by the aforementioned central divisions. Some issues require medium-term research and development projects, often with partner organisations.

Website Corporate Governance Report

The STRABAG SE Consolidated Corporate Governance Report is available online at www.strabag.com > Investor Relations > Corporate Governance > Corporate Governance Report.

Disclosures under Sec 243a Para 1 UGB

One share – one vote

1. The share capital of STRABAG SE amounts to € 102,600,000 and consists of 102,600,000 fully paid-in, no-par value shares with a pro rata value of € 1 per share of the share capital. 102,599,997 shares are bearer shares and are traded in the Prime Market segment of the Vienna Stock Exchange. Three shares are registered shares. Each bearer share and each registered share accounts for one vote (one share – one vote). The nomination rights associated with registered shares No. 1 and No. 2 are described in more detail under item 7.

2. Oleg Deripaska was added to the EU sanctions list on 8 April 2022 and is subject to Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine (EU Sanctions Regulation). As a consequence, all funds and economic resources belonging to, owned, held or controlled by Oleg Deripaska or by natural or legal persons associated with him are to be frozen ("asset freeze"). This asset freeze must also be ensured with regard to the STRABAG SE shares held by MKAO "Rasperia Trading Limited", which is controlled by Oleg Deripaska. MKAO "Rasperia Trading Limited" has therefore, since 8 April 2022, been excluded from exercising control (voting rights, right to information, right to participate, right to propose resolutions) and asset rights (e.g. dividend distribution) in connection with the shares of STRABAG SE until the sanctions cease to apply.

3. The syndicate agreement concluded in 2007 between Haselsteiner Group (Haselsteiner Familien-Privatstiftung, Dr Hans Peter Haselsteiner, Klemens Peter Haselsteiner), the Raiffeisen Group (RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H., BLR-Baubeteiligungs

GmbH), the UNIQA Group (UNIQA Insurance Group AG, UNIQA Beteiligungs-Holding GmbH, UNIQA Österreich Versicherungen AG, UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.) and MKAO “Rasperia Trading Limited” (controlled by Oleg Deripaska) was terminated by Haselsteiner Familien-Privatstiftung on 15 March 2022 and ended on 31 December 2022. As a result of the sanctions against Oleg Deripaska, any rights of MKAO “Rasperia Trading Limited” under the syndicate agreement are frozen in accordance with these sanction provisions. The syndicate agreement from 2007 had governed (1) nomination rights regarding the Supervisory Board, (2) the coordination of voting during the Annual General Meeting, (3) restriction on the transfer of shares and (4) joint development of the Russian market as a core market. The Haselsteiner Group, the Raiffeisen Group together with the UNIQA Group, and MKAO “Rasperia Trading Limited” each had the right to nominate two members of the Supervisory Board. The syndicate agreement also required the syndicate partners to exercise their voting rights from syndicated shares unanimously at the Annual General Meeting of STRABAG SE. The syndicate agreement further foresaw restrictions on the transfer of shares in the form of mutual rights of first refusal as well as a minimum shareholding on the part of the syndicate partners.

Despite termination of the syndicate established in 2007, the right of first refusal of the Haselsteiner Group, the Raiffeisen Group, the UNIQA Group and MKAO “Rasperia Trading Limited” remain valid as long as each holds at least 8.5% of the share capital of STRABAG SE. Since – as explained – the EU Sanctions Regulation applies to MKAO “Rasperia Trading Limited”, it is not entitled to sell the shares it holds in STRABAG SE or to acquire the shares of the other parties and therefore, in the long term and in accordance with the EU Sanctions Regulation, the right of first refusal with respect to MKAO “Rasperia Trading Limited” does not apply.

4. Haselsteiner Familien-Privatstiftung, Dr Hans Peter Haselsteiner and Klemens Peter Haselsteiner, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and Group company, and UNIQA Insurance Group AG and Group companies on 18 August 2022 concluded a new syndicate agreement that requires them to exercise their voting rights from syndicated shares unanimously at the Annual General Meeting of STRABAG SE. This syndicate agreement also governs rights of first refusal and recourse, a minimum shareholding obligation, and nomination rights regarding the Supervisory Board. According to the agreement, the Haselsteiner Group has the right to nominate two members of the Supervisory Board, while the Raiffeisen Group and UNIQA Group each have the right to nominate one member of the Supervisory Board. With the new syndicate agreement, the parties continue their controlling interest in STRABAG SE. As at 31 December 2022, the company held no own shares. By 31 December 2022, however 1,694,816 STRABAG shares had been tendered for sale in the mandatory bid, which is why these shares are already to be presented as own shares in the annual financial statements (UGB). On 18 August 2022, Haselsteiner Familien Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. and UNIQA Österreich Versicherungen AG announced their intention to make a mandatory (anticipatory) public offer pursuant to Sec 22 et seq of the Austrian Takeover Act (ÜbG) for the acquisition of all outstanding no-par value bearer shares of STRABAG SE (ISIN AT000000STR1) not held by themselves nor by MKAO “Rasperia Trading Limited”, with an offer price of € 38.94 per STRABAG share. In connection with the announcement of the mandatory offer, STRABAG SE entered into a share purchase agreement with the bidders on 18 August 2022, pursuant to which STRABAG SE agreed to acquire, as own shares, up to 10% of the share capital tendered into the mandatory offer at the same price as the offer price. Within the framework of this share purchase agreement, STRABAG SE, on 9 February 2023, acquired 2,779,006 shares (2.7% of the share capital) on the basis of authorisation granted by the Annual General Meeting of 24 June 2022 pursuant to Sec 65 Para 1 No 8 of the Austrian Stock Corporation Act (see item 10). The rights from these 2,779,006 shares are therefore now suspended in accordance with Sec 65 Para 5 AktG.

5. To the knowledge of STRABAG SE, the following shareholders held a direct or indirect interest of at least 10.0% of the share capital of STRABAG SE on 31 December 2022:

- Haselsteiner Group 28.3%
- Raiffeisen Group 14.2%
- UNIQA Group 15.3%
- MKAO “Rasperia Trading Limited” 27.8%

6. As at 31 December 2022, the remaining shares of STRABAG SE, amounting to around 14.4% of the share capital, were in free float. The company held no own shares at the reporting date. By 31 December 2022, however 1,694,816 STRABAG shares had been

tendered for sale in the mandatory bid, which is why these shares are already to be presented as own shares in the annual financial statements (UGB). As stated in item 4, however, the company acquired 2,779,006 of its own shares on 9 February 2023.

7. Three shares of STRABAG SE are – as mentioned in item 1 – registered shares. Registered shares No. 1 and No. 2 allow their bearers to nominate a member each to the Supervisory Board of STRABAG SE; disposition of these registered shares, including their full or partial sale and pledging, requires the consent of the Supervisory Board. Registered share No. 1 is held by Klemens Peter Haselsteiner. Registered share No. 2 is held by MKAO "Rasperia Trading Limited". Since – as explained in item 2 – the EU Sanctions Regulation applies to MKAO "Rasperia Trading Limited", its right from registered share No. 2 to nominate a member of the Supervisory Board is currently suspended.

8. No employee stock option programmes exist.

9. No further regulations exist beyond items 4 and 7 regarding the nomination and recall of members of the Management and Supervisory Boards or regarding changes to the Articles of Association which are not a direct result of relevant law and legislation.

10. The Management Board of STRABAG SE was authorised by resolution of the 18th Annual General Meeting on 24 June 2022 (i) to acquire own shares, in accordance with Sec 65 Para 1 No 8 as well as Para 1a and 1b of the Austrian Stock Corporation Act (AktG), on the stock exchange, by public tender or in any other manner to the extent of up to 10 % of the share capital, excluding any proportionate selling rights that may accompany such an acquisition (reverse exclusion of subscription rights), (ii) to reduce the share capital by withdrawing own shares acquired without a further resolution by the General Meeting, and (iii) to sell or assign own shares, in accordance with Sec 65b Para 1 AktG, in a manner other than on the stock market or through a public tender, even to the exclusion of the shareholders' buyback rights (subscription rights).

11. As already stated in item 4, the company has made partial use of the authorisation to acquire own shares granted by the Annual General Meeting on 24 June 2022 with the acquisition of 2,779,006 own shares on 9 February 2023.

12. With the exception of the agreements over a syndicated surety loan and a syndicated cash credit line, there exist no significant agreements to which STRABAG SE is party and which would become effective, change or end due to a change of control in STRABAG SE following a takeover offer.

13. No compensation agreements exist between STRABAG SE and its Management and Supervisory Board members or employees in the event of a public takeover offer.

Related parties

Business transactions with related parties are described in item 38 of the Notes.

Outlook

The Management Board expects to be able to maintain the output volume at a high level in 2023 despite the challenging environment; specifically, the forecast is for € 17.9 billion. All three operating segments should make a solid contribution to this amount.

An EBIT margin (EBIT/revenue) of at least 4% is expected for the 2023 financial year. This value is in line with our goal to generate an EBIT margin of at least 4% on a sustainable basis from 2022 onwards.

Net investments (cash flow from investing activities) in 2023 will likely not exceed € 600 million.

Events after the reporting period

The material events after the reporting period are described in item 41 of the Notes.

Villach, 6 April 2023

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Responsibility Central Staff Divisions and Central Divisions BMTI, CML, TPA, STRABAG Innovation & Digitalisation as well as Zentrale Technik, Winding up Russia

Mag. Christian Harder
CFO
Responsibility Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Responsibility Segment North + West

Dipl.-Ing. Siegfried Wanker
Responsibility Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Responsibility Segment South + East

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

Consolidated income statement

T€	Notes	2022	2021
Revenue	(1)	17,025,847	15,298,536
Changes in inventories		-4,851	-118,649
Own work capitalised		15,865	8,835
Other operating income	(2)	236,760	211,260
Construction materials, consumables and services used	(3)	-10,988,654	-9,415,079
Employee benefits expense	(4)	-4,133,734	-3,843,579
Other operating expense	(5)	-1,013,283	-823,814
Share of profit or loss of equity-accounted investments	(6)	60,887	92,110
Net income from investments	(7)	58,369	36,102
EBITDA		**1,257,206**	**1,445,722**
Depreciation and amortisation expense	(8)	-550,809	-549,614
EBIT		**706,397**	**896,108**
Interest and similar income		50,742	26,962
Interest expense and similar charges		-40,066	-39,532
Net interest income	**(9)**	**10,676**	**-12,570**
EBT		**717,073**	**883,538**
Income tax expense	(10)	-236,944	-287,135
Net income		**480,129**	**596,403**
attributable to: non-controlling interests		7,675	10,697
attributable to: equity holders of the parent (consolidated profit)		472,454	585,706
Basic earnings per share (€)	**(11)**	**4.60**	**5.71**

Statement of comprehensive income

T€	Notes	2022	2021
Net income		**480,129**	**596,403**
Differences arising from currency translation		1,095	27,064
Recycling of differences arising from currency translation		673	3,637
Change in interest rate swaps		66,508	20,077
Recycling of interest rate swaps		5,297	10,585
Recycling of cost-of-hedging reserves		0	103
Recycling of currency hedging instruments		0	-1,537
Deferred tax relating to other comprehensive income	(10)	-19,468	-6,510
Share of other comprehensive income of equity-accounted investments		9,438	4,820
Total of items that will be subsequently reclassified to profit or loss ("recycled")		*63,543*	*58,239*
Change in actuarial gains/losses		34,661	34,985
Deferred tax relating to other comprehensive income	(10)	-10,707	-9,251
Share of other comprehensive income of equity-accounted investments		164	37
Total of items that will not be subsequently reclassified to profit or loss ("recycled")		*24,118*	*25,771*
Other comprehensive income		**87,661**	**84,010**
Total comprehensive income		**567,790**	**680,413**
attributable to: non-controlling interests		7,721	10,299
attributable to: equity holders of the parent		560,069	670,114

Consolidated balance sheet

T€	Notes	31.12.2022	31.12.2021
Goodwill	(13)	442,396	447,679
Rights from concession arrangements	(14)	473,155	492,829
Other intangible assets	(15)	24,847	28,395
Property, plant and equipment	(16)	2,743,463	2,533,116
Equity-accounted investments	(17)	411,172	403,163
Other investments	(18)	198,001	195,388
Receivables from concession arrangements	(21)	482,874	524,570
Other financial assets	(24)	405,653	259,971
Deferred tax	(19)	110,536	104,444
Non-current assets		**5,292,097**	**4,989,555**
Inventories	(20)	1,068,707	969,103
Receivables from concession arrangements	(21)	49,754	46,001
Contract assets	(22)	1,357,741	1,348,241
Trade receivables	(23)	1,680,994	1,447,374
Non-financial assets		193,916	143,203
Income tax receivables		85,632	52,396
Other financial assets	(24)	253,069	266,644
Cash and cash equivalents	(25)	2,701,849	2,963,251
Current assets		**7,391,662**	**7,236,213**
Assets		**12,683,759**	**12,225,768**
Share capital		102,600	102,600
Capital reserves		2,085,806	2,085,806
Retained earnings and other reserves		1,814,445	1,859,100
Non-controlling interests		22,392	24,316
Equity	**(26)**	**4,025,243**	**4,071,822**
Provisions	(27)	1,278,791	1,235,924
Financial liabilities[1]	(28)	656,332	710,610
Other financial liabilities	(30)	83,818	95,788
Deferred tax	(19)	174,821	104,063
Non-current liabilities		**2,193,762**	**2,146,385**
Provisions	(27)	1,129,106	1,097,705
Financial liabilities[2]	(28)	300,869	483,005
Contract liabilities	(22)	1,144,676	1,117,348
Trade payables	(29)	2,569,042	2,421,430
Non-financial liabilities		540,572	536,945
Income tax liabilities		58,192	51,163
Other financial liabilities	(30)	722,297	299,965
Current liabilities		**6,464,754**	**6,007,561**
Equity and liabilities		**12,683,759**	**12,225,768**

1 Thereof T€ 372,859 concerning non-recourse liabilities from concession arrangements (2021: T€ 452,402)
2 Thereof T€ 235,115 concerning non-recourse liabilities from concession arrangements (2021: T€ 200,338)

Consolidated cash flow statement

T€	Notes	2022	2021
Net income		480,129	596,403
Deferred tax		35,021	106,413
Non-cash effective results from change in the consolidated group		-2,265	10,375
Non-cash income/expense attributable to equity-accounted investments		27,343	26,605
Other non-cash income/expense		-12,788	-9,679
Depreciations/reversal of impairment losses		560,571	553,165
Change in non-current provisions		48,149	-3,982
Gains/losses on disposal of non-current assets		-51,179	-62,952
Cash flow from earnings		**1,084,981**	**1,216,348**
Change in inventories		-132,452	105,797
Change in receivables from concession arrangements, contract assets and trade receivables		-292,350	-159,118
Change in non-financial assets		-50,548	-30,585
Change in income tax receivables		-33,592	-4,534
Change in other financial assets		6,930	-3,402
Change in current provisions		64,156	126,599
Change in contract liabilities and trade payables		173,358	60,870
Change in non-financial liabilities		3,668	61,197
Change in income tax liabilities		6,748	-176,670
Change in other financial liabilities		-18,042	24,059
Cash flow from operating activities	**(34)**	**812,857**	**1,220,561**
Purchase of financial assets		-26,726	-19,289
Purchase of property, plant, equipment and intangible assets		-630,523	-456,338
Proceeds from asset disposals		81,681	123,072
Change in other financing receivables		15,730	-17,819
Changes in the consolidated group		-585	-7,185
Cash flow from investing activities		**-560,423**	**-377,559**
Proceeds from bank borrowings		34,458	126,600
Repayment of bank borrowings		-97,046	-90,577
Repayment of bonds		-200,000	0
Change in lease liabilities		-62,522	-61,046
Change in other financing liabilities		-5,025	-2,072
Change in the consolidated group/due to acquisition of non-controlling interests		-151	-2,750
Distribution of dividends		-173,369	-714,061
Cash flow from financing activities	**(34)**	**-503,655**	**-743,906**
Net change in cash and cash equivalents		**-251,221**	**99,096**
Cash and cash equivalents at the beginning of the period		2,963,101	2,856,804
Effect of exchange rate changes on cash and cash equivalents		-10,181	7,201
Cash and cash equivalents at the end of the period	**(34)**	**2,701,699**	**2,963,101**

Statement of changes in equity

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves[1]	Foreign currency translation reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2021	**110,000**	**2,315,384**	**1,824,618**	**-74,647**	**-89,209**	**4,086,146**	**22,074**	**4,108,220**
Net income	**–**	**–**	**585,706**	**–**	**–**	**585,706**	**10,697**	**596,403**
Differences arising from currency translation	–	–	–	–	31,059	31,059	-358	30,701
Change in currency hedging instruments	–	–	–	-1,434	–	-1,434	0	-1,434
Change in equity-accounted investments	–	–	37	4,720	100	4,857	0	4,857
Change in actuarial gains and losses	–	–	35,038	–	–	35,038	-53	34,985
Change in interest rate swap	–	–	–	30,662	–	30,662	0	30,662
Deferred tax relating to other comprehensive income	–	–	-9,264	-6,510	–	-15,774	13	-15,761
Other comprehensive income	**–**	**–**	**25,811**	**27,438**	**31,159**	**84,408**	**-398**	**84,010**
Total comprehensive income	**–**	**–**	**611,517**	**27,438**	**31,159**	**670,114**	**10,299**	**680,413**
Transfers	–	-236,978	236,978	–	–	–	–	–
Transactions concerning non-controlling interests	–	–	-814	–	–	-814	-1,936	-2,750
Own shares	-7,400	7,400	–	–	–	–	–	–
Distribution of dividends[2]	–	–	-707,940	–	–	-707,940	-6,121	-714,061
Balance as at 31.12.2021	**102,600**	**2,085,806**	**1,964,359**	**-47,209**	**-58,050**	**4,047,506**	**24,316**	**4,071,822**

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves	Foreign currency translation reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2022	**102,600**	**2,085,806**	**1,964,359**	**-47,209**	**-58,050**	**4,047,506**	**24,316**	**4,071,822**
Net income	**–**	**–**	**472,454**	**–**	**–**	**472,454**	**7,675**	**480,129**
Differences arising from currency translation	–	–	–	–	1,767	1,767	1	1,768
Change in equity-accounted investments	–	–	164	13,132	-3,694	9,602	0	9,602
Change in actuarial gains and losses	–	–	34,600	–	–	34,600	61	34,661
Change in interest rate swap	–	–	–	71,805	–	71,805	0	71,805
Deferred tax relating to other comprehensive income	–	–	-10,691	-19,468	–	-30,159	-16	-30,175
Other comprehensive income	**–**	**–**	**24,073**	**65,469**	**-1,927**	**87,615**	**46**	**87,661**
Total comprehensive income	**–**	**–**	**496,527**	**65,469**	**-1,927**	**560,069**	**7,721**	**567,790**
Transactions concerning non-controlling interests due to changes in the consolidated group	–	–	–	–	–	–	-151	-151
Buyback obligation for own shares[3]	–	–	-399,524	–	–	-399,524	–	-399,524
Distribution of dividends[4]	–	–	-205,200	–	–	-205,200	-9,494	-214,694
Balance as at 31.12.2022	**102,600**	**2,085,806**	**1,856,162**	**18,260**	**-59,977**	**4,002,851**	**22,392**	**4,025,243**

1 The hedging reserve also includes the cost of hedging, see cash flow hedges section in item (35) Financial instruments.
2 The total dividend payment of T€ 707,940 corresponds to a dividend per share of € 6.90 based on 102,600,000 shares.
3 See also the comments under item (26) Equity.
4 The total dividend payment of T€ 205,200 corresponds to a dividend per share of € 2.00 based on 102,600,000 shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basic principles

The STRABAG SE Group is a leading European technology group for construction services. STRABAG SE has its headquarters in Triglavstraße 9, 9500 Villach, Austria. STRABAG SE is the ultimate parent company of the group. From its core markets of Austria and Germany, STRABAG is present via its numerous subsidiaries in all countries of Eastern and South-East Europe, in selected markets in North and Western Europe and the Arabian Peninsula, as well as in the project business in Africa, Asia and the Americas. STRABAG's activities span the entire construction industry (Building Construction & Civil Engineering, Transportation Infrastructures, Tunnelling, construction-related services) and cover the entire value-added chain in the field of construction.

The consolidated financial statements of STRABAG SE, at the reporting date 31 December 2022, were drawn up under application of Section 245a Paragraph 2 of the Austrian Commercial Code (UGB) in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Applied were exclusively those standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union. Further reporting requirements of Section 245a Paragraph 1 of the Austrian Commercial Code (UGB) were fulfilled as well.

In addition to a statement of total comprehensive income and the consolidated balance sheet, the financial statements include a cash flow statement in accordance with IAS 7 and a statement of changes in equity (IAS 1). The disclosures in the Notes also contain a segment reporting section in accordance with IFRS 8.

In order to improve the clarity of the representation, various items in the balance sheet and the income statement have been combined. These items have been shown separately and are explained in the Notes. The income statement has been drawn up in accordance with the nature of expense method.

There have been no changes in accounting policies during the financial year.

The preparation of the consolidated financial statements was based on the assumption that the company will continue as a going concern.

The consolidated financial statements were prepared in T€. The presentation in T€ may result in rounding differences.

Changes in accounting policies

NEW AND REVISED STANDARDS AND INTERPRETATIONS THAT ARE EFFECTIVE FOR THE 2022 FINANCIAL YEAR

The IASB has made the following amendments to the existing IFRS and passed several new IFRS and IFRIC, which have also been adopted by the European Commission. Application thus became mandatory on 1 January 2022.

	Application for financial years which begin on or after (according to IASB)	Application for financial years which begin on or after (according to EU endorsement)
Annual Improvements to IFRS 2018–2020	1.1.2022	1.1.2022
Amendments to IFRS 3 – References to Conceptual Framework	1.1.2022	1.1.2022
Amendments to IAS 16 – Proceeds before Intended Use	1.1.2022	1.1.2022
Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract	1.1.2022	1.1.2022

Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract

Provisions for pending losses from construction contracts are recognised according to IAS 37.

The amendment to IAS 37 stipulates that, for the purpose of assessing whether a contract is onerous, all costs that relate directly to a contract must be included in estimating the cost of fulfilling that contract (full cost approach). Before this clarification, a marginal cost approach was also possible with regard to the definition of unavoidable costs, in which only the incremental costs for fulfilling the contract were to be taken into account.

When determining the provisions for pending losses from construction contracts, the group has always considered all costs directly attributable to the contract.

Therefore, clarification of "costs to fulfil a contract" results in no need to adjust the method for assessing provisions.

The first-time adoption of the other IFRS standards had no impact on the consolidated financial statements as at 31 December 2022.

FUTURE CHANGES OF FINANCIAL REPORTING STANDARDS

The IASB and the IFRIC approved further standards and interpretations. However, these were neither required to be applied in the 2022 financial year nor adopted by the European Commission. The amendments affect the following standards and interpretations:

	Application for financial years which begin on or after (according to IASB)	Application for financial years which begin on or after (according to EU endorsement)	Impact on the consolidated financial statements
IFRS 17 Insurance Contracts	1.1.2023	1.1.2023	no
IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1.1.2023	1.1.2023	no
Amendments to IAS 1 – Disclosure of Accounting Policies	1.1.2023	1.1.2023	minor
Amendments to IAS 8 – Definition of Accounting Estimates	1.1.2023	1.1.2023	minor
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1.1.2023	1.1.2023	minor
Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current – Defferal of Effective Date and Non-Current Liabilities with Covenants	1.1.2024	n. a.[1]	is being analysed
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	1.1.2024	n. a.[1]	is being analysed

Early application of the new standards and interpretations is not planned.

Consolidation

The financial statements of the domestic and foreign companies included in the consolidated group are drawn up in accordance with uniform methods of accounting and valuation. The annual financial statements of the domestic and foreign group companies are adapted accordingly.

SUBSIDIARIES

Entities whose financial and operating policies are controlled by the group constitute subsidiaries.

The consolidated financial statements include the financial statements of the parent and entities (including structured entities) over which the group has control. An entity is considered to be under control if the following criteria are met:

1 n. a. – endorsement process is still in progress

- The parent has power over the investee.
- The parent is exposed to variable returns on the investment.
- The parent has the ability to affect the returns from the investment through its power over the investee.

Control over an entity is reassessed if facts and circumstances indicate that there are changes to one or more of the three elements of control discussed above.

Owning a majority of the voting rights is not always necessary to have power and control over an investee. Control can be achieved through other rights or contractual agreements which give the parent the possibility to affect the returns of the investee.

A subsidiary is included in the consolidated financial statements from the date on which the parent acquired control. Conversely, the entity is deconsolidated when control ends.

Capital consolidation is performed in accordance with IFRS 3 using the acquisition method. The acquisition costs of the subsidiary are measured as the sum of the fair values of assets given, equity instruments issued and liabilities assumed. Contingent considerations are also measured at their fair value from the date of the business combination. Later deviations from this value are recognised in profit or loss. Transaction costs are also recognised immediately in profit or loss.

Non-controlling interests are recognised based on their proportional interest in the net assets of the acquired entity (partial goodwill method). The option of recognising non-controlling interests at fair value is not used.

In business combinations achieved in stages (step acquisitions), the existing equity interest of the entity is remeasured at fair value from the date of acquisition. The resulting profit or loss is recognised in the income statement.

The acquisition costs, contingent considerations, existing equity interests and non-controlling interests are to be compared with all identifiable assets and liabilities of the subsidiary measured at fair value. Any remaining difference on the assets side is classified as goodwill. Differences arising from the capital consolidation on the liabilities side are recognised immediately in profit or loss following another review. Goodwill is subjected to impairment testing in accordance with IAS 36 at least once a year.

In the 2022 financial year, T€ 0 (2021: T€ 0) in goodwill arising from capital consolidation was recognised as assets. Impairment losses on goodwill in the amount of T€ 6,700 (2021: T€ 5,667) were recognised.

TRANSACTIONS WITH NON-CONTROLLING INTERESTS THAT DO NOT RESULT IN LOSS OF CONTROL

Differences arising from the acquisition or disposal of investments in affiliated entities without acquisition or loss of control are recognised in full in equity outside profit or loss.

DISPOSAL OF SUBSIDIARIES

When control over a subsidiary is lost, any remaining investment is remeasured at fair value. The difference to the existing carrying amounts is recognised in profit or loss. Associates, joint arrangements or financial assets are initially recognised at this fair value. All previous amounts recognised to date in other income are accounted for as if the assets and liabilities of the affected entities had been sold directly.

STRUCTURED ENTITIES

Structured entities are entities that are not controlled by voting rights, but mainly through contractual arrangements for a specific business purpose. The business purpose is usually restricted to a narrow field of activity. Structured entities typically have little equity capital and rely on owner financing.

ASSOCIATES

Entities in which the group exercises significant influence constitute associates. This is generally the case with a holding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and recognised in the item equity-accounted investments. The acquired investment is initially measured at cost. Any differences that arise are treated according to the principles of consolidation. In subsequent years, the carrying amount of the investment increases or decreases in proportion to the share of profit or loss and/or the investee's other income. Distributions reduce the carrying amount of the investment. As soon as the group's share of losses equals or exceeds the interest in the associate, no further losses are recognised unless the group is liable for the associate's losses.

At the end of every accounting period, the group determines whether there are any indications for an impairment of the investment in the associate. If there are, then the difference between the carrying amount and the recoverable amount is recognised as an impairment expense in the income statement.

In the year under review, as in the previous year, the initial equity measurement of newly acquired entities did not result in any goodwill, which is reported under equity-accounted investments.

JOINT ARRANGEMENTS

Joint ventures are entities over which the group exercises joint control together with a third entity. Joint control exists when the determination of the financial and operating policies requires the unanimous consent of all parties to the joint control. STRABAG accounts for joint ventures using the equity method and these are recognised in the item equity-accounted investments.

Consortia are quite common in the construction industry in Austria and Germany. According to the Institute of Public Auditors in Germany (IDW) and a statement by the Austrian Financial Reporting and Auditing Committee (AFRAC), the typical German and Austrian construction consortium meets the requirements to be classified as a joint venture. Earnings from construction consortia are presented proportionately under share of profit or loss of equity-accounted investments. The receivables from and payables to construction consortia include mainly in- and outflows of cash, charges resulting from services as well as proportional contract results and are recorded under trade receivables and trade payables.

Joint arrangements for the execution of construction work in the remaining countries are accounted for either as joint ventures or as joint operations depending on the substance of the arrangement.

OTHER INVESTMENTS

In accordance with IFRS 9, investments which do not constitute subsidiaries, joint ventures or associates are recognised at fair value through profit or loss and are stated under other investments.

Subsidiaries, joint ventures and associates which, being immaterial, are not consolidated or accounted for using the equity method are measured at amortised cost and reported under other investments.

CONSOLIDATION PROCEDURES

As part of the consolidation of intercompany balances, any trade receivables, loans and other receivables existing within the group are set off against the corresponding liabilities and provisions of the subsidiaries included in the consolidated financial statements.

Expenses and revenues from intra-group transactions are eliminated. Results incurred from intra-group transactions that are recognised in the non-current and current assets are eliminated if they are material. Non-controlling interests are taken into consideration during the elimination of intra-group profits or losses.

Unrealised profits from transactions between group entities and associates are eliminated in proportion to the group's share in the associate.

Non-controlling interests in equity and profits of companies controlled by the parent are shown separately in the consolidated financial statements.

The necessary tax deferrals are made for consolidation procedures.

The consolidated group

The consolidated financial statements as at 31 December 2022 include STRABAG SE as well as all major domestic and foreign subsidiaries over which STRABAG SE either directly or indirectly has control. Associates and joint ventures are reported in the balance sheet using the equity method (equity-accounted investments).

Group companies which are of minor importance for the purpose of giving a true and fair view of the financial position, financial performance and cash flows of the group are not consolidated. The decision to include an entity in the consolidated group is based on quantitative and qualitative considerations.

Subsidiaries and equity-accounted investments included in the 2022 consolidated financial statements are given in the list of investments.

The financial year for all consolidated and associated companies, with the exception of the following companies that are included in the consolidated group on the basis of an interim report effective 31 December 2022, is identical with the calendar year.

Companies	Reporting date	Method of inclusion
EFKON INDIA Pvt. Ltd., Mumbai	31.3.	consolidation
Thüringer Straßenwartungs- und Instandhaltungsgesellschaft mbH & Co. KG, Apfelstädt	30.9.	equity-accounted investment

The number of consolidated companies changed in the 2021 and 2022 financial years as follows:

	Consolidation	Equity method
Number as at 31.12.2020	**280**	**24**
First-time inclusions in the reporting period	5	0
First-time inclusions in the reporting period due to merger/accrual of assets	3	0
Merger/Accrual of assets in the reporting period	-4	0
Exclusions in the reporting period	-18	-2
Number as at 31.12.2021	**266**	**22**
First-time inclusions in the reporting period	10	0
First-time inclusions in the reporting period due to merger/accrual of assets	3	0
Merger/Accrual of assets in the reporting period	-4	0
Exclusions in the reporting period	-9	0
Number as at 31.12.2022	**266**	**22**

ADDITIONS TO THE CONSOLIDATED GROUP

The following companies formed part of the consolidated group for the first time in the reporting period:

Consolidation	Direct stake %	Date of acquisition or foundation
CENTRUM BUCHAREST DEVELOPMENT SRL, Bucharest	100.00	1.1.2022[1]
Leystraße 122–126 Komplementär GmbH, Vienna	100.00	1.1.2022[1]
Leystraße 122–126 Projektentwicklung GmbH & Co KG, Vienna	100.00	1.1.2022[1]
Meischlgasse 28–32 Komplementär GmbH, Vienna	100.00	1.1.2022[1]
Meischlgasse 28–32 Projektentwicklung GmbH & Co KG, Vienna	100.00	1.1.2022[1]
SRE Real Estate Luxembourg S.à r.l., Belvaux	100.00	1.1.2022[1]
STRABAG Beteiligungen GmbH, Spittal an der Drau	100.00	1.1.2022[1]
STRABAG PS s.r.o., Bratislava	100.00	1.1.2022[1]
STRABAG Real Estate s.r.o., Bratislava	100.00	26.4.2022
STRABAG-EDILMAC Desarrollos Verticales SpA, Santiago de Chile	80.00	1.1.2022[1]
Merger/Accrual of assets		
Cottbuser Frischbeton GmbH, Wiesengrund	100.00	18.8.2022[2]
I-PAY CLEARING SERVICES Pvt. Ltd., Mumbai	100.00	15.3.2022[2]
Mikrobiologische Abfallbehandlungs GmbH, Schwadorf	100.00	30.9.2022[2]

Companies included for the first time were consolidated at the date of acquisition or the next reporting date, provided this had no significant difference to an inclusion at the date of acquisition.

Additions to assets and liabilities from first-time consolidations are comprised as follows:

T€	First-time consolidations
Assets and liabilities acquired	
Other non-current assets	2,840
Current assets	7,861
Non-current liabilities	-477
Current liabilities	-2,794
Profit from first-time consolidations recognised in profit or loss	-1,513
Consideration (purchase price)	**5,917**
Non-cash effective purchase price component	-5,917
Cash and cash equivalents acquired	715
Net cash inflow from acquisition	**715**

All companies which were consolidated for the first time in 2022 contributed T€ 17,469 (2021: T€ 77,117) to revenue and with a profit of T€ 4,121 (2021: loss of T€ 1,629) to net income after minorities.

Assuming a theoretical first-time consolidation on 1 January 2022 for all new acquisitions, consolidated revenue and net income would not change in the financial year.

ACQUISITIONS AFTER THE REPORTING PERIOD

STRABAG acquired 100% of Slabihoud GmbH and Hans Lohr GmbH. With this acquisition, STRABAG is expanding its M&E (mechanical and electrical) competencies in Austria to include further business areas. Technical building equipment (including heating and cooling systems as well as all electrical installations) is an important factor for ensuring sustainable building operations. The companies generated revenues of approximately € 17 million in 2022 with 133 employees. The closing of the transaction was subject to the condition precedent of regulatory approval, which was obtained in January 2023.

1 Due to its increased business volumes, the company was included in the consolidated group for the first time effective 1 January. The foundation/acquisition of the company occurred before 1 January 2022.
2 The companies listed under Merger/Accrual of assets were merged with/accrued on already consolidated companies and as such are simultaneously represented as additions to and removals from the consolidated group.

In December 2022, STRABAG signed the purchase agreement for the acquisition of 100% of northern German cleaning service provider Bockholdt GmbH & Co. KG. The acquisition of the Bockholdt Group is intended to strengthen the services in infrastructural facility management in northern Germany. In addition to maintenance cleaning, the portfolio of the acquired companies also includes innovative services in the field of industrial cleaning, robot-assisted cleaning of ventilation systems, as well as the environmentally friendly cleaning of solar and wind power plants, which is carried out by the company's own industrial climbers. Professional pest control as well as operating room and hospital cleaning are also among the special features of the service portfolio. With 3,600 employees at 13 locations, the companies generate an annual output volume of around € 85 million. The closing was subject to regulatory approval. Antitrust clearance was obtained in January 2023.

DISPOSALS FROM THE CONSOLIDATED GROUP

As at 31 December 2022, the following companies were no longer included in the consolidated group:

Disposals from the consolidated group	
Campus Eggenberg Immobilienprojekt GmbH, Graz	Fell below material level
DCO d.o.o., Ljubljana	Sale
EVOLUTION THREE Sp. z o.o., Warsaw	Liquidation
InfoSys Informationssysteme GmbH, Spittal an der Drau	Fell below material level
SILO II LBG 57 - 59 Liegenschaftsverwertung GmbH & Co KG, Vienna	Sale
SILO ZWEI Beteiligungsverwaltungs GmbH & Co KG, Vienna	Fell below material level
STRABAG Industries (Thailand) Co., Ltd., Bangkok	Fell below material level
"VITOSHA VIEW" EOOD, Sofia	Fell below material level
Züblin Egypt LLC, Cairo	Fell below material level
Merger/Accrual of assets[1]	
Cottbuser Frischbeton GmbH, Wiesengrund	Merger
I-PAY CLEARING SERVICES Pvt. Ltd., Mumbai	Merger
ITC Engineering AG & Co. KG, Stuttgart	Accrual of assets
Mikrobiologische Abfallbehandlungs GmbH, Schwadorf	Merger

The disposals of assets and liabilities from deconsolidations are composed as follows:

T€	**Disposals from the consolidated group**
Assets and liabilities disposed of	
Current assets	3,201
Non-current liabilities	-154
Current liabilities	-2,256
Profit on deconsolidations recognised in profit or loss	777
Consideration received (purchase price)	**1,568**
Non-cash effective purchase price component	-1,568
Cash and cash equivalents disposed of	-1,300
Net cash outflow from deconsolidation	**-1,300**

Resulting profit in the amount of T€ 1,111 (2021: T€ 1,107) and losses in the amount of T€ 334 (2021: T€ 7,576) are recognised in profit or loss under other operating income or other operating expense.

One of the STRABAG SE Group's business fields is real estate project development. When project developments are sold as share deals, the disposal profit is not presented as a deconsolidation gain from an economic point of view; instead, the revenues from project developments in the amount of T€ 52,253 (2021: T€ 136,235) and the corresponding expenses in the amount of T€ 40,673 (2021: T€ 104,183) are recognised gross.

There were no significant restrictions on the use of assets or risks related to structured entities at the end of the reporting period.

1 The companies listed under Merger/Accrual of assets were merged with already consolidated companies or, as a result of accrual of assets, formed part of consolidated companies.

NON-CONTROLLING INTERESTS

As at 31 December 2022, the amount of the non-controlling interests stood at T€ 22,392 (2021: T€ 24,316) in the STRABAG SE Group and is thus immaterial. The non-controlling interests comprise numerous subsidiaries and mainly affect the project development companies.

Besides the above-mentioned investments, the ownership interests in other subsidiaries in the financial year changed only insignificantly or had insignificant impact. The changes are represented in the list of investments.

CURRENCY TRANSLATION

The items contained in the financial statements of each group entity are measured on the basis of the currency corresponding to the currency of the primary economic environment in which the entity operates (functional currency).

The functional currency of STRABAG's subsidiaries is the respective local currency, with the exception of the following companies, whose functional currency is the euro:

- AKA Zrt., Budapest
- AMFI HOLDING Kft., Budapest
- BHK KRAKÓW JOINT VENTURE Sp. z o.o., Warsaw
- EVOLUTION TWO Sp. z o.o., Warsaw
- EXP HOLDING Kft., Budapest
- Ranita OOO, Moscow

The consolidated financial statements are prepared in euro, STRABAG's reporting currency.

Foreign currency transactions are translated into the functional currency at the foreign exchange rate on the day of the transaction. On the reporting date, monetary items are translated at the closing rate, while non-monetary items are translated at the rate on the day of the transaction. Exchange differences are recognised in profit or loss.

Assets and liabilities of group entities whose functional currency is not the euro are translated from the respective local currency into euro at the average exchange rate on the reporting date. As well as the corresponding profit for the period, the income statements of foreign group entities whose functional currency is not the euro are translated at the average exchange rate for the reporting period. The differences resulting from the use of both rates are reported outside profit or loss.

Monetary items in form of receivables or payables which settlement is neither planned nor likely to occur in the foreseeable future are, in substance, a part of an entity's net investment in a foreign operation. Currency translation differences arising on such monetary items are initially recognised in other comprehensive income and reclassified from equity to profit and loss on disposal of the net investment.

The most important currencies, including their average exchange rates, are listed under item (35) Financial instruments. Currency translation differences of T€ 1,768 (2021: T€ 30,701) were recognised directly in equity in the financial year. Forward exchange operations (hedging), excluding deferred tax, in the amount of T€ 0 (2021: T€ -1,434) were recognised directly in equity.

Restatements in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies) were not necessary.

Consolidated companies and equity accounted associates and joint ventures

The following list shows the consolidated companies included in the consolidated financial statements:

Austria		Nominal capital T€/TATS	Direct stake %
"A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH", Spittal an der Drau		35	100.00
"SBS Strabag Bau Holding Service GmbH", Spittal an der Drau		35	100.00
"Wiener Heim" Wohnbaugesellschaft m.b.H., Vienna		741	100.00
ABR Abfall Behandlung und Recycling GmbH, Schwadorf		37	100.00
Asphalt & Beton GmbH, Spittal an der Drau		36	100.00
AUSTRIA ASPHALT GmbH & Co OG, Spittal an der Drau	TATS	500	100.00
Bau Holding Beteiligungs GmbH, Spittal an der Drau		48,000	100.00
Bitumen Handelsgesellschaft m.b.H. & Co KG, St. Pölten	TATS	3,000	100.00
BITUNOVA Baustofftechnik Gesellschaft m.b.H., Spittal an der Drau	TATS	2,000	100.00
Böhm Stadtbaumeister & Gebäudetechnik GmbH, Vienna		36	100.00
BrennerRast GmbH, Vienna		35	100.00
DC1 Immo GmbH, Vienna		35	100.00
Diabaswerk Saalfelden Gesellschaft m.b.H., Saalfelden		363	100.00
EFKON GmbH, Raaba		20,350	100.00
Erdberger Mais GmbH & Co KG, Vienna		1	100.00
F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG, Wiener Neustadt		1,192	100.00
Goldeck Bergbahnen GmbH, Spittal an der Drau		363	100.00
Ilbau Liegenschaftsverwaltung GmbH, Spittal an der Drau		4,500	100.00
Innsbrucker Nordkettenbahnen Betriebs GmbH, Innsbruck		35	51.00
KAB Straßensanierung GmbH & Co KG, Spittal an der Drau		133	50.60
Kanzelsteinbruch Gratkorn GmbH, Gratkorn		36	100.00
Krems Sunside Living Projektentwicklung GmbH, Vienna		35	100.00
Leystraße 122-126 Komplementär GmbH, Vienna		35	100.00
Leystraße 122-126 Projektentwicklung GmbH & Co KG, Vienna		1	100.00
M5 Beteiligungs GmbH, Vienna		70	100.00
M5 Holding GmbH, Vienna		35	100.00
Meischlgasse 28-32 Komplementär GmbH, Vienna		35	100.00
Meischlgasse 28-32 Projektentwicklung GmbH & Co KG, Vienna		1	100.00
Metallica Stahl- und Fassadentechnik GmbH, Vienna		35	100.00
Mineral Abbau GmbH, Spittal an der Drau		36	100.00
Mischek Bauträger Service GmbH, Vienna		36	100.00
Mischek Systembau GmbH, Vienna		1,000	100.00
Mobil Baustoffe GmbH, Spittal an der Drau		50	100.00
Nottendorfer Gasse 13 Kom GmbH, Vienna		35	100.00
OAT - Bohr- und Fugentechnik Gesellschaft m.b.H., Spittal an der Drau	TATS	1,000	51.00
Osttiroler Asphalt Hoch- und Tiefbauunternehmung GmbH, Lavant i. Osttirol		36	80.00
Q4a Immobilien GmbH, Graz		35	60.00
Raststation A 3 GmbH, Vienna		35	100.00
RBS Rohrbau-Schweißtechnik Gesellschaft m.b.H., Marchtrenk		291	100.00
RE Beteiligungsholding GmbH, Vienna		35	100.00
RE Wohnraum GmbH, Vienna		35	100.00
RE Wohnungseigentumserrichtungs GmbH, Vienna		35	100.00
SF Bau vier GmbH, Vienna		35	100.00
SILO DREI Beteiligungsverwaltungs GmbH & Co KG, Vienna		50	100.00
SILO DREI next LBG 57 Liegenschaftsverwertung GmbH & Co KG, Vienna		200	51.00
STRABAG AG, Spittal an der Drau		12,000	100.00
STRABAG Bau GmbH, Vienna		1,800	100.00
STRABAG Beteiligungen GmbH, Spittal an der Drau		35	100.00
STRABAG BMTI GmbH, Vienna		1,454	100.00
STRABAG BRVZ GmbH, Spittal an der Drau		37	100.00
STRABAG Holding GmbH, Vienna		35	100.00
STRABAG Infrastructure & Safety Solutions GmbH, Vienna		727	100.00
Strabag Liegenschaftsverwaltung GmbH, Linz		4,500	100.00
STRABAG Property and Facility Services GmbH, Vienna		1,500	100.00
STRABAG Real Estate GmbH, Vienna		44	100.00
STRABAG SE, Villach		102,600	100.00

Austria		Nominal capital T€/TATS	Direct stake %
TECH GATE VIENNA Wissenschafts- und Technologiepark GmbH, Vienna		440	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH, Trumau		37	100.00
Wohnquartier Reininghausstraße GmbH, Graz		35	60.00
Züblin Holding GesmbH, Vienna		55	100.00
Züblin Spezialtiefbau Ges.m.b.H., Vienna		1,500	100.00

Germany		Nominal capital T€/TDEM	Direct stake %
Alpines Hartschotterwerk GmbH, Leinfelden-Echterdingen		25	100.00[1]
Baumann & Burmeister GmbH, Halle/Saale		51	100.00[1]
BHG Bitumenhandelsgesellschaft mbH, Hamburg		26	100.00[1]
BITUNOVA GmbH, Duesseldorf		256	100.00[1]
Blees-Kölling-Bau GmbH, Cologne	TDEM	2,500	100.00[1]
Blutenburg Projekt GmbH, Cologne		25	100.00[1]
CML Construction Services GmbH, Cologne		25	100.00
Deutsche Asphalt GmbH, Cologne		28	100.00[1]
DYWIDAG International GmbH, Cologne		5,000	100.00[1]
DYWIDAG-Holding GmbH, Cologne		600	100.00[1]
Ed. Züblin AG, Stuttgart		20,452	100.00[1]
Eraproject GmbH, Cologne		52	100.00[1]
F 101 Projekt GmbH & Co. KG, Cologne		10	100.00
F. Kirchhoff GmbH, Leinfelden-Echterdingen		23,319	100.00[1]
F.K. SYSTEMBAU GmbH, Münsingen		2,000	100.00[1]
Fahrleitungsbau GmbH, Essen		1,550	100.00[1]
Gaul GmbH, Sprendlingen		25	100.00
GBS Gesellschaft für Bau und Sanierung mbH, Leuna		513	100.00
Hexagon Projekt GmbH & Co. KG, Cologne		10	100.00[1]
HUMMEL Komplementär GmbH, Frickenhausen		25	100.00[1]
HUMMEL Systemhaus GmbH & Co. KG, Frickenhausen		10	100.00[1]
Ilbau GmbH Deutschland, Berlin		4,700	100.00
Kuhwald 55 Projekt GmbH & Co. KG, Cologne		10	100.00[1]
LIMET Beteiligungs GmbH & Co. Objekt Köln KG, Cologne		10	94.00[1]
LIMET Beteiligungs GmbH, Cologne	TDEM	50	100.00[1]
MAV Kelheim GmbH, Kelheim		25	100.00
MAV Krefeld GmbH, Krefeld		600	50.00[2]
MAV Lünen GmbH, Lünen		250	100.00
Metallica Stahl- und Fassadentechnik GmbH, Stuttgart		25	100.00[1]
Mineral Baustoff GmbH, Cologne		25	100.00[1]
Mitterhofer Projekt GmbH & Co. KG, Cologne		10	100.00[1]
MOBIL Baustoffe GmbH, Munich		100	100.00[1]
NE Sander Immobilien GmbH, Sande		155	100.00[1]
PANSUEVIA GmbH & Co. KG, Jettingen-Scheppach		1,000	100.00[1]
Pyhrn Concession Holding GmbH, Cologne		38	100.00[1]
REPASS-SANIERUNGSTECHNIK GMBH Korrosionsschutz und Betoninstandsetzung, Munderkingen	TDEM	51	100.00[1]
RM Asphalt GmbH & Co. KG, Sprendlingen		100	80.00[1]
ROBA Transportbeton GmbH, Berlin		520	100.00[1]
SAT Straßensanierung GmbH, Cologne		30	100.00[1]
SF-Ausbau GmbH, Freiberg		600	100.00[1]
STRABAG AG, Cologne		7,670	100.00[1]
STRABAG Aircraft Services GmbH, Stuttgart		25	100.00[1]
STRABAG BMTI GmbH & Co. KG, Cologne		307	100.00[1]
STRABAG BRVZ GmbH & Co. KG, Cologne		30	100.00[1]
STRABAG Building and Industrial Services GmbH, Stuttgart		25	100.00[1]
STRABAG Facility Management GmbH, Berlin		30	100.00[1]
STRABAG GmbH, Bad Hersfeld		15,000	100.00[1]
STRABAG Großprojekte GmbH, Munich		18,100	100.00[1]
STRABAG Infrastructure & Safety Solutions GmbH, Cologne		1,220	100.00[1]
STRABAG Infrastrukturprojekt GmbH, Bad Hersfeld		1,280	100.00[1]
STRABAG International GmbH, Cologne		2,557	100.00[1]
STRABAG Kieserling Flooring Systems GmbH, Hamburg		1,050	100.00[1]
STRABAG Mechanical Engineering GmbH, Stuttgart		25	100.00[1]
STRABAG Projektentwicklung GmbH, Cologne	TDEM	20,000	100.00[1]

1 For these companies, the option allowed by Sec 264 Para 3 or by Sec 264b of the German Commercial Code (HGB) was exercised.
2 The voting rights according to the contract of association amount to 50% plus one vote.

Germany		Nominal capital T€/TDEM	Direct stake %
STRABAG Property and Facility Services GmbH, Frankfurt am Main		5,000	100.00[1]
STRABAG Rail Fahrleitungen GmbH, Berlin		600	100.00[1]
STRABAG Rail GmbH, Lauda-Königshofen		25	100.00[1]
STRABAG Real Estate GmbH, Cologne		30,000	94.90
STRABAG Real Estate Invest GmbH, Cologne		26	100.00[1]
STRABAG Sportstättenbau GmbH, Dortmund	TDEM	200	100.00[1]
STRABAG System Dienstleistungen GmbH, Fürstenfeldbruck		25	100.00[1]
STRABAG Umwelttechnik GmbH, Duesseldorf		2,000	100.00[1]
STRABAG Wasserbau GmbH, Hamburg		6,833	100.00
Torkret GmbH, Stuttgart		1,023	100.00[1]
TPA GmbH, Cologne		511	100.00
Turm am Mailänder Platz GmbH & Co. KG, Stuttgart		10	100.00[1]
Wolfer & Goebel Bau GmbH, Stuttgart		25	100.00[1]
Z. Brückenbau Immobiliengesellschaft mbH & Co. KG, Cologne		10	94.90[1]
Z. Holzbau Immobiliengesellschaft mbH & Co. KG, Cologne		10	94.90[1]
Z. Immobiliengesellschaft mbH & Co. KG, Cologne		10	94.90[1]
Z. Sander Immobiliengesellschaft mbH & Co. KG, Cologne		10	94.90[1]
Z. Stahlbau Immobiliengesellschaft mbH & Co. KG, Cologne		10	94.90[1]
ZDE Sechste Vermögensverwaltung GmbH, Cologne		25	100.00
Züblin Chimney and Refractory GmbH, Cologne		511	100.00[1]
ZÜBLIN Haustechnik Mainz GmbH, Mainz		25	100.00[1]
Züblin Hoch- und Brückenbau GmbH, Bad Hersfeld		2,500	100.00[1]
Züblin International GmbH, Cologne		2,500	100.00[1]
Züblin Projektentwicklung GmbH, Stuttgart		2,557	94.88[1]
Züblin Spezialtiefbau GmbH, Stuttgart	TDEM	6,000	100.00[1]
Züblin Stahlbau GmbH, Hosena		1,534	100.00[1]
ZÜBLIN Timber Gaildorf GmbH, Gaildorf		25	100.00[1]
ZÜBLIN Timber GmbH, Aichach		1,534	100.00[1]
Züblin Umwelttechnik GmbH, Stuttgart		2,000	100.00[1]

Albania	Nominal capital TALL	Direct stake %
Trema Engineering 2 sh p.k., Tirana	545,568	100.00

Belgium	Nominal capital T€	Direct stake %
N.V. STRABAG Belgium S.A., Antwerpen	18,059	100.00
STRABAG Development Belgium NV, Antwerpen	6,863	100.00

Bosnia and Herzegovina	Nominal capital TBAM	Direct stake %
STRABAG d.o.o. Sarajevo, Sarajevo	10	100.00

Bulgaria	Nominal capital TBGN	Direct stake %
"STRABAG REAL ESTATE" EOOD, Sofia	4,635	100.00
STRABAG EAD, Sofia	13,313	100.00

Chile	Nominal capital TCLP	Direct stake %
Strabag SpA, Santiago de Chile	500,000	100.00
STRABAG-EDILMAC Desarrollos Verticales SpA, Santiago de Chile	10,000	80.00
Züblin International GmbH Chile SpA, Santiago de Chile	7,909,484	100.00

Denmark	Nominal capital TDKK	Direct stake %
KMG - KLIPLEV MOTORWAY GROUP A/S, Aarhus	500	100.00
Züblin A/S, Aarhus	1,000	100.00

Great Britain	Nominal capital TGBP	Direct stake %
STRABAG UK LIMITED, London	35	100.00

India	Nominal capital TINR	Direct stake %
EFKON INDIA Pvt. Ltd., Mumbai	50,000	100.00

Italy	Nominal capital T€	Direct stake %
STRABAG S.p.A., Bologna	10,000	100.00

1 For these companies, the option allowed by Sec 264 Para 3 or by Sec 264b of the German Commercial Code (HGB) was exercised.

Canada	Nominal capital TCAD	Direct stake %
STRABAG INC., Toronto	11,700	100.00
STRABAG SCARBOROUGH PROJECT INC., Ontario	0	100.00

Colombia	Nominal capital TCOP	Direct stake %
STRABAG S.A.S., Bogotá, D.C.	4,829,402	100.00

Croatia	Nominal capital THRK	Direct stake %
MINERAL IGM d.o.o., Zapuzane	10,701	100.00
POMGRAD INZENJERING d.o.o., Split	25,534	100.00
STRABAG BRVZ d.o.o., Zagreb	20	100.00
STRABAG d.o.o., Zagreb	48,230	100.00
TPA odrzavanje kvaliteta i inovacija d.o.o., Zagreb	20	100.00

Latvia	Nominal capital T€	Direct stake %
STRABAG SIA, Milzkalne	1,423	100.00

Luxembourg	Nominal capital T€	Direct stake %
SRE Lux Projekt SQM 27E, Belvaux	13	100.00
SRE Real Estate Luxembourg S.à r.l., Belvaux	13	100.00

Malaysia	Nominal capital TMYR	Direct stake %
ZUBLIN PRECAST INDUSTRIES SDN. BHD., Johor	500	100.00

Moldavia	Nominal capital TMDL	Direct stake %
I.C.S. "STRABAG" S.R.L., Chisinau	279,630	100.00

Montenegro	Nominal capital T€	Direct stake %
"Crnagoraput" AD, Podgorica, Podgorica	9,779	95.32
"Strabag" d.o.o. Podgorica, Podgorica	50	100.00

The Netherlands	Nominal capital T€	Direct stake %
STRABAG B.V., Herten	450	100.00
Züblin Nederland B.V., Breda	500	100.00

Oman	Nominal capital TOMR	Direct stake %
STRABAG OMAN L.L.C., Muscat	1,000	100.00

Poland	Nominal capital TPLN	Direct stake %
BHG Sp. z o.o., Pruszkow	500	100.00
BHK KRAKÓW JOINT VENTURE Sp. z o.o., Warsaw	58	100.00
BITUNOVA Sp. z o.o., Warsaw	2,700	100.00
EVOLUTION TWO Sp. z o.o., Warsaw	50	100.00
Mineral Polska Sp. z o.o., Czarny Bor	19,056	100.00
POLSKI ASFALT Sp. z o.o., Krakow	1,000	100.00
SAT Sp. z o.o., Olawa	4,171	100.00
STRABAG BMTI Sp. z o.o., Pruszkow	2,000	100.00
STRABAG BRVZ Sp. z o.o., Pruszkow	500	100.00
STRABAG INFRASTRUKTURA POLUDNIE Sp. z o.o., Wroclaw	16,140	100.00
STRABAG PFS Polska Sp. z o.o., Warsaw	336	100.00
STRABAG Sp. z o.o., Pruszkow	73,328	100.00
TPA Sp. z o.o., Pruszkow	600	100.00

Romania	Nominal capital TRON	Direct stake %
ANTREPRIZA DE REPARATII SI LUCRARI A R L CLUJ SA, Cluj-Napoca	64,974	98.59
BITUNOVA Romania SRL, Bucharest	16	100.00
CENTRUM BUCHAREST DEVELOPMENT SRL, Bucharest	114	100.00
DISTRICT DEVELOPMENT SRL, Bucharest	69	100.00
MINERAL ROM SRL, Brasov	10,845	100.00
STRABAG SRL, Bucharest	54,460	100.00
ZUBLIN ROMANIA SRL, Bucharest	4,580	100.00

Russia	Nominal capital TRUB	Direct stake %
Ranita OOO, Moscow	10	100.00
STRABAG AO, Moscow	14,926	100.00
STRABAG BRVZ OOO, Moscow	313	100.00

Saudi Arabia	Nominal capital TSAR	Direct stake %
Dywidag Saudi Arabia Co. Ltd., Jubail	10,000	100.00

Sweden	Nominal capital TSEK	Direct stake %
Nimab Entreprenad AB, Sjöbo	501	100.00
STRABAG AB, Stockholm	50	100.00
STRABAG BRVZ AB, Kumla	100	100.00
STRABAG Projektutveckling AB, Stockholm	1,000	100.00
STRABAG Sverige AB, Stockholm	15,975	100.00
Züblin Scandinavia AB, Stockholm	100	100.00

Switzerland	Nominal capital TCHF	Direct stake %
STRABAG AG, Schlieren	8,000	100.00
STRABAG BMTI GmbH, Erstfeld	20	100.00
STRABAG BRVZ AG, Erstfeld	100	100.00

Serbia	Nominal capital TRSD	Direct stake %
STRABAG d.o.o., Novi Beograd	1,306,748	100.00
TPA za obezbedenje kvaliteta i inovacije d.o.o. Beograd, Novi Beograd	32,550	100.00

Slovakia	Nominal capital T€	Direct stake %
BITUNOVA spol. s r.o., Zvolen	1,195	100.00
ERRICHTUNGSGESELLSCHAFT STRABAG SLOVENSKO s.r.o., Bratislava-Ruzinov	7	100.00
KSR - Kamenolomy SR, s.r.o., Zvolen	25	100.00
STRABAG BRVZ s.r.o., Bratislava	33	100.00
STRABAG Pozemne a inzinierske stavitel'stvo s. r. o., Bratislava	133	100.00
STRABAG PS s.r.o., Bratislava	5	100.00
STRABAG Real Estate s.r.o., Bratislava	5	100.00
STRABAG s.r.o., Bratislava	66	100.00
TPA Spolocnost pre zabezpecenie kvality a inovacie s.r.o., Bratislava	7	100.00

Slovenia	Nominal capital T€	Direct stake %
STRABAG BRVZ d.o.o., Ljubljana	9	100.00
STRABAG gradbene storitve d.o.o., Ljubljana	500	100.00

Czech Republic	Nominal capital TCZK	Direct stake %
BHG CZ s.r.o., Ceske Budejovice	200	100.00
BITUNOVA spol. s r.o., Jihlava	2,000	100.00
FRISCHBETON s.r.o., Prague	20,600	100.00
KAMENOLOMY CR s.r.o., Ostrava	106,200	100.00
Na Belidle s.r.o., Prague	100	100.00
Rezidence Herálecká s.r.o., Prague	200	100.00
SAT s.r.o., Prague	1,000	100.00
STRABAG a.s., Prague	1,119,600	100.00
STRABAG Asfalt s.r.o., Sobeslav	10,000	100.00
STRABAG BMTI s.r.o., Brno	100	100.00
STRABAG BRVZ s.r.o., Prague	1,000	100.00
STRABAG Pozemnì a inzenyrskè stavitelstvì s.r.o., Prague	100,000	100.00
STRABAG Property and Facility Services a.s., Prague	46,800	100.00
STRABAG Rail a.s., Usti nad Labem	180,000	100.00
TPA CR, s.r.o., Ceske Budejovice	1,000	100.00

Hungary		Nominal capital THUF/T€	Direct stake %
AKA Zrt., Budapest	T€	96,000	100.00
AMFI HOLDING Kft., Budapest	T€	10	100.00
ASIA Center Kft., Budapest		1,830,080	100.00
Bitunova Kft., Budapest		50,000	100.00
EXP HOLDING Kft., Budapest	T€	10	100.00[1]
First-Immo Hungary Kft., Budapest		100,000	100.00
Frissbeton Kft., Budapest		100,000	100.00
Generál Mély- és Magasépitö Zrt., Budapest		1,000,000	100.00
KÖKA Kft., Budapest		761,680	100.00
STR Holding Generál Kft., Budapest		3,000	100.00
STR Holding MML Kft., Budapest		3,000	100.00
STR Mély- és Magasépítö Kft, Budapest		3,000	100.00
STRABAG Általános Építö Kft., Budapest		1,000,000	100.00
STRABAG Aszfalt Kft., Budapest		3,000	100.00
STRABAG BMTI Kft., Budapest		2,000,000	100.00
STRABAG BRVZ Kft., Budapest		1,545,000	100.00
STRABAG Épitö Kft., Budapest		352,000	100.00
STRABAG Épitöipari Zrt., Budapest		20,000	100.00
STRABAG Generálépitö Kft., Budapest		3,000	100.00
STRABAG Rail Kft., Budapest		189,120	100.00
STRABAG Real Estate Kft., Budapest		3,000	100.00
STRABAG Vasútépítö Kft., Budapest		3,000	100.00
STRABAG-MML Kft., Budapest		510,000	100.00
TPA HU Kft., Budapest		113,000	100.00
Treuhandbeteiligung H		10,000	100.00[1]
Züblin Kft., Budapest		3,000	100.00

United Arab Emirates	Nominal capital TAED	Direct stake %
STRABAG Dubai LLC, Dubai	300	100.00
Zublin Construction L.L.C., Abu Dhabi	150	100.00

Cyprus	Nominal capital T€	Direct stake %
BONDENO INVESTMENTS LTD, Limassol	55	100.00

The following list shows the equity accounted associates and joint ventures included in the consolidated financial statement:

Austria	Nominal capital T€	Direct stake %
Lafarge Cement CE Holding GmbH, Vienna	50	30.00

Germany	Nominal capital T€	Direct stake %
A 49 Autobahngesellschaft mbH & Co. KG, Schwalmstadt	30	50.00
AMB Asphaltmischwerke Bodensee GmbH & Co. KG, Singen (Hohentwiel)	767	50.00
Bayerische Asphaltmischwerke GmbH & Co. Kommanditgesellschaft für Straßenbaustoffe, Hofolding	12,300	48.33
Bodensee - Moränekies Gesellschaft mit beschränkter Haftung & Co. Kommanditgesellschaft Tettnang, Tettnang	153	33.33
FLARE Living GmbH & Co. KG, Cologne	1	50.00
Kieswerke Schray GmbH & Co. KG, Steißlingen	2,045	50.00
Messe City Cologne GmbH & Co. KG, Hamburg	100	50.00
Natursteinwerke im Nordschwarzwald NSN GmbH & Co. KG, Mühlacker	3,100	25.00
NWM Nordwestdeutsche Mischwerke GmbH & Co. KG, Großenkneten	2,000	50.00
PANSUEVIA Service GmbH & Co. KG, Jettingen-Scheppach	50	50.00
SeniVita Social Estate AG, Bayreuth	2,000	50.00
Silenos Energy Geothermie Garching a.d. Alz GmbH & Co. KG, Garching a.d.Alz	1	50.00
SRE-ECE-JV Generalübernehmer GmbH & Co. KG, Oststeinbek	63	50.00
Thüringer Straßenwartungs- und Instandhaltungsgesellschaft mbH & Co. KG, Apfelstädt	2,582	50.00

Colombia	Nominal capital TCOP	Direct stake %
DESARROLLO VIAL AL MAR S.A.S., Medellín	12,637,280	37.50

1 The presentation of interest is done using the economic approach; interest as defined by civil law may deviate from this presentation.

Croatia	**Nominal capital THRK**	**Direct stake %**
Autocesta Zagreb-Macelj d.o.o., Zagreb	88,440	50.00[1]

The Netherlands	**Nominal capital T€**	**Direct stake %**
A-Lanes A15 Holding B.V., Nieuwegein	18	24.00

Poland	**Nominal capital TPLN**	**Direct stake %**
A2 ROUTE Sp. z o.o., Pruszkow	5	50.00

Qatar	**Nominal capital TQAR**	**Direct stake %**
Züblin International Qatar LLC, Doha	200	49.00

Romania	**Nominal capital TRON**	**Direct stake %**
SOCIETATEA COMPANIILOR HOTELIERE GRAND SRL, Bucharest	41,779	35.32

Hungary	**Nominal capital T€**	**Direct stake %**
MAK Mecsek Autopalya Koncesszios Zrt., Budapest	64,200	50.00

1 There are deviating contractual provisions concerning this joint venture.

Accounting policies

GOODWILL

Goodwill from a business combination is initially measured at cost. This is calculated as the excess of the consideration transferred over the identifiable assets acquired and liabilities assumed. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised, rather, it is subjected to annual impairment testing in accordance with IAS 36. The group conducts its annual test for goodwill impairment at year's end. Testing is also performed if events or circumstances indicate that the figure could be impaired. For the purpose of the impairment testing, goodwill is assigned to one or more of the group's cash-generating units that should benefit from the synergy effects of the combination. The recoverability of goodwill is determined by comparing the carrying amount of the respective cash-generating unit (CGU) or units with the recoverable amount. If the goodwill is impaired, an impairment loss is recognised. A reversal of impairment losses once the reasons for the impairment no longer apply is not foreseen for goodwill.

RIGHTS FROM CONCESSION ARRANGEMENTS

Service concession arrangements between the STRABAG SE Group and the public sector to build, operate, maintain and finance infrastructure facilities are treated in accordance with the requirements of IFRIC 12.

A right from a concession arrangement is recognised if the consideration does not represent an enforceable right to payment, but instead a right to charge a usage fee is granted.

The right from the concession arrangement is accounted for at the fair value of the consideration and subsequently recognised less depreciation over the period of the concession and impairment losses. If the reasons for the previously recognised impairment loss no longer apply, these assets are written back through profit or loss. The amount may not exceed the carrying amount that would have resulted if no impairment loss had been recognised in previous periods.

OTHER INTANGIBLE ASSETS

Acquired intangible assets are recognised at their initial costs less amortisation and impairment losses if applicable.

Development costs for an internally generated intangible asset are capitalised if the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for internal use or sale and if it can demonstrate the intent to complete the intangible asset and use or sell it. The group must also demonstrate that the intangible asset will generate probable future economic benefits, that it has adequate resources to complete the asset and that it is able to reliably measure the expense attributable to the asset during its development. The construction costs for these assets comprise all construction costs directly attributable to the construction process as well as production-related overheads. Borrowing costs are capitalised for qualified assets. Research costs which do not fulfil these criteria are recognised as an expense in the period in which they are incurred. Costs that have already been recognised as an expense are not capitalised in a subsequent period.

The subsequent measurement of intangible assets with definite useful lives is performed at cost less accumulated amortisation and impairment losses. Within the group, there are no intangible assets with indefinite useful lives.

The following useful lives were assumed for intangible assets for amortisation using the straight-line method:

Intangible assets	Useful life in years
Property rights, utilisation rights and other rights	3–50
Software	2–5
Patents and licences	3–10

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially recognised at cost. STRABAG performs subsequent measurements using the cost model – cost less accumulated depreciation and impairment losses. If the reasons for a previously recognised impairment loss no longer apply, these assets are written back through profit or loss. The amount may not exceed the carrying amount that would have resulted if no impairment loss had been recognised in the previous periods.

Subsequent acquisition costs are capitalised if it is probable that future economic benefits will flow to the group and if the costs can be reliably determined. Repair and maintenance costs which do not constitute significant maintenance expense is recognised as expenses in the period in which they are incurred.

Depreciable property, plant and equipment is depreciated using the straight-line method over the expected useful life. If there is an indication that an asset may be impaired and if the present values of the future cash inflow surpluses are below the carrying amounts, the amount is revalued to the lower recoverable amount in accordance with IAS 36.

The following useful lives were assumed for property, plant and equipment:

Property, plant and equipment	Useful life in years
Buildings	10–50
Investments in third-party buildings	5–40
Machinery	3–15
Office equipment/furniture and fixtures	3–10
Vehicles	4–9

INVESTMENT PROPERTY

Investment property is property held to earn rental income or for the purpose of capital gains. Investment property is initially measured at cost. STRABAG uses the cost model for subsequent measurements, i.e. the measurement is performed at cost less accumulated depreciation and impairment losses. If the present values of the future cash inflow surpluses are below the carrying amounts, the amount is revalued to the lower recoverable amount in accordance with IAS 36. The recoverable amount of this investment property is disclosed separately. The fair value is determined using recognised methods such as derivation from the current market price of comparable properties or the discounted cash flow method.

The useful life of investment property varies between 10 and 35 years. Investment property is depreciated using the straight-line method.

The presentation in the balance sheet is under property, plant and equipment.

LEASES

A lease is a contractual arrangement in which the lessor (owner) grants the lessee (user) the right to control an identified asset for a specified period of time in exchange for a consideration.

The STRABAG SE Group is a **lessee** of real estate properties (offices, storage spaces, etc.). A large number of the contracts are stand-alone contracts with comparatively low annual rental payments, of both limited and unlimited duration and with ordinary termination rights.

Leases are to be presented as a right-of-use asset and a corresponding lease liability in the balance sheet. The lease payments are split into a financing and a principal component. The finance costs are recognised in profit or loss over the term of the lease, resulting in a constant periodic interest rate on the remaining amount of the liability for each period. The right-of-use asset is amortised on a straight-line basis over the shorter of the two periods of useful life or term of lease.

Lease payments are made at the group's incremental borrowing rate, i.e. the rate of interest that the group would have to pay to borrow the funds necessary to obtain an asset of a similar value and at similar terms in a similar economic environment.

Payments for short-term leases and leases for which the underlying asset is of low value are recognised as an expense. Short-term leases are leases with a term of up to twelve months.

To a minor extent, the group also acts as a **lessor.** This essentially involves office space, in particular the TECH GATE VIENNA in Vienna. These leases are to be classified as operating leases. Rental income from these leases is shown in other operating income.

GOVERNMENT GRANTS

Government subsidies and investment grants are offset against the cost of the assets and amortised in proportion to their useful lives. A government grant is recognised when there is reasonable assurance that the grant will be received, and the group complies with the necessary conditions for receiving the grant.

The response to the Covid-19 pandemic included various subsidy programmes to support businesses affected by the crisis. STRABAG made use of these measures in Austria. Specifically, the following were recognised in profit or loss in the income statement: In 2022, the loss compensation subsidy ("Verlustersatz") in the amount of T€ 870; in 2021, the revenue shortfall bonus ("Ausfallsbonus") in the amount of T€ 917, the fixed cost subsidy ("Fixkostenzuschuss II") / loss compensation subsidy ("Verlustersatz II") in the amount of T€ 4,316 as well as other subsidies to a lesser extent.

A total of T€ 2,297 (2021: T€ 2,091) of the investment promotion bonus ("Investitionsförderungprämie") was utilised in 2022, of which T€ 1,280 (2021: T€ 2,091) still remains outstanding as at the reporting date.

BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are recognised as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time (over six months) to get ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to depreciation or amortisation, as well as other investments and associates, are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may no longer be recoverable. Assets that have an indefinite useful life, such as goodwill or intangible assets not yet available for use, are tested for impairment annually as such assets are not subject to depreciation or amortisation.

To identify the need for an impairment loss, the recoverable amount is determined. The recoverable amount is the higher of fair value of the asset less costs to sell and value in use. If it is not possible to determine the recoverable amount for an individual asset, then the recoverable amount is determined for the smallest identifiable group of assets (cash-generating unit) to which the asset in question can be assigned.

Considering that, as a rule, market prices are not available for individual units, the present value of net cash inflows is used to determine the fair value less costs to sell. The forecast of the cash flows is based on STRABAG's latest planning, with a planning horizon of at least four years. The last detailed planning year forms the basis for calculating the perpetuity if applicable legislation and legal requirements do not limit the usability of the cash-generating unit to a shorter period of time.

For the purpose of determining the fair value less costs to sell, the cash-generating unit is measured from the viewpoint of an independent market participant. In calculating the value in use of an asset, on the other hand, the cash flows are considered based on the previous use. For the net cash inflows beyond the detailed planning period, individual growth rates derived from market information are determined based on long-term business expectations in both methods of calculation.

Net cash inflows are discounted at the cost of capital, which is calculated as the weighted average cost of equity and debt. Consideration is given to the different yield and risk profiles of STRABAG's various areas of expertise by determining the individual costs of capital using comparison companies. The cost of equity corresponds to the required rate of return for investors, while the cost of debt is based on the long-term financing conditions available to comparison companies. Both components are derived from capital market information.

The following table shows the parameters growth rate and cost of capital for impairment testing:

%	2022	2021
Growth rate	0.0–0.5	0.0–0.5
Cost of capital (after tax)	7.6–12.2	5.7–8.3
Cost of capital (before tax)	10.5–14.6	6.9–11.4

The Management Board has calculated the budgeted gross margin based on past developments and on expectations for future market development.

If the recoverable amount of an asset is lower than the carrying amount, an impairment loss is recognised immediately in profit or loss. In the case of impairment losses related to cash-generating units which contain goodwill, existing goodwill is initially reduced. If the impairment loss exceeds the carrying amount of the goodwill, the difference is generally apportioned proportionally over the remaining non-current assets of the cash-generating unit.

With the exception of goodwill, non-financial assets for which an impairment loss was charged in the past are reviewed at every balance sheet date to determine whether the impairment loss should be reversed.

FINANCIAL ASSETS

Financial assets are recognised in the consolidated balance sheet if STRABAG has a contractual right to receive cash or other financial assets from another party. Regular way purchases and sales of financial assets are recognised using settlement date; the trade date is used for derivatives.

Financial assets that are not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs which are directly attributable to the acquisition.

Transaction costs which arise upon the acquisition of financial assets measured at fair value through profit or loss are immediately recognised as an expense.

Receivables bearing no interest or interest below the market rate are initially recognised at the present value of the expected future cash flows.

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

For measurement and accounting purposes, financial assets are to be assigned to one of the following categories:

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

Financial assets measured at amortised cost

Financial assets in this category are measured at amortised cost if the objective of the business model is to hold the financial asset to collect the contractual cash flows, and the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. These are classified as current financial assets if they mature within twelve months after the reporting date or within the usual business cycle. Otherwise they are classified as non-current financial assets. As part of the subsequent measurement, financial assets measured at amortised cost are valued using the effective interest method. When applying the effective interest method, all directly attributable fees, fees paid or received, transaction costs and other premiums or discounts included in the calculation of the effective interest rate are amortised over the expected life of the financial instrument. Interest income from the application of the effective interest method is recognised through profit or loss under interest income from financial instruments.

Trade receivables, receivables from consortia, receivables from subsidiaries and receivables from participation companies, as well as other financial assets, are measured at amortised cost less impairment allowances for expected credit losses.

Trade receivables

Trade receivables also include receivables from consortia and advances paid to subcontractors.

Trade receivables and receivables from consortia are recognised in the consolidated balance sheet if STRABAG has a contractual right to receive cash or other financial assets from another party. Recognition is made on the settlement date.

Receivables bearing no interest or interest below the market rate are initially recognised at the present value of the expected future cash flows.

Subsequent measurement of trade receivables and receivables from consortia is at amortised cost less impairment losses for expected credit losses (see the section “Impairment of financial assets and contract assets”).

These are classified as current financial assets if they mature within twelve months after the reporting date or within the usual business cycle. Otherwise, they are classified as non-current financial assets.

Financial assets measured at fair value through profit or loss

A financial asset that is to be classified as a debt instrument under IAS 32 is measured at fair value through profit or loss if it is held for trading purposes, the cash flow criteria are not met, or it is designated as at FVPL at initial recognition. A financial asset at STRABAG is assigned to this category if it was principally acquired with an intention to sell in the short term. Derivatives also belong to this category if they do not qualify as hedging instruments. Assets in this category are recognised as current assets if the asset is expected to be realised within twelve months. All other assets are classified as non-current. Value changes of financial assets measured at fair value through profit or loss are recognised through profit or loss.

This category includes securities reported under non-current financial assets and securities reported under cash and cash equivalents.

The fair value option may be elected for financial assets which, based on the underlying business model and the contractual cash flows, are classified as measured at amortised cost if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The fair value option is not elected at STRABAG.

Financial assets which represent equity instruments under IAS 32 are also measured at fair value through profit or loss. Value changes are recognised through profit or loss in the income statement.

This category contains mainly investments below 20% that are held under other investments.

Without exception, equity instruments are measured at fair value. If an equity instrument is not held for trading purposes, there exists an irrevocable option at initial recognition to measure value changes not in the income statement but in the other comprehensive income. Equity investments recognised in the other comprehensive income may not be later reclassified to the income statement. The option is not exercised at STRABAG.

IMPAIRMENT OF FINANCIAL ASSETS AND CONTRACT ASSETS

For the recognition of impairment losses, STRABAG allows for expected credit losses under IFRS 9. The expected loss impairment model is used for debt instruments for which subsequent measurement is made at amortised cost. The impairment requirements under IFRS 9 are also applied to non-financial contract assets.

Equity instruments measured at fair value through profit or loss or through other comprehensive income are not within the scope of the IFRS 9 impairment requirements.

IFRS 9 outlines a three-stage model to determine the scope of the risk provision, requiring expected credit losses to be measured from initial recognition at an amount equal to the twelve-month expected credit losses or, if the credit risk has worsened significantly, the full expected credit losses over the remaining life of the financial instrument. The general impairment model (general approach) is used for receivables from concession arrangements and for current and non-current other financial assets in the group. Besides the general impairment model, the simplified impairment model (simplified approach) is used for trade receivables and for contract assets under IFRS 15. The simplified impairment model requires a risk provision equal to the expected losses over the full remaining life of the financial instrument to be recognised for trade receivables or contract assets regardless of the respective credit quality.

Application of the 30-days-past-due criterion is not useful in the construction sector, on the one hand because of incomplete performance recognition, and on the other hand because contracts are often fulfilled for public-sector clients, whose internal processes to release payment may be lengthy but usually result in full and complete payment.

To determine the expected credit losses, trade receivables and contract assets are grouped into different portfolios with similar risk characteristics. In establishing the portfolios, STRABAG also considers the underlying country risk and the creditworthiness.

During the initial recognition of financial assets, STRABAG takes into consideration the probability of defaults and continually monitors the development of the credit risk in each reporting period, taking into account all reasonable and supportable information and forecasts. This includes especially the following indicators:

- internal estimate of creditworthiness by the client
- external information on creditworthiness based on the corresponding country risk

Macroeconomic information (such as market interest rates) and other forecasts are included in the assessment of the credit risk.

Besides the application of the general and the simplified impairment approach, financial assets are considered impaired if there is objective evidence of credit default indicators. STRABAG recognises such impairments if the debtor has significant financial difficulty; if there is a high probability that insolvency proceedings will be commenced against the debtor; if a breach of contract and payment default has occurred; or if the issuer's technological, economic, legal and market environment changes substantially.

Impairment losses lower the carrying amount of the financial assets. The impairment losses or reversals of impairment losses resulting from the application of the impairment requirements is recognised through profit or loss in the other operating expense or income.

A financial asset defaults if bankruptcy proceedings have been started or it is highly probable that there is no reasonable expectation for repayment. These financial assets are then derecognised. When derecognising financial assets, STRABAG continues to undertake enforcement measures to attempt to recover the receivables that are due.

During the reporting period, there were no changes with regard to the impairment approaches and criteria that were applied.

DERECOGNITION OF A FINANCIAL ASSET

Financial assets are derecognised when the contractual rights to receive payment from the financial assets no longer exist or if the financial assets are transferred along with all substantial risks and rewards. An asset is also derecognised if the substantial risks and rewards of ownership of the asset are neither transferred nor retained but control is relinquished. If control is retained, such transferred financial assets are recognised to the extent of the continuing involvement.

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognised amounts and the settlement is on a net basis. This concerns, to a minor extent, the settlement of trade receivables and payables.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

Derivative financial instruments are employed exclusively to mitigate risks arising from movements in currency exchange rates and interest rates. The utilisation of financial derivatives is subject to internal guidelines and controls.

Derivative financial instruments are classified as financial assets measured at fair value through profit and loss or as derivatives used for hedging purposes at the date of contract conclusion. Derivative financial instruments are initially recognised at cost and measured at fair value in subsequent periods. Unrealised gains or losses on the measurement are recognised in the income statement if the conditions for hedge accounting under IFRS 9 are not met. Derivative financial instruments are stated under other financial assets or other financial liabilities.

Derivative financial instruments are measured based on observable market data (interest and exchange rates) and non-observable market data (the counterparty's credit rating). The fair value is determined using generally accepted methods of mathematical finance.

On application of the hedge accounting requirements, the group designates derivative financial instruments as hedging instruments to either:

- hedge the exposure to changes in the fair value of a recognised asset or liability (fair value hedge), or to
- hedge the exposure to variability in cash flows (cash flow hedge).

In the case of fair value hedge accounting, the change in the fair value of the hedged item that is attributable to the hedged risk and the change in the fair value of the hedging derivative are recognised in the income statement. Fair value hedging is not used in the STRABAG SE Group.

If, however, a derivative financial instrument is used as a hedging instrument in a cash flow hedge, the effective unrealised gains or losses from the hedging instrument are initially accounted for under other comprehensive income. They are reclassified to profit or loss when the hedged item affects profit or loss. Any changes resulting from the ineffectiveness of these financial instruments are recognised immediately in profit or loss in the income statement.

When concluding a hedging transaction, STRABAG documents the clear hedging relationship between the hedging instrument and the hedged item, the objective of its risk management, and the underlying strategy. It is also established that there exists an economic relationship between the hedged item and the hedging instrument and that credit risk does not dominate the resulting value changes. The hedging relationship's hedging ratio reflects the ratio between the designated nominal amount of the hedged item actually used by STRABAG and the designated nominal amount actually designated by STRABAG to hedge the nominal amount of the hedged item. An assessment is made at the beginning of the hedging relationship, with documentation provided continually thereafter, of whether the derivatives used in the hedge are effective or not in offsetting the changes in fair value or cash flow of the hedged item. Hedging relationships are adjusted when there are changes in the hedged item.

The critical term match method is used to determine the prospective hedge effectiveness. The retrospective determination of hedge ineffectiveness is made on the basis of the dollar offset method.

RECEIVABLES FROM CONCESSION ARRANGEMENTS

Service concession arrangements between the STRABAG SE Group and the public sector to build, operate, maintain and finance infrastructure facilities are treated in accordance with the requirements of IFRIC 12.

Service concession agreements which provide an absolute contractual right to receive payment are recognised as financial assets. All receivables from concession arrangements are accounted for under the special balance sheet item receivables from concession arrangements. The receivables are carried at the present value of the payments to be made. The accumulation amount calculated annually using the effective interest method is recognised in revenue. Impairment allowances are made for expected credit losses.

CURRENT AND DEFERRED INCOME TAXES

The income tax payables and receivables contain mainly rights and obligations regarding domestic and foreign income taxes. These comprise the rights and obligations from the current year as well as possible rights and obligations from previous years. The receivables/payables are calculated based on the tax regulations in the respective countries.

Deferred tax is measured using the balance sheet liability method for all temporary differences between the valuation of the balance sheet items in the IFRS financial statements and the existing tax value at the individual companies. Furthermore, any realisable tax advantage from existing losses carried forward will be included in the calculation. Exceptions to this comprehensive tax deferral are balances from non-tax-deductible goodwill.

Deferred tax assets may only be recognised if the associated tax advantage is likely to be realisable. The calculation of the tax deferral is based on the usual income tax rate in the respective country at the point of the predicted reversal.

Recognition is made of deferred tax liabilities arising from temporary differences in relation to investments in subsidiaries and associates unless the timing of the reversal of the temporary differences in the group can be determined and the temporary differences are unlikely to reverse in response to this influence in the foreseeable future.

INVENTORIES

Inventory costs include cost of purchase and production and are required to be stated at the lower of cost and net realisable value.

Production costs include all direct costs as well as appropriate parts of overhead arising in the production. Distribution costs, as well as costs for general administration, are not included in the production costs. Borrowing costs related to production are recognised for inventories which are to be classified as qualifying assets.

CONTRACT ASSETS AND CONTRACT LIABILITIES

Regarding **construction contracts with customers,** revenue is recognised over time as required by IFRS 15, as the construction projects are built on the customers' properties and the customers thus always control the assets that are created or enhanced.

Construction is performed based on stand-alone contracts. The allocation of the transaction price to each performance obligation is made on the basis of the work estimate for the respective stand-alone item. If significant integration services are provided, a separate performance obligation is assumed. Transaction prices for construction contracts in the STRABAG SE Group are determined on the basis of the contract value agreed with the customer. Contractual penalties or bonus payments during the construction period may lead to amendments of the transaction price. These are carried with the most probable value by reason and amount on the basis of the project controlling.

Revenue recognition over time is made using the output-oriented method on the basis of the work performed. The actual work performed, and the corresponding revenue are determined at the level of the stand-alone item according to the work estimate. Because of unforeseen deviations in the budgeted costs, the best indicator here is the percentage of completion as derived directly from the actual work performed. The performance completed to date, one of the key corporate governance figures, must be directly determined by the construction site team on a monthly basis.

The contract asset represents the group's right to consideration from construction contracts with customers. If the value of a contract asset of a construction contract exceeds the payments received for it, then this is shown on the assets side under contract assets. In the opposite case, the figure is reported on the equity and liabilities side under contract liabilities.

Payments for construction contracts are usually made parallel to the performance on the basis of regular invoicing. Payments of advance consideration before the actual performance are common practice, especially in building construction. Agreements covering extended terms of payment or staggered invoicing of performance completed are made only on a case-by-case basis with special approval by the Management Board of STRABAG SE.

If it is probable that the costs exceed the recoverable proceeds, an onerous contract provision is recognised in accordance with IAS 37. Any costs directly attributable to the contract are taken into account to determine the costs. The onerous contract provision, considered individually, is recognised at the amount that is required for the completion of the obligation from the construction contract. Up to the value of the contract asset, an impairment loss is recognised. If the value of the respective contract asset is exceeded, an onerous contract provision is recognised on the equity and liabilities side under the current provisions.

With regard to impairment losses, see the section “Impairment of financial assets and contract assets”.

Inventories that have not yet been used in the construction process but are already present on the construction sites are no longer accounted for as a separate asset but are instead assigned to the respective contract and recognised as a contract asset.

Claims and variation orders in connection with construction contracts involve any modification or change (actual construction progress) to the contractually agreed scope of work (agreed specifications). Due to the existing contractual agreements, these modifications to the work to be performed cannot be invoiced until the client approves the changes or agrees to their invoiceability.

Modifications or changes to the work to be performed include agreed changes to the work to be performed as well as disputed claims for additional costs due to disruption or due to changes in the scope of work.

In the event of agreed changes to the work to be performed, the client actively intervenes in the construction process and changes the scope of work. Changes to the work to be performed are regularly commissioned by the contractor before execution. In this case, a contract modification as defined by IFRS 15.18 exists in which all parties to the contract have agreed to the change in the scope of work and/or price. As a rule, the contract modification is accounted for as part of the original contract in accordance with IFRS 15.21(b), as the changes in the work to be performed are not distinct from the order before contract modification and the contract remains a single performance obligation.

Claims for additional costs arising from disruption are incurred when adjustments must be made to the construction process due to disruptions that lie within the client’s sphere of influence. Claims for additional costs also arise in the case of changes ordered by the client who believes these do not result in additional costs, due e.g. to guarantees for completeness, but which, in the opinion of the contractor, are not included in the scope of the contract. The complexity of construction contracts often leads to different legal views regarding the existence of a legal claim between the client and the contractor, which often results in protracted legal disputes.

In accordance with IFRS 15.19, the disputed claims for additional costs involve contract modifications for which the parties to the contract have not yet reached a final agreement with regard to the scope and/or price of the contract. The variable consideration from these contract modifications is therefore estimated in accordance with the provisions of IFRS 15.50–59 and recognised as revenue as part of the original contract in accordance with IFRS 15.21(b).

The estimate is based on qualitative and quantitative criteria. The large number of individual claims and variation orders in a construction project, the uncertainty over a long period of time, the individuality of the circumstances, the legal enforceability of the claim and the quality of the documentation are taken into account when estimating the variable consideration. The variable consideration is measured in such a way that there is no reversal of previously recognised revenue in subsequent periods.

The corresponding expense is recognised in profit or loss immediately when it is incurred.

The consideration for **revenue from project developments** which, on the basis of the work performed by the reporting date, are realised over time, is recorded under contract assets. The contract asset represents the group’s right to considerations from project developments.

Revenue is recognised over time if a contractual agreement excludes the possibility of any alternative use and there exists a right to payment including a profit margin on the work performed. These conditions are always met if real estate projects are already sold prior to their completion.

In these cases, the revenue is recognised pro rata based on the degree of completion of the work. If the real estate projects are only partially sold, for example, in the case of owner-occupied flats, the revenue is recognised pro rata only for those parts already sold. The project is then presented pro rata under contract assets.

The advances received are offset against the cost of the contract asset. If the advances received exceed the value of the contract asset, presentation is made on the equity and liabilities side under contract liabilities.

The notes on construction contracts with customers apply by analogy.

CASH AND CASH EQUIVALENTS

The cash and cash equivalents include all liquid financial assets which at the date of acquisition or investment have a remaining term of less than three months. This comprises bank deposits, time deposits and cash on hand. Cash and cash equivalents are measured at amortised cost.

Cash and cash equivalents where availability is restricted by foreign exchange restrictions or other legal constraints are not part of the cash and cash equivalents for the cash flow statement.

PROVISIONS

The following defined benefit plans for which provisions must be recognised exist within the group.

The company's obligation relating to defined benefit plans consists in fulfilling the promised benefits to current and former employees.

Defined contribution plans in the form of financing through third-party support funds exist for employees of Austrian subsidiaries whose employment began after 1 January 2003. The severance payments obligations are funded by the regular payment of contributions into the employee provident fund.

PROVISIONS FOR SEVERANCE PAYMENTS

The group is legally required to provide a one-off severance payment to employees of Austrian subsidiaries in the case of termination or at the date of retirement if their employment began before 1 January 2003. The level of this payment depends on the number of years at the company and amount due at the date of severance and comes to between two and twelve monthly salaries. A provision is made for this obligation.

Additionally, the severance payment rights in other countries in the case of termination or retirement amount from one to three monthly salaries. Due to the relatively insignificant amounts involved, provisions for severance payments arising from these obligations are determined using financial mathematical methods.

PENSION PROVISIONS

The provisions for pensions are formed for obligations from the right to future pension payments and current payments to present and past employees and their dependents. The group's pension promises in **Germany, Austria and the Netherlands** exist on the basis of individual contracts or internal labour-management agreements. The obligations are based on a number of different pension arrangements. The number of different employee benefit plans is the result of the group's enterprise acquisitions in Germany. New agreements are not concluded within the group.

As a rule, the pension promises foresee the granting of monthly old age, invalidity and survivors' benefits. With some promises, the pension arrangement foresees benefits to be paid in the form of a capital payment.

The benefit plans exist in various designs. The range of plan structures includes specified benefit systems (e.g. specified amount per year of employment), dynamic systems (e.g. % per year of employment) and benefit promises (e.g. specified promise). Plans also exist with or without survivors' benefits.

In **Switzerland,** the legal regulations governing pension plans require payments to be made into pension foundations. One half of the contributions are made by the employer, the other half by the employee. The employee contributions depend on the amount of insured income as well as on age and are treated as reduction of the service cost. At retirement, employees can choose to receive a one-off severance payment, regular monthly pension payments or a hybrid of the two options.

As restructuring contributions are required if the pension foundation has insufficient funds for coverage, the promises are categorised as defined benefit plans in accordance with IAS 19.

Within the STRABAG SE Group, the obligations of the pension funds are reinsured.

MEASUREMENT OF SEVERANCE AND PENSION PROVISIONS

The group's obligations relating to defined benefit plans are determined separately for each plan using actuarial principles in accordance with the projected unit credit method. The projected unit credit method is used to determine the discounted pension entitlements acquired up to the end of the accounting period. The existing plan assets measured at their fair value are subtracted from the defined benefit obligations. This yields the defined benefit liability (asset) to be recognised.

Determination of the net defined benefit liability at the end of the reporting year is based on an actuarial report from a certified actuarial analyst.

The rate used to discount severance and pension provisions is determined on the basis of market yields at the end of the respective reporting period on high-quality fixed-interest industrial bonds with a comparable term.

The assumptions relating to discounting, pay rises and fluctuation that are used to calculate the severance and pension provisions vary in proportion to the economic situation of each specific country. Life expectancy is calculated according to the respective country's mortality tables.

Actuarial gains and losses are recognised in equity outside profit or loss. The service cost is stated in employee benefits expense, while the interest component of the allocation to the provision is reported in the net interest income.

If the present value of a defined benefit obligation changes in response to plan amendments, the resulting effects are recognised in profit or loss as past service cost in the year of the amendment. Any income resulting from a settlement is also recognised directly in the income statement.

The company is exposed to various risks in relation to the defined contribution severance and pension plans. Besides the general actuarial risks such as the longevity risk and the interest rate risk, the group is also exposed to currency risk as well as to capital market risk or investment risk.

More information concerning the risks is available in the sensitivity analysis under item (27) Provisions.

OTHER PROVISIONS

The other provisions take into consideration all realisable risks and uncertain obligations. They are recognised at the respective amount which, according to commercial judgement, is necessary at the balance sheet date to cover future payment obligations of the group. Hereby the respective amount which arises as the most probable on careful examination of the facts is recognised.

Long-term provisions are, as far as they are not immaterial, entered into the accounts at their discounted discharge amount as at the balance sheet date. The discharge amount also includes the cost increases to be considered on the reporting date. Provisions which arise from the obligation to recultivate gravel sites are allocated according to the rate of utilisation.

NON-FINANCIAL LIABILITIES

Non-financial liabilities are carried at the repayment amount. Contract liabilities under IFRS 15 are qualified as non-financial liabilities.

FINANCIAL LIABILITIES

The financial liabilities at STRABAG comprise non-derivative liabilities and derivatives with a negative fair value on the reporting date.

For measurement and accounting purposes, financial liabilities are to be assigned to one of the following categories:

- Financial liabilities measured at amortised cost (FlaC)

- Financial liabilities measured at fair value through profit or loss (FVPL)

Non-derivative financial liabilities are recognised in the consolidated balance sheet if STRABAG has a contractual obligation to transfer cash or other financial assets to another party. Initial recognition of non-derivative financial liabilities is made at fair value. Financial liabilities that are not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs, which are directly attributable to the acquisition.

A financial liability is classified as **current** provided the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

During subsequent measurement of non-derivative financial liabilities carried at amortised cost, any premiums or discounts between the amount received and the repayment amount are spread over the financing term using the effective interest method and recognised in interest expense on an accrual basis.

A financial liability is only measured at fair value through profit or loss if it is held for trading purposes or designated as such at initial recognition. Derivatives with negative market value also belong to this category if they are not designated as hedging instruments.

Transaction costs which arise upon the acquisition of financial liabilities measured at fair value through profit or loss are immediately recognised as an expense.

The **fair value option** was not exercised for financial liabilities.

Financial liabilities are derecognised if the contractual obligations are discharged, cancelled or have expired. Costs related to the issue of corporate bonds are offset over the term using the effective interest method.

Trade payables

Trade payables also include payables from consortia. For measurement and accounting purposes, these are classified as financial liabilities measured at amortised cost.

Non-derivative financial liabilities are recognised in the consolidated balance sheet if STRABAG has a contractual obligation to transfer cash or other financial assets to another party. Initial recognition of non-derivative financial liabilities is made at fair value.

Trade payables are classified as **current** provided the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period or within the normal business cycle.

CONTINGENT LIABILITIES

Contingent liabilities are present or possible future obligations for which an outflow of resources is not probable. They are – as long as IFRS 3 does not require recognition on acquisition – not reflected in the balance sheet.

FINANCIAL GUARANTEES

STRABAG only provides financial guarantees for the benefit of third parties in the case of payables from its own subsidiaries or associates for which no commissions are agreed. If utilisation of the guarantee is not to be expected, no separate valuation is made in the balance sheet.

CONTINGENT ASSETS

A contingent asset is a possible inflow of economic benefits. Contingent assets must not be recognised in the financial statements as this would result in the recognition of income that may never be realised.

REVENUE RECOGNITION

The revenue within the STRABAG SE Group comprises revenue from construction contracts with customers, which regularly account for more than 80% of the total revenue, revenue from project developments, revenue from construction materials, revenue from facility management and other revenue.

The **revenue from construction contracts with customers** is recognised over time as required by IFRS 15. Revenue recognition over time is made using the output-oriented method on the basis of the work performed at the reporting date.

For further information, please see the notes on contract assets.

The recognition of revenue from construction contracts performed in consortia is made over time corresponding to the actual work performed by the reporting date. Impending losses arising from further construction work are accounted for by means of appropriate depreciation.

The **revenue from project developments** is recognised at a point in time after the performance obligation is satisfied by the STRABAG SE Group and after the customer assumes control and has the opportunity to derive benefit from the project.

Alternatively, the revenue is recognised over time on the basis of the work performed by the reporting date if a contractual agreement for the STRABAG SE Group excludes the possibility of any alternative use and the contractual agreement foresees a right to payment including the profit margin on the work performed.

For real estate projects that are sold already prior to their completion, the revenue is therefore recognised pro rata and the right to payment including the profit margin is presented under the contract assets.

For further information, please see the notes on contract assets.

The **revenue from construction materials, the revenue from the facility management, and the other revenue** are recognised with satisfaction of the performance obligation upon obtainment of control by the customer.

Interest income is recognised as it accrues using the effective interest method. Interest related to concession models and default interest are part of the transaction price of contracts with customers and are therefore recognised under revenue.

Other income, such as rental income or expenses passed through, is stated on the basis of the amount accrued in accordance with the respective agreements.

The revenue from dividends and the share of profits from investments are recognised if a legal right to payment exists.

NET INTEREST INCOME

Net interest income includes interest income and interest expense as well as foreign exchange gains and losses on financing, as these are not part of the operating business. Changes in value as well as gains and losses on disposals of securities are also included in net interest income.

INFORMATION ON THE UKRAINE WAR

On 24 February 2022, Russia attacked Ukraine. STRABAG condemns this war of aggression by Russia on Ukraine in the strongest possible terms and has initiated and is financing extensive aid measures for Ukrainian refugees, especially in the most affected group countries of Poland, the Czech Republic and the Republic of Moldova.

STRABAG has no business activities in Ukraine itself. STRABAG SE is winding up its business in Russia.

Due to the existing shareholder structure – 27.8% of the share capital of STRABAG SE is held by MKAO “Rasperia Trading Limited”, which is controlled by Oleg Deripaska – STRABAG has also been affected in other ways by Russia’s aggression and the resulting sanctions.

To avert any potential harm to the company, the Management Board of STRABAG SE already decided on 15 March 2022 – at a time when two important markets for STRABAG, the United Kingdom and Canada, had imposed sanctions against Oleg Deripaska – to withhold dividend payments to MKAO “Rasperia Trading Limited”.

At the same time, the existing syndicate agreement between the Haselsteiner, Raiffeisen/UNIQA and MKAO “Rasperia Trading Limited” shareholder groups was terminated by the Haselsteiner Familien-Privatstiftung with effect from 31 December 2022. The sanctions imposed by the EU against Oleg Deripaska on 8 April 2022, in particular the asset freeze, suspend any rights of MKAO “Rasperia Trading Limited” associated with its STRABAG SE shares. STRABAG SE has taken all the necessary steps to ensure compliance with the sanctions and to prevent Oleg Deripaska from exerting even indirect influence on STRABAG. Accordingly, Supervisory Board member Thomas Bull, who was delegated by MKAO “Rasperia Trading Limited”, was recalled at the Extraordinary General Meeting on 5 May 2022. Supervisory Board member Dr. Hermann Melnikov, who had been nominated by MKAO “Rasperia Trading Limited”, voluntarily resigned his post.

These actions were unavoidable in order to protect STRABAG and its image, especially in the countries of Central and Eastern Europe, or to minimise any harmful effects.

In the 2022 financial year, only the orders in Russia that had been in place before the start of the war in Ukraine continued to be fulfilled. New orders are no longer accepted.

Due to the decision to withdraw from Russia, existing sites and buildings in the amount of T€ 8,987 as well as the real estate project in Moscow recognised in inventories in the amount of T€ 20,529 were written off in full. A provision in the amount of T€ 9,131 was made for the cost of severance payments to existing staff.

A presentation of the activities in Russia as discontinued operations as defined by IFRS 5 is not possible as these activities were not discontinued immediately. The impact on earnings from the discontinuation is therefore recognised in the relevant items of the income statement.

NOTES ON MACROECONOMIC DEVELOPMENTS

The price increases for energy and construction materials triggered by the Ukraine war pose major challenges for the construction industry as well.

Fuel for the vehicle and construction equipment fleet accounts for a large part of energy costs. Despite intense consideration of alternatives, alternative power sources for the vehicle fleet and for construction machinery are not yet a feasible option.

After some very dynamic cost development in the first few months after the start of the war, prices began to stabilise to a certain extent, although at a high level – where they are likely to remain for the long term.

The availability of construction materials improved over the course of the year, and the main supply chains are again intact. The management is addressing supply chain risks with a high degree of decentralisation, the long-term procurement of raw materials, in-house production of construction materials and a proactive pricing policy.

The high construction prices and increased interest rates are bound to have an impact on demand. The group's broad diversification, however, will cushion these effects. Public sector orders in particular, most of which contain escalation clauses, will have a stabilising effect. Management expects the public sector to continue to place orders on a steady basis.

The increase in long-term interest rates for the calculation of personnel provisions is offset by the increase in salary and pension trends, with the result that there is no material impact on the equity of the STRABAG SE Group.

IMPACT OF CLIMATE CHANGE

The climate crisis is one of the most pressing challenges of our time, bringing with it increasing economic impacts and risks for businesses in the future.

Stricter legislation on energy standards within the EU and increasing requirements for the circularity of buildings are expected in the future. Public sector clients are starting to issue tenders that include sustainability as an evaluation criterion.

Demand is set to increase for sustainable buildings that take life-cycle considerations into account as well as for renovation work on existing buildings. This will lead to an increased demand for sustainable building materials, which, however, do not yet exist or are not yet available in sufficient quantities.

Stricter energy legislation along with delays in construction due to extreme weather events are expected to lead to increased costs and a further rise in construction prices.

The property and facility services business will increasingly offer green services using sustainable cleaning agents and environmentally friendly equipment in the future. The higher average temperatures are expected to result in an increased need for refurbishment and modernisation at IT locations for telecommunications and at data centres.

In the field of project development services, more projects related to renewable energies will be put out to tender in the future.

When preparing the consolidated financial statements, possible risks from climate change must be taken into account, especially in the valuation of goodwill, property, plant and equipment, inventories and provisions.

Significant goodwill at the STRABAG SE Group is reported under item (13) Goodwill. Even if an additional risk premium is applied for possible delays or the non-awarding of individual construction projects, especially in road construction, no impairment of goodwill is required.

Property, plant and equipment consists largely of construction equipment, machinery and the vehicle fleet, which are utilised in a decentralised manner. Temperature increases or severe weather will not have any significant impact on property, plant and equipment in the future. The future need for environmentally friendly technology and equipment was taken into account when determining the useful life and residual values.

In the case of inventories, particularly real estate projects without an investor, relevant environmental aspects such as energy efficiency were taken into account when determining the net sales proceeds. Risks here include but are not limited to the fact that ongoing changes to laws and regulations at the time of sale have resulted in new requirements that had not yet been foreseeable in the planning phase. The changed framework and the climate-related risks are taken into account in the measurement. This also applies to the formation of provisions.

In total, the risks to assets and liabilities resulting from climate change can nevertheless be classified as comparatively low. Consequently, there are no risks that could jeopardise the continuation of the company as a going concern.

On the contrary, the construction sector, as a result of the construction and technology measures required to adapt to climate change, will make a significant contribution to protecting ourselves against the expected impacts.

As part of the sustainability strategy adopted in the 2021 financial year, STRABAG has set itself the goal of achieving climate neutrality along the entire value chain by the year 2040. When designing and building construction projects, the company focuses on ecologically compatible, sustainable construction methods as well as on the efficient use of resources and their recycling in order to limit any negative impact of construction on the environment as far as possible.

ESTIMATES

The preparation of financial statements in conformity with IFRS requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenue and expenses.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Recoverability of goodwill

The group conducts an annual test to determine whether its goodwill is impaired in accordance with the accounting policies described in the section “Impairment of non-financial assets”. The recoverable amount of the CGUs was determined using fair value less costs of disposal. These calculations are based on assumptions about the expected business development and the recoverable margin. Estimates about the expected business development are based on the facts and circumstances prevailing at the time of preparation of the consolidated financial statements as well as on realistic assumptions about the future development of the global and industry-specific environment. In response to changes in these underlying conditions which deviate from the assumptions and are beyond the Management Board’s control, actual values may deviate from the estimated values.

All other things remaining equal, an annual 5% decrease of the free cash flow used to calculate the recoverable amount would result in a total impairment loss of all goodwill of T€ 592 (2021: T€ 527), while an isolated increase of the cost of capital by 1 percentage point would lead to an impairment of goodwill of T€ 2,940 (2021: T€ 1,323). These two effects together would trigger an impairment loss of T€ 6,681 (2021: T€ 1,815).

An extended sensitivity analysis was performed due to the current uncertainties resulting from the Russian invasion of Ukraine and the associated price increases and supply bottlenecks. Due to the large number of different types of orders and the fact that a large part of the work included in the planning has not yet been commissioned, a worst-case scenario was determined with regard to the achievable cash flows. An annual and sustained decrease of 15% in the recoverable free cash flows and a simultaneous increase of 3 percentage points in the weighted average cost of capital would result in an impairment loss of T€ 12,916.

The write-offs would affect Czech companies in the materials and concrete production business within the International + Special Divisions segment in the amount of € 7,391 as well as several German construction companies in the North + West segment in the amount of T€ 5,525.

(b) Other non-current financial assets / provisions

Other non-current financial assets include US dollar receivables from a Chilean project company. One part of this receivable, Lien 1, carries a fixed interest rate. The second part of this receivable, Lien 2, bears a fixed interest rate and is subject to additional variable components and a possible final conversion into shares. Lien 1 is serviced before Lien 2. Lien 1 is measured at amortised cost. Lien 2 is serviced subject to available cash. The subsequent measurement of Lien 2 is therefore at fair value.

The carrying amounts of non-current receivables, which arose from the financial restructuring of a supplier credit from a large Chilean project (power plant), were recognised at fair value on completion of the project. The measurement was made on the basis of the cash flows that can be generated in the future using planned data from the project company, taking into account generally available data on electricity price and hydrological developments as well as the current interest rate environment.

In December 2022, two tunnel collapses had to be reported of uncertain cause. The incidents lead to a temporary shut-down of the power plant in 2023. The resulting loss of production necessitated corresponding impairments and fair value adjustments.

Due to the complex economic environment, the long terms to maturity, the dependence on the development of electricity prices, and the local climatic conditions, the actual returns may differ significantly from the estimated values.

On top of this, there is the risk that the project company will assert claims for penalties and damages against STRABAG due to the alleged failure to complete the tunnel on time. Depending on the cause of the two tunnel collapses, it is currently not possible to rule out remediation costs to be borne by STRABAG. A final clarification of the circumstances was not foreseeable at the time of preparation of this report. The risks were covered through appropriate provisions. Due to the unclear cause of the damages and the complex legal structures, the actual claim may deviate from the value provided for.

(c) Recognition of revenue from construction contracts with customers and project developments

The revenue from construction contracts with customers is recognised over time. The group estimates the work performed by the reporting date as a percentage of the total volume of the order backlog as well as the remaining contract cost to be incurred. If it is probable that the production costs will exceed the recoverable proceeds, an impairment is recognised up to the value of the contract asset; if the value of the respective contract asset is exceeded, an onerous contract provision is recognised. Technically complex and demanding projects, in particular, involve the risk that the estimate of the total cost deviates considerably from the actual cost incurred.

In the event of changes to the contract's scope and/or price that remain disputed between the parties to the contract (claims and variation orders), revenue from claims and variation orders is estimated in accordance with the provisions on variable consideration under IFRS 15.50ff for the respective project. The estimate is based on qualitative and quantitative criteria.

The following factors must be taken into account when estimating the variable consideration:

- The amount of consideration is susceptible to external factors such as the actions of third parties or court rulings.
- There are different legal views regarding the contractually agreed claims.
- The uncertainty about the amount of consideration remains over a longer period of time.
- The company's experience from similar construction projects is limited by the individual nature of the projects.
- Due to the large number of individual claims and variation orders in a construction project, a contract will have a broad range of possible consideration amounts.

The actual claims arising from claims and variation orders may therefore differ from the estimated amount, especially in the case of complex construction projects with a large number of different claims and variation orders as well as counterclaims of the client.

The above also applies to over-time recognition of revenue from project developments.

(d) Equity-accounted investments

The group holds a 30% investment in **Lafarge Cement CE Holding GmbH.** Lafarge operates cement works in Austria, Hungary, the Czech Republic and Slovenia. The carrying amount of the investment amounted to T€ 201,974 on 31 December 2022 (2021: T€ 210,487). Due to exogenous factors, in particular the effects of the war in Ukraine on the energy and raw materials markets, the conditions for carrying out an impairment test as at 31 December 2022 were met. The test did not result in an impairment loss.

Deviations from the expected business development as well as developments in the economic environment that are beyond the Management Board's control may influence the value of the investment.

(e) Income taxes

STRABAG has to calculate the actual income tax expected for each taxable entity and must assess the temporary differences arising from the different treatment of certain balance sheet items in the IFRS consolidated financial statements and the statutory financial statements required for tax purposes. The existence of temporary differences usually results in the recognition of deferred tax assets and liabilities in the consolidated financial statements.

The management must make assessments in the calculation of current and deferred tax. Deferred tax assets are recognised to the extent that their use is probable. The use of deferred tax assets depends on the possibility of realising sufficient taxable income under the respective tax type and jurisdiction under consideration of any possible legal restrictions regarding the maximum loss carryforward period. A number of different factors are used to assess the probability of the future usability of deferred tax assets, such as the past financial performance, operational planning, loss carryforward periods and tax planning strategies. If the actual results deviate from these estimates, or if these estimates must be adjusted in future periods, this could have a negative impact on the financial position, financial performance and cash flows. In the event of a changed assessment of the recoverability of deferred tax assets, the deferred tax assets which have been recognised are written down in profit or loss or, depending on their original formation, outside profit or loss; impaired deferred tax assets are similarly recognised either in profit or loss or outside profit or loss.

(f) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using suitable valuation techniques selected from among a number of different methods. The assumptions used are mainly based on market conditions existing at the balance sheet date. The group uses present value techniques to determine the fair value of a number of financial assets that are not traded in an active market.

(g) Rights from leases and lease liabilities

Within the STRABAG SE Group, a large number of the contracts are lease contracts with comparatively low annual rental expenses, of both limited and indefinite duration and with ordinary termination rights. The lease liability is determined by estimating the most likely duration in consideration of extension options and termination rights. All economic aspects for exercising or not exercising the options are taken into account. Deviations between the actual lease terms and these assumptions have an impact on the respective carrying amounts. The risk is reduced by the large number of stand-alone contracts, however.

(h) Severance and pension provisions

The present value of the severance and pension obligations depends on a number of different factors based on actuarial assumptions. One of the assumptions used to determine the net expenses or income for pensions is the discount rate. Any change to these assumptions will influence the carrying amount of the pension obligation.

The group determines the appropriate discount rate at the end of every year. The discount rate is the interest rate used to determine the present value of future cash flows required to settle the obligation. For the purpose of determining the discount rate, the group employs the interest rate of highest-grade industrial bonds in the same currency in which the benefits are paid and which have terms to maturity equivalent to those of the pension obligations.

Additional substantial assumptions relating to severance and pension obligations are based in part on market conditions. Further information and sensitivity analyses can be found in item (27) Provisions.

(i) Other provisions

Other construction-related provisions, in particular, involve the risk that in individual cases the actual costs for warranty obligations or remaining performance obligations will turn out higher than expected. The balance sheet item other construction-related provisions is composed of several individual projects together, however, as a result of which the risk is reduced to the individual consideration of the projects.

Group companies STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG issued an acknowledgement as part of a settlement in the antitrust proceedings against them in Austria. Subsequently, the Federal Competition Authority (BWB) in July 2021 filed an application with the Cartel Court for a fine against the two companies in the amount of € 45.37 million.

The settlement is being made against the background of a criminal and antitrust investigation that was opened in spring 2017 against STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG, along with several other construction companies, regarding allegations of anti-competitive agreements for construction projects in Austria in the period from 2002 to 2017. Both group companies cooperated fully with the Federal Competition Authority from the outset and ultimately issued an acknowledgement as part of a settlement. Their cooperation had a corresponding positive effect on the amount of the fine. In October, the Cartel Court imposed the fine of € 45.37 million, thus confirming the amount requested by the Federal Competition Authority. The ruling was made public on 3 February 2022. Claims for damages by the contracting parties are now to be expected.

In July 2022, the Federal Competition Authority requested a review of the Cartel Court's final decision regarding the imposed fine. In its decision from October 2022, the Cartel Court rejected the Federal Competition Authority's application as inadmissible and upheld the view of STRABAG AG. The Federal Competition Authority has appealed against this decision, which is to be decided by the Austrian Supreme Court as the country's top cartel court. A decision remains outstanding.

The Management Board considers the appeal to be without merit and finds it unlikely that the decision will be changed, as STRABAG cooperated fully and continuously with the Federal Competition Authority under a leniency agreement. STRABAG's cooperation contributed significantly to the investigation, and it was the first company to end the antitrust proceedings against it with a final decision. Moreover, STRABAG moved to enhance its compliance system in response to the matter and implemented a novel monitoring system.

Corresponding provisions were made in the consolidated financial statements for damage control and possible claims resulting from the cartel violations. The amount of the provision was adjusted in the 2022 financial year. Given the complexity of the matter (long period of time, large number of projects, very different clients, heterogeneous structures, etc.), it is extremely difficult to estimate the final extent to which STRABAG will be negatively impacted as a result. The actual amounts may therefore deviate from the amount provided for.

Provisions for ongoing and pending legal proceedings are formed on the basis of current assessments. The outcome of these legal proceedings cannot be determined or is subject to uncertainties. The actual claims from the legal proceedings may therefore differ from the provision amounts.

Notes on the items of the consolidated income statement

(1) REVENUE

Revenue is represented as follows:

Revenue 2022

T€	North + West	South + East	International + Special Divisions	Other	Group
Business					
Construction	**7,739,156**	**5,239,627**	**1,797,837**		**14,776,620**
Germany	6,377,878	149,566	97,070		6,624,514
Austria	36,455	2,249,462	29,117		2,315,034
Poland	991,481	4,363	8,177		1,004,021
Czech Republic	0	904,454	14,615		919,069
Great Britain	44,133	0	632,780		676,913
Hungary	0	519,942	2,124		522,066
Slovakia	0	434,430	4,904		439,334
Chile	0	0	365,947		365,947
Other countries, each below € 300 million	289,209	977,410	643,103		1,909,722
Construction materials	**195,535**	**136,762**	**419,659**		**751,956**
Facility management	**0**	**0**	**561,968**		**561,968**
Project development	**0**	**0**	**581,306**		**581,306**
Other	**98,015**	**119,146**	**119,199**	**17,637**	**353,997**
Total	**8,032,706**	**5,495,535**	**3,479,969**	**17,637**	**17,025,847**

Revenue 2021

T€	North + West	South + East	International + Special Divisions	Other	Group
Business Construction	**7,069,774**	**4,699,981**	**1,412,964**		**13,182,719**
Germany	5,596,984	121,277	132,341		5,850,602
Austria	16,469	2,083,675	76,004		2,176,148
Poland	1,033,961	0	19,893		1,053,854
Czech Republic	0	776,714	14,767		791,481
Hungary	0	487,798	3,137		490,935
Great Britain	35,783	0	368,628		404,411
Other countries, each below € 300 million	386,577	1,230,517	798,194		2,415,288
Construction materials	**148,620**	**111,600**	**341,457**		**601,677**
Facility management	**0**	**0**	**508,694**		**508,694**
Project development	**0**	**0**	**679,104**		**679,104**
Other	**99,553**	**113,019**	**96,922**	**16,848**	**326,342**
Total	**7,317,947**	**4,924,600**	**3,039,141**	**16,848**	**15,298,536**

Service concession arrangements to develop, design, build, operate and finance infrastructure facilities are part of the operating business of STRABAG SE. Interest income from these concession arrangements is therefore recognised in revenue from project development amounting to T€ 58,099 (2021: T€ 59,880).

The interest income is calculated using the effective interest method.

All values presented under revenue involve revenue from contracts with customers.

In the 2022 financial year, revenue from approved claims in the amount of T€ 211,698 (2021: T€ 190,862) was recognised. The costs were already recognised in profit or loss in previous periods. This involves a large number of individual projects. Due to the complexity of construction projects, there can be numerous claims, some of which are approved during the construction process while others are negotiated only after project completion. During the execution of a construction project, therefore, new claims may arise on an ongoing basis while existing claims from previous periods may be approved. Up to 100 individual claims are quite common in a medium-sized construction project. It is therefore not possible to clearly allocate the costs to the approved claims, so that assumptions must be made when determining the value.

Revenue provides only an incomplete picture of the output volume achieved in the financial year. Output volume is a usual concept in the construction industry and at the STRABAG SE Group comprises the value of the produced goods and services. The total output volume of the Group also includes the proportional output of consortia and associates and is presented in detail in the management report.

(2) OTHER OPERATING INCOME

Other operating income includes insurance compensation and indemnification in the amount of T€ 49,788 (2021: T€ 34,397), exchange rate gains from currency fluctuations in the amount of T€ 15,019 (2021: T€ 12,347) as well as gains from the disposal of fixed assets without financial assets in the amount of T€ 57,200 (2021: T€ 55,642).

(3) CONSTRUCTION MATERIALS, CONSUMABLES AND SERVICES USED

T€	2022	2021
Construction materials, consumables	3,727,990	2,914,523
Services used	7,260,664	6,500,556
Construction materials, consumables and services used	**10,988,654**	**9,415,079**

Services used are mainly attributed to services of subcontractors and professional craftsmen as well as planning services, machine rentals and third-party repairs. The change of provisions for onerous contracts arising from construction contracts is included in this item.

(4) EMPLOYEE BENEFITS EXPENSE

T€	2022	2021
Wages	1,486,644	1,372,450
Salaries	1,921,033	1,793,821
Social security and related costs	657,761	618,326
Expenses for severance payments and contributions to employee provident fund	21,087	20,179
Expenses for pensions and similar obligations	9,236	12,704
Other social expense	37,973	26,099
Employee benefits expense	**4,133,734**	**3,843,579**

The expenses for severance payments and contributions to the employee provident fund and expenses for pensions and similar obligations include the expenses for service costs and indemnity claims resulting from old age part-time claims in the business year. The proportions of interest included in the expenses for severance payments as well as for pensions and similar obligations are recognised in the item net interest income.

Expenses from defined contribution plans amounted to T€ 16,888 (2021: T€ 14,523).

The **average number of employees** with the proportional inclusion of all participation companies is as follows:

Average number of employees (FTE)	2022	2021
White-collar workers	32,336	31,934
Blue-collar workers	41,404	41,672
Total	**73,740**	**73,606**

(5) OTHER OPERATING EXPENSE

Other operating expense of T€ 1,013,283 (2021: T€ 823,814) mainly includes general administrative costs, travel and advertising costs, insurance premiums, impairment of receivables, the balance of allocations to and utilisation of provisions, legal and advisory costs, rental and lease costs, interest expense from concession projects and losses on the disposal of assets (excluding financial assets). Other taxes amounting to T€ 68,941 (2021: T€ 64,417) are included.

Other operating expense includes losses from exchange rate differences from currency fluctuations in the amount of T€ 11,368 (2021: T€ 23,045).

The other operating expense in the financial year still includes impairments, losses and reversals of impairment losses on receivables in the amount of T€ 71,137 (2021: T€ 5,647). The changes in the impairments for expected credit losses under IFRS 9 in the financial year in the amount of T€ 2,157 as expense (2021: income T€ 4,946) are included in other operating expense.

Spending on research and development arose in various special technical proposals, in connection with concrete competitive projects and in the introduction of building processes and products into the market and was therefore recognised in full in the income statement.

(6) SHARE OF PROFIT OR LOSS OF EQUITY-ACCOUNTED INVESTMENTS

T€	2022	2021
Income from equity-accounted investments	29,985	34,322
Expenses arising from equity-accounted investments	-17,140	-21,700
Gains on the disposal of equity-accounted investments	0	3,163
Profit from construction consortia	134,115	138,240
Losses from construction consortia	-86,073	-61,915
Share of profit or loss of equity-accounted investments	**60,887**	**92,110**

(7) NET INCOME FROM INVESTMENTS

T€	2022	2021
Income from investments	74,024	53,473
Expenses arising from investments	-9,877	-17,619
Gains on the disposal of investments	4,073	4,264
Impairment losses and reversal of impairment losses on investments	-9,762	-3,551
Losses on the disposal of investments	-89	-465
Net income from investments	**58,369**	**36,102**

(8) DEPRECIATION AND AMORTISATION EXPENSE

Amortisation and depreciation, including the amortisation of rights from concession arrangements, amounted to T€ 533,960 in the financial year (2021: T€ 541,906). In the reporting period impairments on intangible assets and on property, plant and equipment to the amount of T€ 10,149 (2021: T€ 2,041) and reversal of impairment losses in the amount of T€ 0 (2021: T€ 0) were made. Impairment on goodwill amounts to T€ 6,700 (2021: T€ 5,667). For goodwill impairments we refer to the details under item (13) Goodwill.

Depreciation and amortisation expense of intangible and tangible assets includes depreciation and amortisation of right-of-use assets for leases in the amount of T€ 65,082 (2021: T€ 63,281).

(9) NET INTEREST INCOME

T€	2022	2021
Interest and similar income	50,742	26,962
Interest expense and similar charges	-40,066	-39,532
Net interest income	**10,676**	**-12,570**

Included in interest and similar income are exchange rate gains amounting to T€ 9,074 (2021: T€ 9,959) and interest portions from the plan assets for pension provisions in the amount of T€ 835 (2021: T€ 646).

Included in interest expense and similar charges are interest components from the allocation of severance payment and pension provisions amounting to T€ 5,102 (2021: T€ 3,024) as well as currency losses of T€ 5,877 (2021: T€ 13,835).

Interest from leases in the amount of T€ 7,326 (2021: T€ 6,122) is included in the interest expense and similar charges.

(10) INCOME TAX EXPENSE

Income tax includes taxes paid in the individual companies or owed on income, as well as deferred tax and the payments of additional tax payments resulting from tax audits:

T€	2022	2021
Current tax	201,923	180,722
Deferred tax	35,021	106,413
Income tax expense	**236,944**	**287,135**

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

T€	2022	2021
Change in hedging reserves	-19,468	-6,510
Actuarial gains/losses	-10,707	-9,251
Total	**-30,175**	**-15,761**

The reasons for the difference between the Austrian corporate income tax rate of 25% valid in 2022 and the actual consolidated tax rate are as follows:

T€	2022	2021
EBT	**717,073**	**883,538**
Theoretical tax expense 25%	179,268	220,884
Differences against foreign tax rates	4,639	-675
Changes in tax rates	4,276	-772
Non-tax-deductible expense	30,254	19,899
Tax-free income	-30,844	-28,286
Additional tax payments/tax refunds	11,970	-4,689
Change in valuation allowances on deferred tax assets	36,733	79,268
Others	648	1,506
Recognised income tax expense	**236,944**	**287,135**

(11) EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the consolidated profit or loss by the weighted average number of ordinary shares. As there are no stock options at the STRABAG SE Group, the diluted earnings per share equal the basic earnings per share.

	2022	2021
Number of ordinary shares	102,600,000	102,600,000
Number of shares outstanding as at 31.12.	**102,600,000**	**102,600,000**
Profit or loss attributable to equity holders of the parent (consolidated profit/loss) T€	472,454	585,706
Weighted number of shares outstanding during the year	102,600,000	102,600,000
Earnings per share €	**4.60**	**5.71**

STRABAG SE held no own shares as at 31 December 2022.

Notes on the items in the consolidated balance sheet

(12) CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

Consolidated statement of changes in fixed assets as at 31 December 2022

	Acquisition and production cost							
T€	Balance as at 1.1.2022	Additions to the consolidated group	Disposals from the consolidated group	Currency translation	Additions	Transfers	Disposals	Balance as at 31.12.2022
I. Intangible assets								
1. Concessions, software, licences, rights	140,763	669	3	-46	2,406	2	5,058	138,733
2. Goodwill	688,161	0	0	2,039	0	0	0	690,200
3. Advances paid	2	0	0	0	299	-2	0	299
Total	**828,926**	**669**	**3**	**1,993**	**2,705**	**0**	**5,058**	**829,232**
II. Rights from concession arrangements	**551,793**	**0**	**0**	**0**	**0**	**0**	**0**	**551,793**
III. Property, plant and equipment								
1. Land and buildings	1,560,602	4,548	0	2,336	134,241	17,074	18,142	1,700,659
2. Right-of-use assets	476,015	0	0	412	106,788	0	45,271	537,944
3. Technical equipment and machinery	3,046,390	805	104	13,416	230,343	16,261	147,444	3,159,667
4. Other facilities, furniture and fixtures and office equipment	1,375,303	312	76	958	172,682	-3,108	95,795	1,450,276
5. Advances paid and assets under construction	99,635	0	0	123	123,541	-30,217	318	192,764
6. Investment property	137,389	0	0	46	138	-10	118	137,445
Total	**6,695,334**	**5,665**	**180**	**17,291**	**767,733**	**0**	**307,088**	**7,178,755**

	Accumulated depreciation, amortisation and impairment									
T€	Balance as at 1.1.2022	Additions to the consolidated group	Disposals from the consolidated group	Currency translation	Additions	Transfers	Disposals	Balance as at 31.12.2022	Carrying amount as at 31.12.2022	Carrying amount as at 31.12.2021
I.										
1.	112,370	644	3	-16	6,001	0	4,811	114,185	24,548	28,393
2.	240,482	0	0	622	6,700	0	0	247,804	442,396	447,679
3.	0	0	0	0	0	0	0	0	299	2
	352,852	**644**	**3**	**606**	**12,701**	**0**	**4,811**	**361,989**	**467,243**	**476,074**
II.	**58,964**	**0**	**0**	**0**	**19,674**	**0**	**0**	**78,638**	**473,155**	**492,829**
III.										
1.	706,585	1,884	0	1,540	47,581	0	8,806	748,784	951,875	854,017
2.	147,772	0	0	196	65,081	0	27,499	185,550	352,394	328,243
3.	2,290,818	661	104	13,358	249,740	0	140,048	2,414,425	745,242	755,572
4.	882,440	305	76	1,203	155,913	0	87,864	951,921	498,355	492,863
5.	0	0	0	0	0	0	0	0	192,764	99,635
6.	134,603	0	0	0	119	0	110	134,612	2,833	2,786
	4,162,218	**2,850**	**180**	**16,297**	**518,434**	**0**	**264,327**	**4,435,292**	**2,743,463**	**2,533,116**

Consolidated statement of changes in fixed assets as at 31 December 2021

	Acquisition and production cost							
T€	Balance as at 1.1.2021	Additions to the consolidated group	Disposals from the consolidated group	Currency translation	Additions	Transfers	Disposals	Balance as at 31.12.2021
I. Intangible assets								
1. Concessions, software, licences, rights	143,434	9	500	216	2,529	16	4,941	140,763
2. Goodwill	688,459	0	5,114	4,816	0	0	0	688,161
3. Advances paid	16	0	0	0	2	-16	0	2
Total	**831,909**	**9**	**5,614**	**5,032**	**2,531**	**0**	**4,941**	**828,926**
II. Rights from concession arrangements	**551,793**	**0**	**0**	**0**	**0**	**0**	**0**	**551,793**
III. Property, plant and equipment								
1. Land and buildings	1,543,200	1,119	1,660	5,218	32,289	21,974	41,538	1,560,602
2. Right-of-use assets	428,029	0	115	1,768	75,729	0	29,396	476,015
3. Technical equipment and machinery	2,984,763	1,039	2,907	-3,457	186,584	22,449	142,081	3,046,390
4. Other facilities, furniture and fixtures and office equipment	1,313,330	106	1,023	2,070	153,883	2,031	95,094	1,375,303
5. Advances paid and assets under construction	64,963	0	0	235	80,891	-46,454	0	99,635
6. Investment property	141,888	0	0	80	135	0	4,714	137,389
Total	**6,476,173**	**2,264**	**5,705**	**5,914**	**529,511**	**0**	**312,823**	**6,695,334**

	Accumulated depreciation, amortisation and impairment									
T€	Balance as at 1.1.2021	Additions to the consolidated group	Disposals from the consolidated group	Currency translation	Additions	Transfers	Disposals	Balance as at 31.12.2021	Carrying amount as at 31.12.2021	Carrying amount as at 31.12.2020
I.										
1.	110,389	9	354	220	6,959	0	4,853	112,370	28,393	33,045
2.	238,893	0	5,114	1,036	5,667	0	0	240,482	447,679	449,566
3.	0	0	0	0	0	0	0	0	2	16
	349,282	**9**	**5,468**	**1,256**	**12,626**	**0**	**4,853**	**352,852**	**476,074**	**482,627**
II.	**39,903**	**0**	**0**	**0**	**19,061**	**0**	**0**	**58,964**	**492,829**	**511,890**
III.										
1.	688,875	90	623	2,240	37,202	0	21,199	706,585	854,017	854,325
2.	99,144	0	89	386	63,281	0	14,950	147,772	328,243	328,885
3.	2,165,909	907	1,794	-2,666	263,724	0	135,262	2,290,818	755,572	818,854
4.	811,960	95	678	1,146	153,806	0	83,889	882,440	492,863	501,370
5.	0	0	0	0	0	0	0	0	99,635	64,963
6.	139,278	0	0	0	-86	0	4,589	134,603	2,786	2,610
	3,905,166	**1,092**	**3,184**	**1,106**	**517,927**	**0**	**259,889**	**4,162,218**	**2,533,116**	**2,571,007**

Impairment losses totalling T€ 16,849 (2021: T€ 7,708) were recognised, including reversal of impairment losses of T€ 0 (2021: T€ 0).

(13) GOODWILL

The composition of and changes in goodwill is shown in the consolidated statement of changes in fixed assets.

The goodwill at the balance sheet date is composed as follows

T€	31.12.2022	31.12.2021
STRABAG Cologne (N+W)	131,118	128,838
STRABAG Cologne (S+E)	61,105	61,105
Czech Republic (S+E)	75,435	73,184
STRABAG Poland (N+W)	56,144	57,169
DIW Group (incl. SPFS Austria, SPFS Czech Republic; I+S)	51,848	51,817
Ed. Züblin AG (N+W)	17,057	17,057
Germany (various CGUs; N+W)	28,429	37,409
Construction materials (various CGUs; I+S)	9,466	9,170
Other	11,794	11,930
Total goodwill	**442,396**	**447,679**

The comparison of the carrying amounts with the recoverable amounts of the cash-generating units determined by the annual impairment testing showed a need to recognise an impairment loss of T€ 6,700 (2021: T€ 5,667) on goodwill. This figure is shown under depreciation and amortisation. The depreciation and amortisation in the financial year related to two companies in the North + West segment, one of which is active in the refractory business, the other in the energy and systems technology sector. The recoverable amount of the impaired cash-generating units amounts to T€ 11,581 (2021: T€ 900).

The recoverable amount of these cash-generating units (CGUs) corresponds to their fair value less cost to sell. The necessary impairments of the cash-generating units exclusively affected goodwill; impairment was not necessary for other assets of the CGUs.

The methods of measurement are explained in the section "Accounting policies" (Impairment of non-financial assets). The method applied here is a Level 3 measurement.

Regarding the sensitivity analysis of goodwill, we refer to our notes under "Estimates – (a) Recoverability of goodwill".

The following table presents the **key assumptions** used in calculating the recoverable amount for **significant goodwill.**

There were no intangible assets with indefinite useful lives allocated to the CGUs listed below.

T€	Carrying amount 31.12.2022	Methodology 31.12.2022	Detailed planning period 31.12.2022	Growth rate 31.12.2022	Discount rate after tax 31.12.2022
STRABAG Cologne (N+W)	131,118	FV less cost of disposal (Level 3) [2021: FV less cost of disposal (Level 3)]	4 (2021: 4)	0 (2021: 0)	9.77% (2021: 7.49%)
STRABAG Cologne (S+E)	61,105	FV less cost of disposal (Level 3) [2021: FV less cost of disposal (Level 3)]	4 (2021: 4)	0 (2021: 0)	10.17% (2021: 7.76%)
Czech Republic (S+E)	75,435	FV less cost of disposal (Level 3) [2021: FV less cost of disposal (Level 3)]	4 (2021: 4)	0 (2021: 0)	10.46% (2021: 7.91%)
STRABAG Poland (N+W)	56,144	FV less cost of disposal (Level 3) [2021: FV less cost of disposal (Level 3)]	4 (2021: 4)	0 (2021: 0)	11.26% (2021: 8.07%)
DIW Group (incl. SPFS Austria, SPFS Czech Republic; I+S)	51,848	FV less cost of disposal (Level 3) [2021: FV less cost of disposal (Level 3)]	4 (2021: 4)	0 (2021: 0)	9.54% (2021: 7.49%)

The method used is a discounted cash flow model based on recognised valuation techniques, with the forecast of the cash flows calculated by the management on the basis of experience. The key assumptions used to determine the recoverable amount were future cash flows and the cost of capital. Management does not consider that any reasonably possible change in the key assumptions would cause the carrying amount of the CGU which contains the above-mentioned goodwill to exceed its recoverable amount.

The sensitivity analyses described in the section "Estimates – (a) Recoverability of goodwill" did not lead to an impairment loss of the above-mentioned significant goodwill in any of the analysed cases.

(14) RIGHTS FROM CONCESSION ARRANGEMENTS

STRABAG has held 100% of PANSUEVIA GmbH & Co. KG, Jettingen-Scheppach, since 28 September 2018.

The company concluded a concession arrangement with the Federal Republic of Germany to design, build and finance a section of the A8 motorway and to maintain and operate a section of the A8 motorway between Ulm and Augsburg.

In exchange, PANSUEVIA receives the right to charge trucks a uniform toll rate per kilometre on an approx. 57 km long concession section. The toll may be adapted annually. The term of the concession arrangement is set at 30 years and ends on 30 June 2041.

The development of the concession right can be found in the consolidated statement of changes in fixed assets. The concession right is amortised over the term of 30 years on the basis of the use of the concession section. The annual income from the toll collections is recognised as revenue.

The right from the concession arrangement is offset by variable and fixed interest rate non-recourse financing in the amount of T€ 353,412 (2021: T€ 365,135) classified either as a current or non-current liability depending on the term to maturity. The resulting interest expense is recognised under other operating expense. The interest risk based on variable interest was hedged through the conclusion of interest rate swap agreements that satisfy the requirements for presentation as a cash flow hedge. The changes in the value of the interest rate swap are therefore recognised in the other comprehensive income.

(15) OTHER INTANGIBLE ASSETS

The composition of and changes in other intangible assets are shown under item (12) Consolidated statement of changes in fixed assets.

No borrowing costs were capitalised for other intangible assets in the reporting period.

Capitalised development costs

At the balance sheet date, development costs in the amount of T€ 0 (2021: T€ 0) were capitalised as intangible assets.

A total of T€ 15,769 (2021: T€ 16,164) in research and development costs incurred in the 2022 financial year were recorded as expenses.

(16) PROPERTY, PLANT AND EQUIPMENT

The composition of and changes in property, plant and equipment are shown under item (12) Consolidated statement of changes in fixed assets.

No borrowing costs were capitalised for property, plant and equipment in the reporting period.

Leases

Lessee

The development of right-of-use assets from leases is shown under item (12) Consolidated statement of changes in fixed assets.

The cash outflows from leases in the 2022 financial year break down as follows:

T€	31.12.2022	31.12.2021
Interest expense on lease liabilities	7,326	6,122
Repayment of lease liabilities	62,522	61,046
Variable lease payments	6,394	6,730
Payments for short-term leases	8,435	9,190
Total lease payments	**84,677**	**83,088**

Additionally, expenses for short-term equipment rentals that do not meet the leasing criteria in the amount of T€ 207,529 (2021: T€ 162,095) were incurred in the financial year.

To a minor extent, the STRABAG SE Group also rents office space to third parties and thus acts as a lessor. This particularly involves the TECH GATE VIENNA in Vienna. The annual rental income amounts to T€ 2,363 (2021: T€ 2,503) and is shown in other operating income.

The carrying amount of this building as at 31 December 2022 is T€ 64,230 (2021: T€ 66,376) and is recorded under property, plant and equipment (properties and buildings). Rental income in the next year and the following five years will remain roughly constant. All leases are classified as operating leases.

Restrictions on property, plant and equipment/purchase obligations

As at the balance sheet date there was T€ 106,684 (2021: T€ 107,021) in contractual commitments for acquisition of property, plant and equipment which were not considered in the consolidated financial statements.

Restrictions exist for non-current assets in the amount of T€ 0 (2021: T€ 0).

Investment property

The development of investment property is shown separately under item (12) Consolidated statement of changes in fixed assets. The fair value of investment property as at 31 December 2022 amounts to T€ 2,833 (2021: T€ 2,786). The fair value was determined using internal valuation reports or by employing the fair value of development land at market prices.

The internal valuations are considered Level 3 measurements as they are not based on observable market data.

The rental income from investment property in the 2022 financial year amounted to T€ 6,573 (2021: T€ 5,464) and direct operating expenses totalled T€ 8,267 (2021: T€ 6,210). Rental income in the next year and the following five years will remain roughly constant. In the financial year, as in the year before, no direct expenses were incurred from unlet investment property. Additionally, gains from asset disposals and payments from contract extensions in the amount of T€ 991 (2021: T€ 4,176) and losses from asset disposals in the amount of T€ 9 (2021: T€ 126) were achieved.

A reversal of impairment losses in the amount of T€ 0 was made in the 2022 financial year (2021: T€ 0).

(17) EQUITY-ACCOUNTED INVESTMENTS

T€	2022	2021
Carrying amount as at 1.1.	**403,163**	**418,993**
Acquisitions/contributions	16,954	31,858
Share of profit or loss for the financial year	12,845	15,785
Distributions received	-40,188	-45,316
Repayments of capital	0	-47,874
Share of other comprehensive income	9,602	4,857
Recognised as risk provision	8,796	16,403
Tax adjustment	0	8,457
Carrying amount as at 31.12.	**411,172**	**403,163**

Notes on associates

Lafarge Cement CE Holding GmbH, Vienna, is a significant associate. The group's share of the capital and voting rights amounts to 30%. The company is accounted for using the equity method. We also refer to item (38) Notes on related parties.

The following financial information concerns the consolidated financial statements prepared in accordance with IFRS.

T€	2022	2021
Revenue	299,723	273,735
Net income from continuing operations	24,635	12,447
Other comprehensive income	-8,005	10,111
Total comprehensive income	**16,630**	**22,558**
attributable to: non-controlling interests	*8*	*-129*
attributable to: equity holders of the parent	*16,622*	*22,687*

	31.12.2022	31.12.2021
Non-current assets	564,252	561,205
Current assets	109,632	119,663
Non-current liabilities	-149,750	-148,483
Current liabilities	-137,090	-116,972
Net assets	**387,044**	**415,413**
attributable to: non-controlling interests	*4,077*	*4,070*
attributable to: equity holders of the parent	*382,967*	*411,343*

The financial information presented here can be transferred to the equity carrying amount of the Lafarge Cement CE Holding GmbH in the consolidated financial statements as follows:

T€	2022	2021
Group's share of net assets as at 1.1.	**123,403**	**130,097**
Group's share of net income from continuing operations	7,273	3,637
Group's share of other comprehensive income	-2,286	3,169
Group's share of total comprehensive income	4,987	6,806
Dividends received	-13,500	-13,500
Group's share of net assets as at 31.12.	**114,890**	**123,403**
Goodwill	87,084	87,084
Equity-method carrying amount as at 31.12.	**201,974**	**210,487**

The following table arranges in aggregate form the carrying amount and the group's share of the profit and other comprehensive income from associates that would be immaterial by themselves:

T€	2022	2021
Total of equity-method carrying amounts as at 31.12.	94,578	87,287
Group's share of net income from continuing operations	7,700	2,630
Group's share of other comprehensive income	5,535	1,316
Group's share of total comprehensive income	13,235	3,946

Notes on joint ventures

The following table arranges in aggregate form the carrying amount and the group's share of the profit and other comprehensive income from joint ventures that would be immaterial by themselves:

T€	2022	2021
Total of equity-method carrying amounts as at 31.12.	114,620	105,389
Group's share of net income from continuing operations	-2,128	9,518
Group's share of other comprehensive income	6,353	372
Group's share of total comprehensive income	4,225	9,890

Notes on accumulated losses from equity-accounted investments

Proportionate losses from equity-accounted investments in the amount of T€ 7,801 (2021: T€ 11,621) were not recognised in profit or loss, as the carrying amounts of these investments already are T€ 0.

Notes on consortia

The group classifies construction consortia as joint ventures and records their earnings under share of profit or loss of equity-accounted investments. The following table shows the group's ten most important consortia with regard to the output volume in the 2022 financial year.

Construction consortia	Stake in %
ARGE A1 DAMMER BERGE, Germany (DAM)	50.00
ARGE ALLIANZ CAMPUS STUTTGART VAIHINGEN, Germany (CAMP)	50.00
ARGE FLUGHAFENTUNNEL, Germany (FHT)	65.00
ARGE NB JVA WILLICH I, Germany (JVA)	50.00
ARGE SCHULNEUBAU ALLEE DER KOSMONAUTEN, Germany (KOS)	70.00
ARGE TUNNEL RASTATT, Germany (RAST)	50.00
ARGE U2 17-21, Austria (U2)	50.00
ARGE US-KLINIK WEILERBACH, Germany (WEIL)	75.00
BAU-ARGE ÖPP BAB A49 SLW, Germany (A49)	50.00
COMBINATIE HEREPOORT VOF, the Netherlands (HER)	39.48

The financial information in the 2022 financial year on these consortia is presented 100% before consolidation and valuation approaches deviating from the consortia balance sheet if applicable.

T€	Revenue	Non-current assets	Current assets	thereof cash and cash equivalents	Non-current liabilities	Current liabilities
A49	176,087	6,521	432,625	67,114	0	439,146
FHT	114,892	8,813	298,918	28,376	0	307,731
HER	107,150	394	18,050	1,245	0	18,444
DAM	93,939	5,052	7,242	262	0	12,294
U2	89,173	6,665	18,224	5,864	0	24,889
CAMP	76,323	0	36,267	31,921	0	36,267
JVA	60,217	373	39,632	38,495	0	40,005
RAST	44,586	168	55,006	37,404	0	55,174
KOS	36,772	0	61,292	23,370	0	61,292
WEIL	32,911	0	49,861	14,696	0	49,861

In the 2022 financial year, the share of profit or loss of equity-accounted investments recorded for the above-mentioned consortia included T€ 35,159 in profits from consortia and T€ 55,591 in losses from consortia including impending losses.

The financial information in the 2021 financial year on these consortia is presented 100% before consolidation and valuation approaches deviating from the consortia balance sheet if applicable.

T€	Revenue	Non-current assets	Current assets	thereof cash and cash equivalents	Non-current liabilities	Current liabilities
A49	100,759	6,474	192,068	42,793	0	198,542
FHT	97,309	13,660	167,047	9,514	0	180,707
HER	93,291	451	7,296	7,060	0	7,747
DAM	74,350	58	5,025	123	0	5,083
U2	52,263	2,634	15,042	8,234	0	17,676
CAMP	22,466	0	6,842	6,032	0	6,842
JVA	40,335	418	33,882	31,832	0	34,300
RAST	40,674	705	35,238	16,422	0	35,943
KOS	1,875	0	8,897	5,635	0	8,897
WEIL	0	0	0	0	0	0

In the 2021 financial year, the share of profit or loss of equity-accounted investments recorded for the above-mentioned consortia included T€ 11,801 in profits from consortia and T€ 20,860 in losses from consortia including impending losses.

The business transactions with the consortia in the financial year can be presented as follows:

T€	2022	2021
Work and services performed	958,228	899,929
Work and services received	13,751	17,063
Receivables as at 31.12.	409,721	383,012
Liabilities as at 31.12.	330,158	367,655

(18) OTHER INVESTMENTS

The other investments in companies include investments in subsidiaries, associated companies, joint ventures and other investments which, being immaterial, are reported as not consolidated and are not included at equity in the consolidated financial statements. Detailed information on the group's investments (shares of more than 20%) can be found in the list of investments, which is included in the annual financial report.

The development of the other investments in the financial year was as follows:

T€	Balance as at 1.1.2022	Currency translation	Changes in the consolidated group	Additions	Transfers	Disposals	Impairment losses/ Reversal of impairment losses	Balance as at 31.12.2022
Investments in subsidiaries	90,224	-10	-4,273	15,985	19	-2,458	-6,558	92,929
Investments	105,164	362	-8	5,448	-19	-2,671	-3,204	105,072
Other investments	**195,388**	**352**	**-4,281**	**21,433**	**0**	**-5,129**	**-9,762**	**198,001**

The development of the other investments in the previous financial year was as follows:

T€	Balance as at 1.1.2021	Currency translation	Changes in the consolidated group	Additions	Transfers	Disposals	Impairment losses/ Reversal of impairment losses	Balance as at 31.12.2021
Investments in subsidiaries	90,408	0	-3,668	8,516	-28	-713	-4,291	90,224
Investments	97,230	442	0	10,773	28	-4,049	740	105,164
Other investments	**187,638**	**442**	**-3,668**	**19,289**	**0**	**-4,762**	**-3,551**	**195,388**

(19) DEFERRED TAX

Tax accruals and deferrals recognised in the balance sheet on temporary differences between the amounts stated in the IFRS financial statements and the respective tax amounts as well as on losses carried forward developed as follows:

T€	Balance as at 1.1.2022	Currency translation	Changes in the consolidated group	Other changes	Balance as at 31.12.2022
Intangible assets and property, plant and equipment	52,654	-83	0	-1,696	50,875
Financial assets	11,588	-2	0	-9,693	1,893
Inventories	7,978	279	0	19,236	27,493
Receivables and other assets	112,104	389	0	-45,569	66,924
Provisions	160,677	9	-3	-130	160,553
Liabilities	18,233	-314	0	4,246	22,165
Tax loss carryforwards	85,271	0	-53	-11,980	73,238
Deferred tax assets	**448,505**	**278**	**-56**	**-45,586**	**403,141**
Offsetting of deferred tax assets and liabilities relating to the same taxation authority	-344,061	0	0	51,456	-292,605
Deferred tax assets offset	**104,444**	**278**	**-56**	**5,870**	**110,536**
Intangible assets and property, plant and equipment	-95,964	-775	-387	15,621	-81,505
Financial assets	-10,165	0	0	-1,520	-11,685
Inventories	-26,793	12	78	-322	-27,025
Receivables and other assets	-283,062	-410	33	-13,584	-297,023
Provisions	-5,796	18	9	3,504	-2,265
Liabilities	-26,344	96	7	-21,682	-47,923
Deferred tax liabilities	**-448,124**	**-1,059**	**-260**	**-17,983**	**-467,426**
Offsetting of deferred tax assets and liabilities relating to the same taxation authority	344,061	0	0	-51,456	292,605
Deferred tax liabilities offset	**-104,063**	**-1,059**	**-260**	**-69,439**	**-174,821**

Deferred tax on losses carried forward was capitalised as these can probably be offset with future taxable profits. The planning period is limited to five years.

No deferred tax assets were made for tax losses carried forward on the corporate income tax and on the German trade tax (Gewerbesteuer) totalling T€ 2,024,045 (2021: T€ 1,705,397), as their effectiveness as final tax relief is not sufficiently assured.

Of the non-capitalised losses carried forward, T€ 2,004,645 (2021: T€ 1,568,548) have unrestricted use.

For the STRABAG SE tax group, Austria, deferred tax was capitalised despite tax losses in the previous years as well as in the reporting period. The recognised deferred tax for losses carried forward amounted to T€ 62,691 (2021: T€ 76,165) for the STRABAG SE tax group. This contains deferred tax assets on open amortisation over seven years in the amount of T€ 62,691 (2021: T€ 76,165). The Austrian Corporate Income Tax Act (Körperschaftsteuergesetz) requires a tax-effective impairment of investments to be claimed over a period of seven years.

The losses of the ongoing year and of the past were strongly influenced by negative special items. To avoid such negative projects, the group has continuously expanded and improved its opportunity and risk management and implemented organisational and strategic improvements. The tax planning for the STRABAG SE tax group for the next five years documents the usability of the tax loss carryforwards.

In January 2022, a gradual reduction of the corporate income tax rate from 25% to 23% was decided in Austria. The tax rate will be lowered to 24% in 2023 and to 23% in 2024. The tax deferral is calculated using the tax rate at the time of the expected reversal of the difference in value between the IFRS balance sheet values and the tax values.

The deferred taxes already existing on 31 December 2021 were adjusted to the tax rate of the expected reversal. The resulting tax expense in the amount of T€ 4,213 was recognised in profit or loss.

(20) INVENTORIES

T€	31.12.2022	31.12.2021
Construction materials, auxiliary supplies and fuel	280,687	218,820
Finished buildings	122,647	128,741
Unfinished buildings	187,303	219,787
Undeveloped land	400,905	331,317
Finished goods and work in progress	22,230	21,276
Advances paid	54,935	49,162
Inventories	**1,068,707**	**969,103**

Impairment in the amount of T€ 24,766 (2021: T€ 3,883) was recognised on inventories excluding construction materials, auxiliary supplies and fuel. T€ 6,878 (2021: T€ 21,474) of the inventories excluding construction materials, auxiliary supplies and fuel were reported with the net realisable value.

For qualifying assets, interest on borrowings was recognised in the amount of T€ 121 (2021: T€ 341).

(21) RECEIVABLES FROM CONCESSION ARRANGEMENTS

STRABAG has a 100% interest in the Hungarian M5 motorway concession company, AKA Alföld Koncessziós Autópálya Zrt., Budapest (AKA).

In the concession arrangement with the Hungarian state, AKA committed to develop, plan and finance and to build and operate the M5 motorway. The motorway itself is the property of the state; all vehicles and equipment necessary for motorway operation are to be transferred to the state free of charge following the end of the concession period.

In exchange, AKA will regularly receive an availability fee, independent of transit volume, from the Hungarian state for making the motorway available to the public. AKA bears the operator's risk of motorway closure and non-compliance of contractually agreed roadway criteria.

The route totals 156.5 km and was built in three phases. The concession period runs until 2031. A one-time extension for up to 17.5 years is possible.

All services provided under this concession arrangement are accounted for under the separate balance sheet item receivables from concession arrangements. The receivables are carried at the present value of the payment to be made by the state. The annual accumulation amount is recognised in revenue.

The contract also includes interest adjustment payments to be made by the Hungarian state. As a result, the state bears the interest risk from the financing of AKA. These interest adjustment payments represent a separate hedging transaction. Presentation is made as a cash flow hedge; as a result, changes in the fair value of the interest rate swap are recognised in other comprehensive income.

The market value of the interest rate swap in the amount of T€ 377 (2021: T€ -7,681) is also recognised under long-term receivables from concession arrangements.

Recognisable receivables from concession arrangements are offset by non-recourse financing in the amount of T€ 98,489 (2021: T€ 161,656), classified either as a current or non-current liability depending on the term to maturity. The resulting interest expense is recognised in other operating expense.

(22) CONTRACT ASSETS AND CONTRACT LIABILITIES

The contract assets comprise the right to payment from construction contracts with customers as well as from project developments for the work performed by the reporting date. If the advances received exceed the payment rights, presentation is made under contract liabilities.

The **contractual balances** are comprised as follows:

T€	31.12.2022	31.12.2021
Contract assets (gross)	*8,094,379*	*7,514,453*
Advances received	*-6,736,638*	*-6,166,212*
Contract assets	**1,357,741**	**1,348,241**
Contract liabilities (gross)	*-7,327,361*	*-6,828,833*
Advances received	*8,472,037*	*7,946,181*
Contract liabilities	**1,144,676**	**1,117,348**

In the 2022 financial year, revenue was recognised in the amount of T€ 1,053,684 (2021: T€ 976,548) that had been included under contract liabilities at the beginning of the financial year.

As at 31 December 2022, there are unsatisfied performance obligations from construction contracts with customers and project developments (order backlog) in the amount of T€ 19,814,930 (2021: T€ 18,877,387). The recognition of revenue from these performance obligations is expected with T€ 11,080,832 (2021: T€ 9,964,684) in the following financial year and with T€ 8,734,098 (2021: T€ 8,912,704) in the next four financial years.

In the reporting period, no costs of contract initiation or contract satisfaction were capitalised as separate assets.

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

With regard to the contract assets and liabilities, we refer to our notes in the section “Estimates – (c) Recognition of revenue from construction contracts with customers and project developments”.

(23) TRADE RECEIVABLES

Trade receivables are comprised as follows:

	31.12.2022			31.12.2021		
T€	Total	thereof current	thereof non-current	Total	thereof current	thereof non-current
Trade receivables	1,314,939	1,314,939	0	1,132,810	1,132,810	0
Receivables from consortia	262,899	262,899	0	254,005	254,005	0
Advances paid to subcontractors	103,156	103,156	0	60,559	60,559	0
Trade receivables	**1,680,994**	**1,680,994**	**0**	**1,447,374**	**1,447,374**	**0**

(24) OTHER FINANCIAL ASSETS

Other financial assets are comprised as follows:

	31.12.2022			31.12.2021		
T€	Total	thereof current	thereof non-current	Total	thereof current	thereof non-current
Securities	26,018	0	26,018	28,122	0	28,122
Receivables from subsidiaries	95,300	91,173	4,127	99,401	94,905	4,496
Receivables from participation companies	146,664	74,512	72,152	158,240	76,299	81,941
Other financial assets	390,740	87,384	303,356	240,852	95,440	145,412
Other financial assets	**658,722**	**253,069**	**405,653**	**526,615**	**266,644**	**259,971**

(25) CASH AND CASH EQUIVALENTS

T€	31.12.2022	31.12.2021
Securities	10	2,823
Cash on hand	1,332	1,338
Bank deposits	2,700,507	2,959,090
Cash and cash equivalents	**2,701,849**	**2,963,251**

(26) EQUITY

Details as to the development of the equity of STRABAG SE are represented in the statement of changes in equity.

The following resolutions were passed among others at the 18th Annual General Meeting of STRABAG SE held on 24 June 2022:

The Management Board shall be authorised, in accordance with Section 65 Para 1 No 8 as well as Para 1a and 1b of the Austrian Stock Corporation Act (AktG), to acquire no-par value bearer or registered shares of the company on the stock exchange, by public tender or in any other manner to the extent of up to 10% of the share capital during a period of 30 months from the date of this resolution at a minimum price of € 1.00 per share (= calculated value of one share in proportion to the share capital) and a maximum price of € 42.00 per share. The purpose of the acquisition may not be to trade with own shares. This authorisation may be exercised once or several times, in full or in part or in several partial amounts, and in pursuit of one or several purposes by the company, by a subsidiary (Section 189a Para 7 of the Austrian Commercial Code (UGB)) or by third parties acting on behalf of the company. The authorisation will be exercised by the Management Board in such a way that the proportion of the share capital associated with the shares acquired by the company on the basis of this authorisation or otherwise may not exceed 10% of the share capital at any time.

An acquisition may be decided by the Management Board; the Supervisory Board must be subsequently informed of this decision.

The Management Board shall be authorised, with regard to the acquisition of no-par value bearer or registered shares of the company (resolution item 1), to exclude the shareholders' proportionate selling rights that may accompany such an acquisition (reverse exclusion of subscription rights). An acquisition under exclusion of the proportionate selling rights (reverse exclusion of subscription rights) is subject to the prior consent of the Supervisory Board.

The Management Board shall be authorised to withdraw, with the consent of the Supervisory Board, all or part of the own shares acquired by the company without a further resolution by the General Meeting.

The Management Board shall be authorised, for a period of five years from this resolution, to sell or assign its own shares, with approval by the Supervisory Board, in accordance with Section 65 Para 1b AktG in a manner other than on the stock market or through a public tender, to the exclusion of the shareholders' buyback rights (subscription rights), and to determine the conditions of sale. The authorisation may be exercised once or several times, in full or in part or in several partial amounts, and in pursuit of one or several purposes by the company, by a subsidiary (Section 189a Para 7 UGB) or by third parties acting on behalf of the company.

On 18 August 2022 Haselsteiner Familien-Privatstiftung, Dr. Hans Peter Haselsteiner and Klemens Haselsteiner, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and a group company as well as UNIQA Insurance Group AG and group companies, have concluded a new long-term syndicate agreement to continue the existing core shareholder syndicate for STRABAG SE.

The Management Board of STRABAG SE welcomes the continuation of the core shareholder group, which supports the company's successful strategic orientation and growth.

Mandatory offer by core shareholders

On 18 August 2022 Haselsteiner Familien-Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and UNIQA Österreich Versicherungen AG informed STRABAG SE of their intention, as bidders, to make a mandatory (anticipatory) public offer pursuant to Section 22 et seq of the Austrian Takeover Act (ÜbG) for the acquisition of all outstanding no-par value bearer shares of STRABAG SE (ISIN AT0000STR1) not held by the bidders or by legal entities acting in concert with the bidders, with an offer price of € 38.94 per STRABAG share.

The offer is also intended to remove the current restriction on voting rights of the bidders (and the legal entities acting jointly with them) to a total of 26%, which arose due to a passive acquisition of control because of the European sanction restrictions on MKAO “Rasperia Trading Limited”.

Agreement on the acquisition of own shares by STRABAG SE

STRABAG SE has agreed with the bidders to acquire, as own shares, up to 10,260,000 of the shares included in the offer, representing up to 10% of the share capital, at the same price as the offer price (€ 38.94). The bidders will acquire these shares in the course of the offer in trust for STRABAG SE.

This agreement is based on the resolution adopted by the General Meeting on 24 June 2022 authorising the Management Board to buy back own shares.

The buyback obligation for own shares up to a maximum of 10% of the share capital (i.e. 10,260,000 shares) as at 31 December 2022 results in a current financial liability in the amount of the maximum purchase price of T€ 399,524, which is deducted directly from retained earnings.

STRABAG SE acquired 2,779,006 shares under the share purchase agreement on 9 February 2023. The actual acquisition costs for the own shares therefore amounted to a total of T€ 108,214. In the 2023 financial year, the current other financial liability can therefore be reversed in the amount of T€ 291,310 without affecting profit or loss.

Notes on the 2021 financial year

The 17th Annual General Meeting of STRABAG SE held on 18 June 2021 resolved to reduce the share capital of the company from € 110,000,000.00 in a simplified procedure through the withdrawal of 7,400,000 own shares with a proportionate amount of the share capital of € 7,400,000.00 in accordance with Article 9 Para 1 of the Societas Europaea Regulation (SE-VO) in conjunction with Sec 192 Para 3 (2) and Para 4 of the Austrian Stock Corporation Act (AktG). The purpose of this simplified capital reduction is the withdrawal of own shares.

The capital reduction was entered into the commercial register on 16 July 2021.

The fully paid-in share capital as at 31 December 2021 amounts to € 102,600,000.00 and is divided into 102,599,997 no-par bearer shares and three registered shares.

The nominal value of the own shares was reclassified from share capital to capital reserves.

During the acquisition of own shares in 2011, 2012 and 2013, the acquisition costs of € 236,978,341.46 were deducted from retained earnings. This amount has now been reclassified to capital reserves as part of the withdrawal of own shares.

Other Notes

Long-term economic success, within the context of responsibility to our shareholders, customers, employees, suppliers, sub-contractors and the company itself, is the primary entrepreneurial objective of the STRABAG SE Group. Working to pursue these goals, recognising opportunities and risks before and as they arise, and responsibly taking these into consideration safeguards the continuity of the group and protects the interests of the shareholders.

To guarantee the continuity of the company, the management and responsible employees assure that there is a balanced relationship between opportunities and risks during the selection of projects and assess the individual risks against the background of the overall company risk.

The group equity ratio target was defined at between 20% and 25% during the IPO of STRABAG SE in October 2007. The equity ratio is calculated from the carrying amount of the equity as at 31 December divided by the balance sheet total as at 31 December. The equity contains all parts of the equity according to the balance sheet: share capital, capital reserves, retained earnings and other reserves and non-controlling interests.

The group equity ratio as at 31 December 2022 amounted to 31.7% (2021: 33.3%). With this equity base, the STRABAG SE Group will be able to participate increasingly in tenders for Public-Private Partnership (PPP) projects. This means that the necessary funds for a participation in equity capital are available and that the related change in the balance sheet total will be manageable.

If the group is awarded the tender for large-scale projects, or if a strategically suitable acquisition is made, the equity ratio could briefly fall below the set minimum. In this case, the company reserves the right to adjust the dividend payments to the shareholders or to issue new shares.

(27) PROVISIONS

T€	Balance as at 1.1.2022	Currency translation	Changes in the consolidated group	Added	Used	Balance as at 31.12.2022
Provisions for severance payments	108,361	410	0	0	17,389	91,382
Provisions for pensions	376,825	-248	0	0	43,030	333,547
Construction-related provisions	504,626	-6,075	0	39,259	61,466	476,344
Personnel-related provisions	5,860	0	0	141	393	5,608
Other provisions	240,252	-1,154	0	146,981	14,169	371,910
Non-current provisions	**1,235,924**	**-7,067**	**0**	**186,381**	**136,447**	**1,278,791**
Construction-related provisions	615,813	-1,616	-184	624,585	615,134	623,464
Personnel-related provisions	202,860	111	0	228,270	203,348	227,893
Other provisions	279,032	483	697	277,519	279,982	277,749
Current provisions	**1,097,705**	**-1,022**	**513**	**1,130,374**	**1,098,464**	**1,129,106**
Total	**2,333,629**	**-8,089**	**513**	**1,316,755**	**1,234,911**	**2,407,897**

The **actuarial assumptions as at 31 December 2022** used to calculate provisions for severance payments and pensions are represented as follows:

	Severance payments	Pension obligation Austria	Pension obligation Germany	Pension obligation Switzerland
Biometric tables	AVÖ 2018-P	AVÖ 2018-P	Dr. Klaus Heubeck 2018G	BVG 2020G
Discount rate (%)	3.78	3.78	3.78	2.25
	(2021: 0.98)	(2021: 0.98)	(2021: 0.98)	(2021: 0.25)
Salary increase (%)	3.00	0.00	0.00	2.40
	(2021: 2.00)	(2021: 0.00)	(2021: 0.00)	(2021: 0.70)
Future pension increase (%)	n. a.	dependent on contractual adjustment	3.95	0.25
			(2021: 1.50)	(2021: 0.25)
Retirement age for men	62	65	63–67	65
	(2021: 62)	(2021: 65)	(2021: 63–67)	(2021: 65)
Retirement age for women	62	60	63–67	65
	(2021: 62)	(2021: 60)	(2021: 63–67)	(2021: 64)

Sensitivity analysis

All other parameters remaining equal, a change in the discount rate by +/- 0.5 percentage points, a change in the salary increase by +/- 0.25 percentage points as well as a change in the pension increase by +/- 0.25 percentage points would have the following impact on the amount of the provisions for severance payments and pension obligations as at 31 December 2022:

T€	Change in discount rate		Change in salary increase		Change in future pension increase	
Change[1]	**-0.5 %-points**	**+0.5 %-points**	**-0.25 %-points**	**+0.25 %-points**	**-0.25 %-points**	**+0.25 %-points**
Severance payments	-2,805	2,644	1,354	-1,389	n. a.	n. a.
Pension obligations	-26,516	23,947	402	-380	8,661	-8,992

1 Sign: - increase in obligation, + decrease in obligation

Provisions for severance payments show the following development:

T€	2022	2021
Present value of the defined benefit obligation as at 1.1.	**108,361**	**122,552**
Changes in the consolidated group/currency translation	410	-997
Current service cost	1,272	2,378
Interest cost	849	485
Severance payments	-9,444	-12,178
Actuarial gains/losses arising from experience adjustments	940	-352
Actuarial gains/losses arising from change in the discount rate	-11,006	-3,527
Present value of the defined benefit obligation as at 31.12.	**91,382**	**108,361**

The **development of the provisions for pensions** is shown below:

T€	2022	2021
Present value of the defined benefit obligation as at 1.1.	**566,229**	**631,731**
Changes in the consolidated group/currency translation	8,101	8,364
Current service cost	9,516	7,468
Interest cost	4,253	2,539
Pension payments	-34,548	-44,446
Actuarial gains/losses arising from experience adjustments	7,707	-8,667
Actuarial gains/losses arising from change in the discount rate	-72,312	-23,504
Actuarial gains/losses arising from demographic changes	-153	-7,256
Present value of the defined benefit obligation as at 31.12.	**488,793**	**566,229**

The **plan assets for pension provisions** developed as follows in the reporting period:

T€	2022	2021
Fair value of the plan assets as at 1.1.	**189,404**	**203,375**
Changes in the consolidated group/currency translation	8,349	8,202
Return on plan assets	835	646
Contributions	9,312	6,909
Pension payments	-12,491	-21,407
Actuarial gains/losses	-14,406	6,869
Assets not included according to IFRIC 14	-25,757	-15,190
Fair value of the plan assets as at 31.12.	**155,246**	**189,404**

The **plan assets** consist of the following risk groups:

T€	31.12.2022	31.12.2021
Shares[1]	25,519	30,433
Bonds[1]	42,157	45,004
Cash	1,766	1,237
Investment funds	10,698	10,837
Real estate	20,396	22,939
Liability insurance	64,309	61,871
Other assets	32,135	32,273
Assets not included according to IFRIC 14	-41,734	-15,190
Total	**155,246**	**189,404**

The plan assets involve almost exclusively the assets of the pension foundation of STRABAG AG, Switzerland. Any investments in this regard are subject to the applicable laws and regulations governing the supervision of foundations. Capital investments are to be chosen by trained experts in such a way as to guarantee the investment goal of revenue-generating and risk-minimising asset management while taking into consideration security, risk distribution, returns and the liquidity to fulfil the pension purposes. The investment strategy can be adjusted on an annual basis in order to reflect market changes. Currently the split is 50% in nominal value assets and 50% in tangible assets.

1 All shares and bonds are traded in an active market

In the 2022 financial year, STRABAG AG, Switzerland, had no surplus of plan assets over the pension liability (2021: surplus of T€ 5,033).

The expected contributions to pension foundations in the following year will amount to T€ 3,218 (2021: T€ 3,293).

Asset-liability matching strategy

Pension payments in Switzerland are provided by pension foundations with funds dedicated to this purpose, while payments in Austria and in Germany are covered by readily available cash and cash equivalents as well as securities.

The actual expenses from plan assets amounted to T€ 11,644 in the 2022 financial year (2021: income of T€ 7,634).

The following amounts for pension and severance provisions were recognised in the **income statement:**

T€	2022	2021
Current service cost	10,788	9,846
Interest cost	5,102	3,024
Return on plan assets	835	646

The **development of the net defined benefit obligation** for pension and severance provisions was as follows:

T€	31.12.2022	31.12.2021
Net obligation for severance provisions	91,382	108,361
Present value of the defined benefit obligation (pension provisions)	*488,793*	*566,229*
Fair value of plan assets (pension provisions)	*-155,246*	*-189,404*
Net obligation for pension provisions	333,547	376,825
Net obligation total	**424,929**	**485,186**

The **maturity profile** of the benefit payments from the net defined benefit liability as at 31 December 2022 was as follows:

T€	< 1 year	1–5 years	6–10 years	11–20 years	> 20 years
Provisions for severance payments	9,407	32,795	31,293	30,511	743
Provisions for pensions	28,511	123,450	108,723	154,569	123,215

The **maturity profile** of the benefit payments from the net defined benefit liability as at 31 December 2021 was as follows:

T€	< 1 year	1–5 years	6–10 years	11–20 years	> 20 years
Provisions for severance payments	9,320	27,753	29,976	28,923	1,930
Provisions for pensions	27,995	117,640	96,682	125,711	80,735

The **durations** (weighted average term) are shown in the following table.

Years	31.12.2022	31.12.2021
Severance payments Austria	7.65	8.66
Pension obligations Austria	5.69	9.01
Pension obligations Germany	10.16	11.00
Pension obligations Switzerland	12.40	14.30
Pension obligations the Netherlands	15.39	17.18

Other provisions

The construction-related provisions include warranty obligations, costs of the contract execution and subsequent costs of invoiced contracts, as well as impending losses from projects pending which are not accounted for elsewhere. The personnel-related provisions essentially include bonus obligations and premiums, service anniversary bonuses, contributions to occupational funds as well as costs of the old age part-time scheme and expenses for personnel downsizing measures. Other provisions especially include provisions for damages and litigations.

(28) FINANCIAL LIABILITIES

T€	31.12.2022 Total	thereof current	thereof non-current	31.12.2021 Total	thereof current	thereof non-current
Bonds	0	0	0	200,000	200,000	0
Bank borrowings	624,763	241,757	383,006	687,764	224,358	463,406
Lease liabilities	332,438	59,112	273,326	305,851	58,647	247,204
Financial liabilities	**957,201**	**300,869**	**656,332**	**1,193,615**	**483,005**	**710,610**

Physical securities (mainly mortgages) were established to cover liabilities to banks in the amount of T€ 7,087 (2021: T€ 33,516).

The bank borrowings involve non-recourse liabilities in the amount of T€ 607,974 (thereof non-current: T€ 372,859). This value amounted to T€ 652,740 (thereof non-current: T€ 452,402) in the previous year.

The lease liabilities are presented less the rental deposits of T€ 27,861 (2021: T€ 28,552).

(29) TRADE PAYABLES

T€	31.12.2022 Total	thereof current	thereof non-current	31.12.2021 Total	thereof current	thereof non-current
Trade payables	2,326,851	2,326,851	0	2,150,670	2,150,670	0
Liabilities from construction consortia	242,191	242,191	0	270,760	270,760	0
Trade payables	**2,569,042**	**2,569,042**	**0**	**2,421,430**	**2,421,430**	**0**

(30) OTHER FINANCIAL LIABILITIES

T€	31.12.2022 Total	thereof current	thereof non-current	31.12.2021 Total	thereof current	thereof non-current
Payables to subsidiaries	91,884	91,884	0	110,530	110,530	0
Payables to participation companies	10,839	10,839	0	15,524	15,524	0
Other financial liabilities	703,392	619,574	83,818	269,699	173,911	95,788
Other financial liabilities	**806,115**	**722,297**	**83,818**	**395,753**	**299,965**	**95,788**

The other current financial liabilities include a liability of T€ 399,524 from the buyback obligation for own shares as at 31 December 2022. See also the comments under item (26) Equity.

(31) CONTINGENT ASSETS

On 29 June 2020, the tribunal in STRABAG SE v Libya (ICSID Case No. ARB (AF)/15/1) issued its award holding Libya in breach of the agreement between the Republic of Austria and the State of Libya for the promotion and protection of investments. The tribunal consequently awarded STRABAG SE damages of € 75 million plus interest, and ordered Libya to reimburse STRABAG 75% of its legal costs and expenses, and to bear 75% of the costs of the arbitration.

STRABAG commenced its activities in Libya – the construction of infrastructure – in 2006. The operations were interrupted in 2011 by the conflict in the country. In the arbitration proceedings, STRABAG claimed compensation for losses and damages suffered during the conflict and for work it had already performed on the various construction projects.

A motion filed by Libya with the competent courts in the United States to set aside the arbitration award was dismissed by final decision after passing through several instances.

It remains uncertain whether Libya will honour the award. STRABAG is examining all possibilities of enforcing the arbitration award and has initiated recognition and enforcement proceedings. These proceedings are moving along very slowly and have not yet led to any additional findings. Because of the existing uncertainties no receivable was recognised.

(32) CONTINGENT LIABILITIES

The company has accepted the following **guarantees:**

T€	31.12.2022	31.12.2021
Guarantees without financial guarantees	20	174

(33) OFF-BALANCE SHEET TRANSACTIONS

In the construction industry, it is customary and necessary to provide various types of guarantees to secure the contractual obligations. These guarantees are usually issued by banks or credit insurers and most commonly comprise bid, contract performance, prepayment and warranty guarantees. In the event these guarantees are called upon, the relevant banks have a contractual right of recourse against the group. The risk that such guarantees are utilised and that a right of recourse arises materialises only if the primary contractual obligations are not properly performed.

Obligations and possible risks from such guarantees are recognised in the balance sheet as provisions or liabilities.

Not included in the balance sheet or the contingent liabilities as at 31 December 2022 are performance bonds in the amount of € 4.1 billion (2021: € 3.1 billion) of which an outflow of resources is unlikely.

As is customary in the industry, STRABAG SE shares liability with the other partners of consortia in which companies of the STRABAG SE Group hold a share interest.

(34) NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The representation of the cash flow statement was made according to the indirect method and separated into the cash flows classified by operating, investing and financing activities. The cash and cash equivalents include exclusively cash on hand, bank deposits and short-term securities. Any effects from changes in the consolidated group were eliminated and represented in the cash flow from investing activities.

The **cash and cash equivalents** are composed as follows:

T€	31.12.2022	31.12.2021
Securities	10	2,823
Cash on hand	1,332	1,338
Bank deposits	2,700,507	2,959,090
Restricted cash and cash equivalents	0	0
Pledged cash and cash equivalents	-150	-150
Cash and cash equivalents	**2,701,699**	**2,963,101**

Moreover, in construction projects executed through consortia there are cash and cash equivalents whose use can only be determined jointly with other partner companies.

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

T€	2022	2021
Interest paid	27,480	18,503
Interest received	42,383	21,994
Taxes paid	227,587	359,777
Dividends received	105,993	91,198

The taxes paid in 2021 include tax arrears from tax deferrals from the previous year.

The **cash flow from financing activities** for the financial year 2022 can be derived from the balance sheet items as follows:

T€	Bonds	Bank borrowings	Other financial liabilities[1]	Lease liabilities	Total
Balance as at 1.1.2022	**200,000**	**687,764**	**29,073**	**305,851**	**1,222,688**
Proceeds	0	34,458	0	0	34,458
Repayments	-200,000	-97,046	0	0	-297,046
Increase (+)/decrease (-) in financing	0	0	-5,025	-62,522	-67,547
Total cash flows from financing activities	**-200,000**	**-62,588**	**-5,025**	**-62,522**	**-330,135**
Currency translation	0	-413	-65	274	-204
Other changes	0	0	41,488	88,835	130,323
Total non-cash changes	**0**	**-413**	**41,423**	**89,109**	**130,119**
Balance as at 31.12.2022	**0**	**624,763**	**65,471**	**332,438**	**1,022,672**

The cash flow from financing activities can be derived as follows:

T€	Inflow (+) Outflow (-)
Cash flows from financing activities	-330,135
Changes in the consolidated group	-151
Distribution of dividends	-173,369
Cash flow from financing activities	**-503,655**

The **cash flow from financing activities** for the financial year 2021 can be derived from the balance sheet items as follows:

T€	Bonds	Bank borrowings	Other financial liabilities[1]	Lease liabilities	Total
Balance as at 1.1.2021	**200,000**	**651,741**	**31,014**	**304,265**	**1,187,020**
Proceeds	0	126,600	0	0	126,600
Repayments	0	-90,577	0	0	-90,577
Increase (+)/decrease (-) in financing	0	0	-2,072	-61,046	-63,118
Total cash flows from financing activities	**0**	**36,023**	**-2,072**	**-61,046**	**-27,095**
Currency translation	0	0	-25	1,251	1,226
Other changes	0	0	156	61,381	61,537
Total non-cash changes	**0**	**0**	**131**	**62,632**	**62,763**
Balance as at 31.12.2021	**200,000**	**687,764**	**29,073**	**305,851**	**1,222,688**

The cash flow from financing activities can be derived as follows:

T€	Inflow (+) Outflow (-)
Cash flows from financing activities	-27,095
Change due to acquisition of non-controlling interests	-2,750
Distribution of dividends	-714,061
Cash flow from financing activities	**-743,906**

1 The recognition in the balance sheet was made under current and non-current other financial liabilities.

Notes on financial instruments

(35) FINANCIAL INSTRUMENTS

A financial instrument is a contract that results in a financial asset at one enterprise and a financial liability or equity instrument at another. Financial assets include especially cash and cash equivalents, trade receivables and other receivables and derivatives. Financial liabilities are obligations to pay cash or other financial assets on a regular basis. These include especially financial liabilities such as bank borrowings, bonds, lease liabilities and trade payables.

Financial instruments overview

The **financial instruments** as at the balance sheet date were as follows:

	31.12.2022			31.12.2021		
T€	Measurement category according to IFRS 9	Carrying amount	Fair value	Measurement category according to IFRS 9	Carrying amount	Fair value
Assets						
Investments below 20% (other investments)	FVPL	48,351	48,351	FVPL	48,511	48,511
Trade receivables	AC	1,577,838		AC	1,386,815	
Receivables from concession arrangements	AC	532,251		AC	578,252	
Other non-current financial assets	AC	328,869		AC	229,235	
Other current financial assets	AC	253,069		AC	266,447	
Cash and cash equivalents	AC	2,701,839		AC	2,960,428	
Securities	FVPL	26,018	26,018	FVPL	28,122	28,122
Cash and cash equivalents (securities)	FVPL	10	10	FVPL	2,823	2,823
Derivatives held for hedging purposes (receivables from concession arrangements)	Derivatives	377	377	Derivatives	-7,681	-7,681
Derivatives held for hedging purposes (other financial assets)	Derivatives	50,766	50,766	Derivatives	2,614	2,614
Derivatives other (other financial assets)	FVPL	0	0	FVPL	197	197
Liabilities						
Financial liabilities	FLaC	-957,201	-939,856	FLaC	-1,193,615	-1,193,883
Trade payables	FLaC	-2,569,042		FLaC	-2,421,430	
Other non-current financial liabilities	FLaC	-75,403		FLaC	-75,789	
Other current financial liabilities	FLaC	-711,956		FLaC	-299,965	
Derivatives held for hedging purposes (other financial liabilities)	Derivatives	0	0	Derivatives	-12,996	-12,996
Derivatives other (other financial liabilities)	FVPL	-18,756	-18,756	FVPL	-7,003	-7,003
	Measurement categories according to IFRS 9			**Measurement categories according to IFRS 9**		
	AC	5,393,866		AC	5,421,177	
	FVPL	55,623	55,623	FVPL	72,650	72,650
	FLaC	-4,313,602	-939,856	FLaC	-3,990,799	-1,193,883
	Derivatives	51,143	51,143	Derivatives	-18,063	-18,063
	Total	**1,187,030**	**-833,090**	**Total**	**1,484,965**	**-1,139,296**

No special disclosure of the fair value of financial instruments is represented if the carrying amount is a reasonable approximation of fair value.

Cash and cash equivalents, trade receivables and other receivables have for the most part short remaining terms. Accordingly, their carrying amounts on the balance sheet date approximate their fair value. The fair value of non-current financial assets corresponds to the present value of the related payments under consideration of the prevailing market parameters to the extent that market values were not available.

Trade payables and other financial liabilities typically have short terms; their carrying amounts approximate the fair value. The fair value of bonds, bank borrowings and lease liabilities are measured at the present value of the payments associated with them and under consideration of the relevant applicable market parameters to the extent that market values were not available. The fair value of the financial liabilities would qualify as a Level 1 measurement at T€ 0 (2021: T€ 200,224) and as a Level 2 measurement at T€ 939,856 (2021: T€ 993,659).

T€ 150 (2021: T€ 150) of cash and cash equivalents, T€ 790 (2021: T€ 843) of securities and T€ 1,974 (2021: T€ 1,844) of other financial instruments were pledged as collateral for liabilities.

The non-recourse liabilities in the amount of T€ 607,974 (2021: T€ 652,740) are secured with the return flows from the respective project.

There was no reclassification between the measurement categories in the 2022 financial year.

The **net income effects of the financial instruments** according to valuation categories are as follows:

	2022				2021			
T€	AC	FVPL	FLaC	Derivatives (Hedge accounting)	AC	FVPL	FLaC	Derivatives (Hedge accounting)
Interest	39,617	0	-25,890	0	14,938	0	-21,944	0
Interest from concession arrangements	58,099	0	-14,230	-3,140	59,880	0	-17,280	-4,230
Result from securities and investments	0	6,905	0	0	0	6,600	0	0
Credit losses, impairment losses and reversal of impairment losses	-67,654	0	0	0	3,679	0	0	0
Payments of derecognised receivables and income from derecognition of liabilities	25	0	6,643	0	37	0	7,298	0
Net income from other derivatives	0	-11,950	0	0	0	-10,663	0	0
Net income recognised in profit or loss	**30,087**	**-5,045**	**-33,477**	**-3,140**	**78,534**	**-4,063**	**-31,926**	**-4,230**
Value changes recognised directly in equity	0	0	0	71,805	0	0	0	29,228
Net income	**30,087**	**-5,045**	**-33,477**	**68,665**	**78,534**	**-4,063**	**-31,926**	**24,998**

Interest from financial assets and financial liabilities is reported in net interest income, with the exception of interest from concession arrangements. Concession arrangements are part of the operating business, which is why interest income from concession arrangements is recognised in revenue and interest expense from concession arrangements is recognised in other operating expense.

Impairments, credit losses and reversals of impairment losses on financial assets and liabilities – excluding investments of less than 20% as well as securities – are reported under other operating expense or other operating income. Gains and losses on the disposal of financial receivables and liabilities are also recognised in other operating income or other operating expense.

Income from the derecognition of liabilities as well as payments received on derecognised receivables are reported under other operating income.

Income, expenses, impairment losses and reversals of impairment losses as well as disposal gains and losses on investments of less than 20% are recognised in net income from investments.

Income, expenses, impairment losses and reversals of impairment losses as well as disposal gains and losses on securities are recognised in net interest income.

Changes in other derivatives measured through profit or loss are recognised in net interest income.

Financial instruments measured at fair value

The **fair values as at 31 December 2022** for financial instruments measured at fair value in the balance sheet were determined as follows:

T€	Level 1	Level 2	Level 3	Total
Assets				
Investments below 20% (other investments)			48,351	48,351
Securities	26,018			26,018
Cash and cash equivalents (securities)	10			10
Derivatives held for hedging purposes		51,143		51,143
Total	**26,028**	**51,143**	**48,351**	**125,522**
Liabilities				
Derivatives other		-18,756		-18,756
Total	**0**	**-18,756**	**0**	**-18,756**

The **fair values as at 31 December 2021** for financial instruments measured at fair value in the balance sheet were determined as follows:

T€	Level 1	Level 2	Level 3	Total
Assets				
Investments below 20% (other investments)			48,511	48,511
Securities	28,122			28,122
Cash and cash equivalents (securities)	2,823			2,823
Derivatives held for hedging purposes		-5,067		-5,067
Derivatives other		197		197
Total	**30,945**	**-4,870**	**48,511**	**74,586**
Liabilities				
Derivatives held for hedging purposes		-12,996		-12,996
Derivatives other		-7,003		-7,003
Total	**0**	**-19,999**	**0**	**-19,999**

STRABAG records regroupings between the different fair-value-hierarchy levels at the end of the reporting period in which the regrouping took place.

During the financial years 2022 and 2021, there were no transfers between the levels.

Financial instruments in Level 1

The fair value is determined on the basis of quoted prices in an active market. An active market exists if the prices are regularly established and readily available to the market participants. The quoted market price for the financial instruments presented in Level 1 corresponds to the bid price at the balance sheet date.

Financial instruments in Level 2

These financial instruments are not traded in an active market. They involve exclusively derivatives held for hedging purposes and other derivatives. The fair value is determined using methods of measurement on the basis of observable market data. Specifically, measurement is made using interest yield and currency curves in proportion to the term of the derivative.

Financial instruments in Level 3

These financial instruments involve exclusively a large number of smaller investments below 20% that are not traded on an active market. Their fair value is determined on the basis of simplified company valuations.

The carrying amount of investments below 20% developed as follows:

T€	2022	2021
Carrying amount as at 1.1.	**48,511**	**41,278**
Currency translation/Transfers	292	260
Additions	3,350	7,760
Disposals	-1,207	-2,082
Depreciation	-700	-100
Changes in fair value	-1,895	1,395
Carrying amount as at 31.12.	**48,351**	**48,511**

Due to the broad diversification of the investments, no major fluctuations in value are expected in the future.

The **derivatives** are comprised as follows:

T€	31.12.2022			31.12.2021		
Bank	**Assets**	**Liabilities**	**Total**	**Assets**	**Liabilities**	**Total**
Republic of Hungary	377	0	377	-7,681	0	-7,681
National Bank of Canada	5,253	0	5,253	1,254	0	1,254
SMBC Capital Markets	5,202	0	5,202	1,360	0	1,360
KfW IPEX-Bank	10,488	0	10,488	0	-3,023	-3,023
Norddeutsche Landesbank	9,925	0	9,925	0	-3,447	-3,447
SEB AG	9,797	0	9,797	0	-3,229	-3,229
Société Générale	10,101	0	10,101	0	-3,297	-3,297
Total derivatives held for hedging purposes	**51,143**	**0**	**51,143**	**-5,067**	**-12,996**	**-18,063**
Bayerische Landesbank	0	-2,178	-2,178	0	-684	-684
Crédit Agricole Corp. & Investment	0	-4,985	-4,985	0	-2,059	-2,059
Raiffeisenbank International AG[1]	0	-7,388	-7,388	197	-2,879	-2,682
UniCredit Bank Austria AG	0	-4,205	-4,205	0	-1,381	-1,381
Total other derivatives	**0**	**-18,756**	**-18,756**	**197**	**-7,003**	**-6,806**
Total	**51,143**	**-18,756**	**32,387**	**-4,870**	**-19,999**	**-24,869**

Hedge accounting is not applied to other derivatives, but they are part of economic hedging relationships.

Principles of risk management

The STRABAG SE Group is subject to credit, market and liquidity risks related to its financial assets, financial liabilities and planned transactions. The goal of financial risk management is to minimise these risks through ongoing financially-oriented activities.

The basics of the financial policy are set by the Management Board and monitored by the Supervisory Board. The implementation of the financial policy and responsibility for the risk management are the domain of the group treasury. Certain transactions require prior approval by the Management Board, which is regularly informed as to the scope and amount of the current risk exposure.

The group assesses concentrations of risk with regard to interest rate risk, currency risk and credit risk as low because customers are located in different countries, belong to different industries and operate in largely independent markets.

1 Can be offset in the event of insolvency

The group's business activities are subject to market price risks that are customary in the industry. These risks are not hedged through derivatives or financial instruments but through other hedging activities including but not limited to contractual agreements.

Further explanations on risk management and financial instruments can be found in the group management report from 31 December 2022.

Interest rate risk

The receivables from concession arrangements in the amount of T€ 532,251 (2021: T€ 578,252) and the non-current other financial assets in the amount of T€ 405,653 (2021: T€ 259,971) are mostly at fixed interest rates, while bank deposits are mainly at variable interest rates. The most important bank borrowings involve non-recourse financing from projects in the amount of T€ 607,974 (2021: T€ 652,740), which are either at fixed interest rates or hedged against interest rate changes by means of interest rate swaps. The risk of the variable interest-bearing financial instruments on the liabilities side consists of rising interest rates on expenses or falling interest rates on income resulting from an unfavourable change in market interest rates. Fixed interest obligations mainly result from the bonds issued by STRABAG SE amounting to a total of T€ 0 (2021: T€ 200,000). The increase in interest rates in the main Group countries in the 2022 financial year had a positive impact on net interest income due to the Group's net cash position.

The amount of bank deposits and bank borrowings according to currency – giving the average interest rate at the balance sheet date – is represented as follows:

Bank deposits

Currency	Carrying amount 31.12.2022 T€	Weighted average interest rate 2022 %
EUR	1,816,484	1.59
PLN	209,402	5.47
HUF	139,148	15.22
CZK	249,085	4.46
GBP	90,810	0.53
CAD	22,636	2.05
Other	172,942	1.46
Total	**2,700,507**	**2.82**

Currency	Carrying amount 31.12.2021 T€	Weighted average interest rate 2021 %
EUR	2,026,178	-0.40
PLN	187,767	0.74
HUF	197,137	0.97
CZK	179,675	0.10
GBP	95,576	0.00
CAD	40,389	1.82
Other	232,368	0.51
Total	**2,959,090**	**-0.09**

Bank borrowings

Currency	Carrying amount 31.12.2022 T€	Weighted average interest rate 2022 %
EUR	468,486	2.61
CAD	156,074	5.42
Other	203	9.25
Total	**624,763**	**3.32**

Currency	Carrying amount 31.12.2021 T€	Weighted average interest rate 2021 %
EUR	561,816	1.07
CAD	125,948	1.40
Total	**687,764**	**1.13**

Had the interest rate level at 31 December 2022 been higher by 100 basis points, then the EBT would have been higher by T€ 19,713 (2021: T€ 24,165) and the equity at 31 December 2022 would have been higher by T€ 40,847 (2021: T€ 53,584). Had the interest rate level been lower by 100 basis points, this would have meant a correspondingly lower equity and EBT. The calculation is made based on the level of interest-bearing financial assets and liabilities as at 31 December. Tax effects from interest rate changes were not considered.

Currency risk

Due to the decentralised structure of the group, characterised by local companies in the respective countries, mainly closed currency positions appear in the balance sheet. Receivables and liabilities from business activities mainly offset each other in the same currency.

Internal hedging is performed for construction contracts where there are no closed currency positions (e.g. construction contracts that are not concluded in functional currency). As part of corporate-wide treasury management, these positions are then combined, and external hedging is performed if necessary.

The internal financing of companies within the group using different functional currencies resulted in an earnings-relevant currency risk. Derivative financial instruments are transacted to limit this risk. The market values of these hedging transactions in the amount of T€ -18,756 (2021: T€ -6,806) are recognised in profit or loss in the income statement. The hedging transactions are reported under other financial assets or other financial liabilities.

In addition to the bank deposits and bank borrowings in foreign currencies (see “Interest rate risk”), the other non-current financial assets still include carrying amounts of T€ 128,795 (2021: T€ 37,561) in foreign currencies.

Development of the important **currencies in the group:**

Currency	Closing rate 31.12.2022: 1 € =	Average rate 2022: 1 € =	Closing rate 31.12.2021: 1 € =	Average rate 2021: 1 € =
HUF	400.8700	391.2708	369.1900	358.6083
CZK	24.1160	24.5624	24.8580	25.6486
PLN	4.6808	4.6799	4.5969	4.5720
CHF	0.9847	1.0041	1.0331	1.0799
CLP	916.9100	919.7438	964.4400	903.2125
USD	1.0666	1.0563	1.1326	1.1816
GBP	0.8869	0.8537	0.8403	0.8584
RON	4.9495	4.9352	4.9490	4.9251
CAD	1.4440	1.3757	1.4393	1.4804

The following table shows the hypothetical changes in EBT and equity if the euro had been appreciated or depreciated by 10% in relation to another currency in the year **2022:**

T€ Currency	Appreciation of the euro by 10% Change in EBT	 Change in equity	Depreciation of the euro by 10% Change in EBT	 Change in equity
PLN	146	146	-178	-178
HUF	4,179	16,652	-5,108	-20,352
CHF	-830	-9,139	1,014	11,169
CZK	1,147	6,601	-1,402	-8,068
GBP	13,149	13,149	-16,071	-16,071
USD	-2,866	-2,866	3,503	3,503
Other	-24,496	-26,899	29,939	32,877

The following table shows the hypothetical changes in EBT and equity if the euro had been appreciated or depreciated by 10% in relation to another currency in the year **2021:**

T€ Currency	Appreciation of the euro by 10% Change in EBT	 Change in equity	Depreciation of the euro by 10% Change in EBT	 Change in equity
PLN	1,642	3,642	-1,642	-3,642
HUF	-3,044	11,854	3,044	-11,854
CHF	-2,396	-10,139	2,396	10,139
CZK	1,057	14,057	-1,057	-14,057
GBP	13,687	13,687	-13,687	-13,687
USD	-1,786	-1,786	1,786	1,786
Other	-30,313	-30,313	30,313	30,313

The calculation is based on original and derivative foreign currency holdings in non-functional currency as at 31 December as well as underlying transactions for the next twelve months. The effect on tax resulting from changes in currency exchange rates was not taken into consideration.

Cash flow hedges

Currency risks in the group result when the currency of the order differs from the functional currency of the company. The planned proceeds are received in the currency of the order (for example, euro or US dollar), while a substantial part of the associated costs is incurred in the local currency.

The group uses foreign exchange forwards to hedge against this risk. These contracts are classified as hedges against future payments and are presented as cash flow hedges.

To hedge against variable interest rate obligations, interest rate swaps are used especially with financing obligations from concession arrangements. This serves to hedge the variability of future cash flows from variable interest rate payments. Interest rate swaps are presented as cash flow hedges.

The group determines the existence of an economic relationship between the hedging instrument and the hedged item for the purpose of assessing the effectiveness of the hedge based on the interest rate benchmarks, terms, repricing dates and maturities of the nominal amounts.

The amounts of the hedged items as at 31 December 2022 are as follows:

T€ Hedged item	Value changes in the basis for effectiveness measurement	Hedging reserves
Interest rate risk		
Interest AKA	-6,344	262
Interest PANSUEVIA	-51,468	33,213
Interest Scarborough	-8,697	9,916
Total	**-66,509**	**43,391**

All hedge relationships are constructed based on EURIBOR and are therefore not affected by the interest rate benchmark reform.

The amounts of the hedged items as at 31 December 2021 are as follows:

T€ Hedged item	Value changes in the basis for effectiveness measurement	Hedging reserves
Interest rate risk		
Interest AKA	-4,245	-10,505
Interest PANSUEVIA	-13,218	-20,525
Interest Scarborough	-2,614	2,614
Total	**-20,077**	**-28,416**

The hedging instruments as at 31 December 2022 were comprised as follows:

T€ Hedge	Nominal value	Carrying amount	Balance sheet item where the hedge is presented	OCI change in value of the hedge	Recycling amount from hedging reserves	P&L item where the recycling amount is recognised
Interest rate risk						
Interest rate swap AKA	98,489	377	Receivables from concession arrangements	6,344	4,423	Other operating expense
Interest rate swaps PANSUEVIA	237,098	40,311	Other financial liabilities	51,467	2,269	Other operating expense
Interest rate swaps Scarborough	215,030	10,455	Other financial assets	8,697	-1,395	Interest expense
Total	**550,617**	**51,143**		**66,508**	**5,297**	

Possible sources of ineffectiveness in these hedging relationships include:

- the effect of counterparty and own credit risk on the fair value of derivatives, which is not reflected in the change in the fair value of the hedged cash flows, and is attributable to interest rates changes
- differences in the repricing dates of the hedging instrument and the underlying transactions
- changes in the expected value of the cash flows from the underlying transaction being hedged and from the hedging instrument
- changes to the reference rates due to the interest rate benchmark reform

In the 2022 financial year, a total of T€ 539 was recognised in the income statement under interest and similar income for the Scarborough interest rate swap due to ineffectiveness (2021: T€ 0).

The hedging instruments as at 31 December 2021 were made up as follows:

T€ Hedge	Nominal value	Carrying amount	Balance sheet item where the hedge is presented	OCI change in value of the hedge	Recycling amount from hedging reserves	P&L item where the recycling amount is recognised
Interest rate risk						
Interest rate swap AKA	161,656	-7,681	Receivables from concession arrangements	4,245	6,943	Other operating expense
Interest rate swaps PANSUEVIA	244,959	-12,996	Other financial liabilities	13,218	3,642	Other operating expense
Interest rate swaps Scarborough	125,948	2,614	Other financial liabilities	2,614	0	Interest expense
Total	**532,563**	**-18,063**		**20,077**	**10,585**	

In the 2021 financial year, no amounts from value changes resulting from ineffectiveness were recognised in the income statement.

On 31 December 2022, the group held the following instruments for the purpose of hedging interest rate fluctuation:

	Maturity		
	1–6 months	6–12 months	> 1 year
Interest rate swap			
Nominal amount in TEUR	37,749	36,904	475,965
Average fixed interest rate (%)	2.58	2.56	1.17

On 31 December 2021, the group held the following instruments for the purpose of hedging interest rate fluctuation:

	Maturity		
	1–6 months	6–12 months	> 1 year
Interest rate swap			
Nominal amount in TEUR	35,974	35,054	461,535
Average fixed interest rate (%)	2.60	2.58	1.39

The reconciliation of the equity components as at 31 December 2022 is as follows:

T€	Hedging reserves
As at 1.1.	**-47,209**
Fair value changes	
Interest rate risk	66,508
Recycling	
Currency risk	0
Interest rate risk	5,297
Deferred tax	
Currency risk	0
Interest rate risk	-19,468
Change in hedging reserves from equity-accounted investments	13,132
As at 31.12.	**18,260**

The reconciliation of the equity components as at 31 December 2021 is as follows:

T€	Hedging reserves	Cost-of-hedging reserves
As at 1.1.	**-74,572**	**-75**
Fair value changes		
Interest rate risk	20,077	0
Recycling		
Currency risk	-1,537	103
Interest rate risk	10,585	0
Deferred tax		
Currency risk	415	-28
Interest rate risk	-6,897	0
Change in hedging reserves from equity-accounted investments	4,720	0
As at 31.12.	**-47,209**	**0**

Credit risk

Credit risks arise when contractual parties do not meet their payment obligations by the date of settlement. Such risks exist with regard to payments of receivables from the operating business as well as the contractual cash flows from debt instruments in the category of measured at amortised cost (AC). To manage the credit risk from the operating business, STRABAG established a credit risk management system in line with the market conditions and customers. In particular, due to the economic uncertainties, loans to and receivables from private clients are being monitored even more closely than in the past.

The maximum credit risk of trade receivables, contract assets and other financial assets corresponds to the carrying amounts presented in the balance sheet.

The risk for receivables from clients can be rated as low due to the wide dispersion, a constant creditworthiness check and the presence of the public sector as an important client. The performance of work for private customers is largely secured by ongoing partial payments.

The risk of default for other primary financial instruments shown on the assets side can also be regarded as low, as the contract partners are mainly financial institutions with the highest level of creditworthiness or the public sector and/or there is wide dispersion. In the case of other non-current financial assets, ongoing creditworthiness checks are also carried out individually on the basis of expected future cash flows.

STRABAG SE holds no non-financial assets as security collateral. Financial collateral is only of minor importance, as the large number of public-sector customers presents hardly any payment risk.

Impairments on trade receivables and on contract assets are determined using the simplified approach. The impairments are determined taking into consideration the country-specific risks and the creditworthiness of the customers. Due to the increased economic uncertainties, higher probabilities of default have been assumed for private clients for the 2022 financial year.

Impairments, considered individually, are also made on financial assets if the carrying amount of the financial asset is higher than the present value of the future cash flows. This can be triggered by financial difficulties, insolvency of the client, breach of contract or significant default of payment. These impairments are composed of many individual items.

The risk provision as at 31 December 2022 for trade receivables and for contract assets developed as follows during the financial year:

T€	Trade receivables	Contract assets
Gross carrying amount as at 31.12.2022	**1,636,841**	**1,365,247**
Lifetime ECL as at 1.1.	**7,144**	**6,633**
Exchange differences/changes in the consolidated group	21	308
Change due to change in volumes	625	277
Change due to change in ratings	943	288
Lifetime ECL as at 31.12.	**8,733**	**7,506**
Impairment as at 1.1.	**56,578**	**0**
Exchange differences/changes in the consolidated group	450	0
Added/used	-6,758	0
Impairment as at 31.12.	**50,270**	**0**
Net carrying amount as at 31.12.2022	**1,577,838**	**1,357,741**

In addition, ECL impairments on other financial assets amounting to T€ 3,144 (2021: T€ 3,449) exist as at 31 December 2022, as well as individual impairments amounting to T€ 143,857 (2021: T€ 85,957) for other non-current financial assets.

The risk provision as at 31 December 2021 for trade receivables and for contract assets developed as follows during the financial year:

T€	Trade receivables[1]	Contract assets
Gross carrying amount as at 31.12.2021	**1,450,537**	**1,354,874**
Lifetime ECL as at 1.1.	**9,513**	**7,568**
Exchange differences/changes in the consolidated group	-38	-17
Change due to change in volumes	-420	96
Change due to change in ratings	-1,911	-1,014
Lifetime ECL as at 31.12.	**7,144**	**6,633**
Impairment as at 1.1.	**78,745**	**0**
Exchange differences/changes in the consolidated group	-337	0
Added/used	-21,830	0
Impairment as at 31.12.	**56,578**	**0**
Net carrying amount as at 31.12.2021	**1,386,815**	**1,348,241**

The following shows the gross carrying amounts of the financial assets by risk class for which the expected losses were recognised over the entire remaining term.

The risk classes were determined according to the probabilities of default depending on country risk and creditworthiness of the debtors. Below 0.55% is assumed to be low risk, between 0.55% and 1.2% medium risk and above 1.2% high risk.

The gross carrying amounts for the 2022 financial year are as follows:

T€	Trade receivables	Contract assets
Low risk	758,429	740,232
Medium risk	859,105	601,472
High risk	19,307	23,543
Gross carrying amount as at 31.12.2022	**1,636,841**	**1,365,247**

1 For improved clarity, the impairments were reclassified, and the previous year's figures were adjusted.

The gross carrying amounts for the 2021 financial year are as follows:

T€	Trade receivables[1]	Contract assets
Low risk	661,806	734,751
Medium risk	755,207	604,276
High risk	33,524	15,847
Gross carrying amount as at 31.12.2021	**1,450,537**	**1,354,874**

Liquidity risk

Liquidity for the STRABAG SE Group means not only solvency in the strict sense but also the availability of the necessary financial margin for mainstay business through sufficient aval lines.

To guarantee financial flexibility, liquidity reserves are kept in the form of cash and credit lines for cash and aval loans. The STRABAG SE Group keeps bilateral credit lines with banks and syndicated cash and aval credit lines in the amount of € 0.4 billion (2021: € 0.4 billion) and € 2.0 billion (2021: € 2.0 billion) respectively. The overall line for cash and aval loan amounts to € 8.2 billion (2021: € 8.2 billion). The syndicated surety credit line contains covenants which were fulfilled at the balance sheet date.

The STRABAG SE Group has sufficient liquidity reserves. Despite the uncertain economic situation, no significant changes in customers' payment behaviour could be detected. An increase in liquidity risk could not be identified in the 2022 financial year.

In the past, the medium- and long-term liquidity needs had also been covered by the issue of corporate bonds. In the 2022 financial year, the € 200 million bond issued in 2015 was repaid in full. As at 31 December 2022, there were no STRABAG SE bonds on the market.

The following **payment obligations** arise from the financial liabilities (interest payments based on interest rate as at 31 December and redemption) for the subsequent years:

Payment obligations as at 31 December 2022

The **payment obligations from financial liabilities as at 31 December 2022** are comprised as follows:

T€	Carrying amount 31.12.2022	Cash flows 2023	Cash flows 2024–2027	Cash flows after 2027
Bank borrowings	624,763	263,436	139,538	336,219
Lease liabilities	332,438	69,831	219,759	172,203
Financial liabilities	**957,201**	**333,267**	**359,297**	**508,422**

The trade payables and the other liabilities without derivatives essentially lead to cash outflows in line with the maturity at the amount of the carrying amounts.

The payment obligations from leasing liabilities amount to T€ 65,120 for 2024, T€ 59,774 for 2025, T€ 51,012 for 2026 and T€ 43,853 for 2027.

The **payment obligations from derivatives as at 31 December 2022** are comprised as follows:

T€	Carrying amount 31.12.2022	Cash flows 2023	Cash flows 2024–2027	Cash flows after 2027
Derivatives held for hedging purposes	-51,143	0	0	0
Derivatives other	18,756	10,341	8,416	0
Derivatives	**-32,387**	**10,341**	**8,416**	**0**

The derivatives held for hedging purposes showed a positive market value as at the reporting date, which is why no payment obligations arise for them.

1 For improved clarity, the impairments were reclassified, and the previous year's figures were adjusted.

Payment obligations as at 31 December 2021

The **payment obligations from financial liabilities as at 31 December 2021** are comprised as follows:

T€	Carrying amount 31.12.2021	Cash flows 2022	Cash flows 2023–2026	Cash flows after 2026
Bonds	200,000	203,250	0	0
Bank borrowings	687,764	234,136	179,202	323,574
Lease liabilities	305,851	74,430	217,957	175,739
Financial liabilities	**1,193,615**	**511,816**	**397,159**	**499,313**

The trade payables and the other liabilities without derivatives essentially lead to cash outflows in line with the maturity at the amount of the carrying amounts.

The payment obligations from leasing liabilities amount to T€ 66,005 for 2023, T€ 56,433 for 2024, T€ 51,914 for 2025 and T€ 43,605 for 2026.

The **payment obligations from derivatives as at 31 December 2021** are comprised as follows:

T€	Carrying amount 31.12.2021	Cash flows 2022	Cash flows 2023–2026	Cash flows after 2026
Derivatives held for hedging purposes	18,063	8,345	6,058	3,366
Derivatives other	6,806	-197	7,003	0
Derivatives	**24,869**	**8,148**	**13,061**	**3,366**

Financial guarantees

STRABAG has issued financial guarantees to banks for the benefit of its own subsidiaries or associates. Based on the loan amount outstanding as at 31 December 2022, the maximum guarantee amount is T€ 71,343 (2021: T€ 71,036). Theoretically these guarantees can be used at any time, leading to a short-term outflow of liquidity.

Segment report

(36) SEGMENT REPORTING

The rules of IFRS 8 Operating Segments apply to the segment reporting. IFRS 8 prescribes defining the segments and reporting the earnings on the basis of the internal reporting (management approach). Segment assets are not disclosed as these do not form part of the regular internal reporting.

The internal reporting in the STRABAG SE Group is based on Management Board areas, which also represent the segments. The settlement between the single segments is made at arm’s length prices.

The segment North + West bundles the construction activities in Germany, Poland, Benelux and Scandinavia as well as the ground engineering activities.

The segment South + East comprises the construction activities in Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic and Rest of Europe and the environmental engineering business.

The segment International + Special Divisions includes the international construction activities, tunnelling, services, real estate development and infrastructure development as well as the construction materials business.

In addition, there are the Central Divisions and Central Staff Divisions, which handle services in the areas of accounting, group financing, technical development, digitalisation and innovation, machine management, quality management, logistics, legal affairs, contract management, etc. These services are included in the segment Other.

Segment reporting for the financial year 2022

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output volume[1]	**8,690,688**	**5,461,542**	**3,445,119**	**138,122**		**17,735,471**
Revenue	**8,032,706**	**5,495,535**	**3,479,969**	**17,637**	**0**	**17,025,847**
Inter-segment revenue	101,026	149,406	436,439	1,004,606		
EBIT	**492,893**	**153,393**	**91,948**	**997**	**-32,834**	**706,397**
thereof share of profit or loss of equity-accounted investments	37,270	14,821	8,827	-31	0	60,887
Interest and similar income	0	0	0	50,742	0	50,742
Interest expense and similar charges	0	0	0	-40,066	0	-40,066
EBT	**492,893**	**153,393**	**91,948**	**11,673**	**-32,834**	**717,073**
Investments in property, plant and equipment and intangible assets	0	0	0	770,438	0	770,438
Depreciation, amortisation and impairment losses, reversals of impairment losses	6,700	0	19,674	524,435	0	550,809
thereof impairment losses and reversals of impairment losses	6,700	0	0	10,149	0	16,849

Segment reporting for the financial year 2021

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output volume[1]	**7,902,463**	**4,930,380**	**3,161,458**	**134,618**		**16,128,919**
Revenue	**7,317,947**	**4,924,600**	**3,039,141**	**16,848**	**0**	**15,298,536**
Inter-segment revenue	160,580	76,764	320,310	935,119		
EBIT	**443,027**	**194,925**	**272,075**	**689**	**-14,608**	**896,108**
thereof share of profit or loss of equity-accounted investments	44,555	16,777	30,790	-12	0	92,110
Interest and similar income	0	0	0	26,962	0	26,962
Interest expense and similar charges	0	0	0	-39,532	0	-39,532
EBT	**443,027**	**194,925**	**272,075**	**-11,881**	**-14,608**	**883,538**
Investments in property, plant and equipment and intangible assets	0	0	0	532,042	0	532,042
Depreciation, amortisation and impairment losses, reversals of impairment losses	5,667	0	19,061	524,886	0	549,614
thereof impairment losses and reversals of impairment losses	5,667	0	0	2,041	0	7,708

Reconciliation of the sum of the segment earnings to EBT according to IFRS financial statements

Income and expense in the internal reporting are essentially shown in accordance with IFRS. An exception is income taxes, including those applicable to deferred tax, which are not considered in the internal reporting.

The basis for the internal reporting is formed by all subsidiaries. In the IFRS financial statements, earnings from companies which were not fully consolidated or reported using the equity method are only recognised in conformity with dividends, transfer of earnings and/or depreciation and amortisation. For this reason, the internal reporting does not conform with EBIT and EBT in the consolidated financial statements in terms of net income from investments.

1 Not an IFRS measure, therefore not audited

Other minor differences result from entries in other consolidations.

Reconciliation of the internal reporting to IFRS financial statements is allocated as follows:

T€	2022	2021
Net income from investments	-26,815	-15,553
Other consolidation adjustments	-6,019	945
Total	**-32,834**	**-14,608**

Breakdown of revenue by geographic region

T€	2022	2021
Germany	7,677,021	6,913,192
Austria	2,764,058	2,629,785
Rest of Europe	5,649,463	5,037,786
Rest of world	935,305	717,773
Revenue	**17,025,847**	**15,298,536**

Other notes

(37) NOTES ON SHAREHOLDER STRUCTURE

The core shareholders of STRABAG SE are the Haselsteiner Group as well as the Raiffeisen Holding NÖ-Wien Group and the UNIQA Group. A syndicate agreement was concluded between the core shareholders on 18 August 2022.

The minority shareholder MKAO “Rasperia Trading Limited” is controlled by Russian businessman Oleg Deripaska, who was added to the sanctions lists in the following jurisdictions: Canada (on 6 March 2022), United Kingdom (on 10 March 2022), Australia (on 18 March 2022), European Union (on 8 April 2022), Switzerland (on 13 April 2022) and Poland (on 26 April 2022). Due to the EU sanctions against Oleg Deripaska, the shares of MKAO “Rasperia Trading Limited” in STRABAG SE and all rights associated with these shares, including voting rights and dividend entitlements, are frozen. The joint control from MKAO “Rasperia Trading Limited” over STRABAG SE with the Austrian core shareholders, which had existed since 2007 on the basis of a syndicate agreement terminated by Haselsteiner Familien-Privatstiftung on 15 March 2022 with effect from 31 December 2022, thus also ended when the EU sanctions came into force on 8 April 2022. Similarly, there has been no significant influence since 8 April 2022, so that MKAO “Rasperia Trading Limited” no longer constitutes a related party.

A dividend of € 2.00 per share was approved at the Annual General Meeting of 24 June 2022. As the dividend claims from the shares held by MKAO “Rasperia Trading Limited” are frozen due to the sanctions imposed on Oleg Deripaska, the dividend attributable to MKAO “Rasperia Trading Limited” less capital gains tax in the amount of T€ 41,325 was not paid out but is recognised under other current financial liabilities.

In the 2022 financial year, as in the previous year, there were no business relationships with companies attributable to Oleg Deripaska.

(38) NOTES ON RELATED PARTIES

On 18 August 2022, the company agreed to buy back the shares tendered by shareholders into an anticipatory mandatory offer in the amount of up to 10% of the outstanding share capital (equivalent to 10,260,000 shares). The offer was published on 29 September 2022. See also the comments under item (26) Equity.

Raiffeisen Holding NÖ-Wien / UNIQA Group

Arm's-length finance and insurance transactions exist with the Raiffeisen Holding NÖ-Wien Group and the UNIQA Group. The receivables on 31 December 2022 to the Raiffeisen Group relating to current accounts and investments amounted to T€ 522,584 (2021: T€ 650,212), the payables on 31 December 2022 to the Raiffeisen Group relating to financing and current accounts amounted to T€ 4,050 (2021: T€ 25,614). The interest income in the 2022 financial year amounted to T€ 5,088 (2021: T€ 1,731), and the interest expense amounted to T€ 470 (2021: T€ 741).

Premiums for insurance contracts with the UNIQA Group were recognised as an expense in the amount of T€ 772 (2021: T€ 650).

Haselsteiner Group

The Haselsteiner Group holds 5.1% of each of the following: STRABAG Real Estate GmbH, Cologne; five real estate companies of the Züblin subgroup; and Züblin Projektentwicklung GmbH. The income from real estate companies attributable to the Haselsteiner Group is included in net interest income at T€ -116 (2021: T€ -71). With effect from 1 January 2023, Haselsteiner Familien-Privatstiftung withdrew from the five real estate companies in return for severance payments totalling T€ 2,380. The earnings from the 5.1% share in STRABAG Real Estate GmbH and Züblin Projektentwicklung GmbH are reported under income attributable to non-controlling interests with an amount of T€ 959 (2021: T€ 3,291). In the 2022 financial year, the dividends from the above-mentioned companies amounted to T€ 3,174 (2021: T€ 391).

The business relations between STRABAG SE and the companies of the Haselsteiner Group during the financial year, including joint investments, mainly relate to construction services and are presented as below.

T€	2022	2021
Work and services performed	29,147	19,907
Work and services received	4,835	4,917
Receivables as at 31.12.	30,248	21,218
Liabilities as at 31.12.	858	771

IDAG

IDAG Immobilienbeteiligung u. -Development GmbH is entirely held by private foundations whose beneficiaries are the Haselsteiner Group and the Raiffeisen-Holding NÖ-Wien Group. It is the business purpose of IDAG Immobilienbeteiligung u. -Development GmbH to develop property and to participate in property projects.

STRABAG's headquarters in Vienna and office buildings in Graz are held in the real estate portfolio of subsidiaries of IDAG Immobilienbeteiligung u. -Development GmbH. The buildings are let to the STRABAG SE Group at the usual market conditions. Rental costs arising from both buildings in the 2022 financial year amounted to T€ 8,998 (2021: T€ 8,559). Under IFRS 16, these leases are recognised as right-of-use assets and lease liabilities. The consolidated financial statements as at 31 December 2022 show right-of-use assets of T€ 55,329 (2021: T€ 59,326) and lease liabilities of T€ 29,514 (2021: T€ 32,487). The lease liabilities are presented less the rental deposits of T€ 27,861 (2021: T€ 28,552). Other services in the amount of T€ 180 (2021: T€ 123) were obtained from the IDAG Group.

Furthermore, revenues of T€ 846 (2021: T€ 784) were made with the IDAG Group in the 2022 financial year. In the 2022 financial year, a dividend from an investment of the IDAG Group, in which the STRABAG SE Group holds a minority interest, in the amount of T€ 694 (2021: T€ 0) was recognised as investment income.

Investments in equity-accounted investments

Lafarge Cement CE Holding GmbH bundles the cement activities of Lafarge, a market leader in construction materials manufacturing, and STRABAG in the countries of Central Europe. The joint activities aim at maintaining a commensurate cement supply in the group's core countries. In 2022, STRABAG procured cement services worth T€ 36,333 (2021: T€ 28,634) from Lafarge. At the balance sheet date, there were liabilities to Lafarge Cement CE Holding GmbH Group in the amount of T€ 1,123 (2021: T€ 437).

The **business transactions with the other equity-accounted investments** can be presented as follows:

T€	2022	2021
Work and services performed	119,612	96,989
Work and services received	65,674	58,046
Receivables as at 31.12.	45,902	28,327
Liabilities as at 31.12.	15,414	13,679
Financing receivables as at 31.12.	110,819	114,212

For information about consortia we refer to item (17) Notes on consortia.

MANAGEMENT

Concerning business transactions with the Management Board members and employees of the first management level (management in key positions) and with their family members and companies which are controlled by the management in key positions or decisively influenced by them in the reporting period, services worth T€ 860 (2021: T€ 261) were provided and services worth T€ 28 (2021: T€ 50) were procured. At the balance sheet dates, there were receivables in the amount of T€ 291 (2021: T€ 836) and liabilities in the amount of T€ 0 (2021: T€ 0) out of these business relations.

The total remuneration including any severance and pension payments, as well as other long-term payments for employees of the first management level amounted to T€ 23,657 (2021: T€ 22,163) in the reporting period. Of this amount, T€ 23,399 (2021: T€ 21,932) is attributable to the current remuneration and T€ 258 (2021: T€ 231) to severance and pension payments.

(39) NOTES ON THE MANAGEMENT AND SUPERVISORY BOARDS

Management Board

Klemens Haselsteiner, BBA, BF (CEO since 1 January 2023)
Dr. Thomas Birtel (CEO until 31 December 2022)
Mag. Christian Harder
Dipl.-Ing. (FH) Jörg Rösler (since 1 January 2023)
Dipl.-Ing. Siegfried Wanker
Dipl.-Ing. (FH) Alfred Watzl
Dipl.-Ing. Dr. Peter Krammer (until 12 June 2022)

Supervisory Board

Dr. Alfred Gusenbauer (Chairman)
Mag. Erwin Hameseder (Vice Chairman)
Dr. Andreas Brandstetter
Mag. Kerstin Gelbmann
Mag. Gabriele Schallegger (since 24 June 2022)
Thomas Bull (until 5 May 2022)
Dr. Hermann Melnikov (until 13 April 2022)
Dipl.-Ing. Andreas Batke (works council)
Magdolna P. Gyulainé (works council) (until 5 May 2022 and since 24 June 2022)
Georg Hinterschuster (works council)
Wolfgang Kreis (works council)
Miroslav Cerveny (works council) (until 5 May 2022)

The total salaries of the Management Board members in the financial year amount to T€ 9,815 (2021: T€ 9,815). The severance payments for Management Board members amount to T€ 111 (2021: T€ 96). In the financial year, one member of the Management Board received an annual pension benefit of T€ 80 (2021: T€ 76) from his former employment with a group company. No pension benefits are paid to other members of the Management Board.

The remunerations for the Supervisory Board members in 2022 amounted to T€ 244 (2021: T€ 270). Neither the Management Board members nor the Supervisory Board members of STRABAG SE received advances or loans.

(40) EXPENSES FOR THE AUDITOR

The expenses for the auditor, KPMG Austria GmbH, incurred in the financial year amount to T€ 1,684 (2021: T€ 1,465) of which T€ 1,506 (2021: T€ 1,375) were for the audit of the consolidated financial statements (including the audit of separate financial statements of group companies) and T€ 178 (2021: T€ 90) for other services.

(41) EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

(42) APPROPTIATION OF NET

The Management Board proposes to pay out a dividend in the amount of € 2.00 per share for the 2022 financial year.

(43) DATE OF AUTHORISATION FOR ISSUE

In Austrian companies organised as corporations limited by shares, the consolidated financial statements prepared by the Management Board are approved by the Supervisory Board. The STRABAG SE Supervisory Board meeting for the approval of the consolidated financial statements for the year ended 31 December 2022 will take place on 26 April 2023.

Villach, 6 April 2023

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Responsibility Central Staff Divisions and
Central Divisions BMTI, CML, TPA,
STRABAG Innovation & Digitalisation as well as
Zentrale Technik, Winding up Russia

Mag. Christian Harder
CFO
Responsibility Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Responsibility Segment North + West

Dipl.-Ing. Siegfried Wanker
Responsibility Segment
International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Responsibility Segment South + East

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

We confirm to the best of our knowledge that the individual financial statements[1] give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Villach, 6 April 2023

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Responsibility Central Staff Divisions and Central Divisions BMTI, CML, TPA, STRABAG Innovation & Digitalisation as well as Zentrale Technik, Winding up Russia

Mag. Christian Harder
CFO
Responsibility Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Responsibility Segment North + West

Dipl.-Ing. Siegfried Wanker
Responsibility Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Responsibility Segment South + East

1 The individual financial statements are included in the annual financial report.

AUDITOR'S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Audit Opinion

We have audited the consolidated financial statements of

STRABAG SE ,

Villach, Austria,

and its subsidiaries ("the Group"), which comprise the consolidated Balance Sheet as at 31 December 2022, and the Consolidated Income Statement and Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with the EU Regulation 537/2014 ("AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters

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

Measurement of construction contracts and revenue and earnings from construction contracts

Refer to notes section (1), (17) and (22)

Risk for the Consolidated Financial Statements

Revenue recognized in the consolidated financial statements of STRABAG SE as of 31 December 2022 mainly consists of revenue from construction contracts, which is accounted for according to the stage of completion (over time recognition using an output-oriented method on the basis of the work already performed). Furthermore, the share of profit or loss of equity-accounted investments includes significant amounts of profit or loss from projects managed in cooperation with partners in construction consortia, which are also recognized over time based on an output method.

The stage of completion for construction contracts, whether executed alone or in cooperation with partners, is updated on an ongoing basis by means of periodic reporting. Besides the services already performed and the order backlog, taking into account contract deviations and supplementary claims, periodic reporting also includes the costs incurred to date as well as remaining costs to be incurred. The data used in the measurement of construction contracts includes estimates regarding the progress and expected outcome of the projects. Profit or loss is recognized according to the stage of completion of a project (over time recognition using an output-oriented method on the basis of the work already performed).

Especially technically complex and demanding projects involve risk that estimated total cost deviate considerably from actual cost incurred. Additionally, there is also a risk of non-recoverable receivables from construction contracts and construction consortia.

Our Response

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

– Our audit procedures included the assessment of controls in connection with the recognition and measurement of construction contracts as well as a test of details for significant large projects and random samples of other projects.

– In the course of testing internal controls in respect of the accounting for projects, we critically analyzed the relevant controls and performed an assessment of their operating effectiveness. These controls include in particular automated IT-supported controls for the purpose of determining the relevant amounts respective in the financial statements as well as system test routines for identifying abnormalities.

The tests of details primarily included the following audit procedures:

– Systematic and detailed inquirie regarding selected significant construction contracts, in order to verify the accurate accounting particularly in respect of project risks

– Sample-based examination of contracts in respect of their components significant to the assessment

– Discussions with the Management Board and the operating management regarding individually significant projects in order to assess the planning assumptions

– A critical analysis of the internal project reporting, in order to evaluate whether all known information was taken into account in the preparation of the financial statements

– Sample-based assessment of the recoverability of accounts receivable from construction contracts (contract assets) and construction consortia

– Retrospective assessment of individually significant projects in connection with estimation uncertainties

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

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report.

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

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities

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

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

Moreover:

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

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL REQUIREMENTS

Group Management Report

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

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

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

Opinion

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

Statement

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

Additional Information in accordance with Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on 24 June 2022 and were appointed by the supervisory board on 24 June 2022 to audit the financial statements of Company for the financial year ending on 31 December 2022.

In addition, during the Annual General Meeting, we have been elected as auditors for the following financial year and appointed by the supervisory board.

We have been auditors of the Company, without interruption, since the consolidated financial statements at 31 March 1999.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

ENGAGEMENT PARTNER

The engagement partner is Mr Mag. Gerold Stelzmüller.

Linz, 6 April 2023

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

qualified electronically signed:

Mag. Gerold Stelzmüller

Wirtschaftsprüfer

(Austrian Chartered Accountant)

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

FINANCIAL CALENDAR

Annual Report 2022	**27 April 2023**
Disclosure	7:00 a.m.
Press conference	10:00 a.m.
Investor and analyst conference call	3:00 p.m.
Trading Statement January–March 2023	**31 May 2023**
Disclosure	7:00 a.m.
Notice of Annual General Meeting	16 May 2023
Shareholding confirmation record date	6 June 2023
Annual General Meeting 2023	**16 June 2023**
Start: 10:00 a.m.	
Ex-dividend date	21 June 2023
Record date	22 June 2023
Payment date for dividend	27 June 2023
Semi-Annual Report 2023	**31 August 2023**
Disclosure	7:00 a.m.
Investor and analyst conference call	10:00 a.m.
Trading Statement January–September 2023	**16. November 2023**
Disclosure	7:00 a.m.

This schedule is preliminary. All dates may change during the year. All times are CET/CEST. Please find the latest financial calendar on the internet at www.strabag.com > Investor Relations > Company Calendar.

GLOSSARY

AktG	Austrian Stock Corporation Act (Aktiengesetz)
ATX	Austrian Traded Index; the index of leading shares of the Vienna Stock Exchange (Wiener Börse)
BCMS	Business Compliance Management System
BIM	Building Information Modelling
BNB	Assessment System for Sustainable Building (Bewertungssystem Nachhaltiges Bauen)
Book value per share	Ratio of the book value of equity divided by the number of outstanding shares
BREEAM	Building Research Establishment Environmental Assessment Methodology; a rating system for environmental and social-cultural aspects of sustainable building
BRVZ	Bau- Rechen- und Verwaltungszentrum = STRABAG entity providing intercompany services in IT and administration
CAD	Computer-aided design
CapEx	Capital expenditure, investments; acquisition of financial assets + acquisition of intangible assets as well as property, plant and equipment + changes to the scope of consolidation
Capital employed	Total of group equity + interest-bearing debt
Carbon footprint	Measure of carbon emissions caused by an activity
Cash flow	Cash and cash equivalents being received and spent
CDP	Carbon Disclosure Project, a global framework for investors, companies, cities, states and regions to measure and disclose their environmental impact
CEE	Central and Eastern Europe
CEO	Chief Executive Officer
CEST	Central European Summer Time
CFO	Chief Financial Officer
CML	Contract Management & Legal Service
CO_2	Carbon dioxide (greenhouse gas)
CO_2e	CO_2 equivalent; unit of measurement used to compare the global warming potential of different greenhouse gases
Code of Conduct	Guidelines which reflect the company's policy; compliance is mandatory for all employees, directors and officers
Compliance	Abidance with applicable laws and relevant regulations
Construction value chain	The individual steps and actions required to create a product or deliver a service in the construction industry
Corporate Governance	A code of conduct for publicly listed companies; corporate governance comprises all guidelines which maximise transparency and control in order to avoid conflicts of interest
COSO	Committee of Sponsoring Organizations of the Treadway Commission
COVID-19	Corona Virus Disease 2019
CPS	Common project standards
DCF method	Discounted cash flow method
DGNB	German Society for Sustainable Construction (Deutsche Gesellschaft für Nachhaltiges Bauen e.V.)
Directors' dealings	Transactions with company securities by company directors or officers
Dividend yield	Ratio of dividend to price per share at year's end in %
Due diligence	Investigation and analysis carried out with reasonable care
Earnings per share	Net income after minorities divided by the weighted average number of shares
EBIT	Earnings before interest and taxes
EBIT margin	Ratio of EBIT to revenue in %
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EBITDA margin	Ratio of EBITDA to revenue in %
ECB	European Central Bank
EcoVadis	Ratings agency with a special focus on ESG and sustainable supplier management
EECFA	Eastern European Construction Forecasting Association
Equity method	Method of consolidation of shares in associated companies and joint ventures; mostly companies in which STRABAG holds a stake between 20 % and 50 %
Equity ratio	Ratio of book value of equity to balance sheet total
ERP systems	Enterprise Resource Planning
ESG	Environmental, social and governance
Four-eyes principle	Principle according to which an activity is carried out and monitored by different persons
FTE	Full-time equivalents
GDP	Gross Domestic Product
Gearing ratio	Net debt divided by total group equity
GHG	Greenhouse gases
GIS	Geographic Information System

GRI	Global Reporting Initiative
HRD	Human Resource Development
HSE	Health, safety, environment
IASB	International Accounting Standards Board, issues the IFRS
ICS	Internal control system
IFRS	Financial reporting standards and interpretations adopted by the International Accounting Standards Board (IASB)
IQM	Integrated Quality Management
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
ISO 14001	International standard designed to help organisations establish environmental management systems
ISO 37001	International standard designed to help organisations implement and maintain anti-bribery management systems
ISO 37301	International standard designed to help organisations implement and maintain compliance management systems
ISO 45001	International standard designed to help organisations maintain occupational health and safety management systems
ISO 50001	International standard designed to help organisations establish energy management systems
KPI	Key performance indicator
LEED	Leadership in Energy and Environmental Design
NaDiVeg	Sustainability and Diversity Improvement Act (Nachhaltigkeits- und Diversitätsverbesserungsgesetz)
Net debt	Financial liabilities - non-recourse debt + severance and pension provisions - cash and cash equivalents; called net cash in case of negative result
NFI	Non-financial information
NOX	Nitrogen oxides
ÖCGK	Austrian Corporate Governance Code (Österreichischer Corporate Governance Kodex)
ODS	Ozone-depleting substances
OECD	Organisation for Economic Co-operation and Development
ÖGNI	Austrian Sustainable Building Council (Österreichische Gesellschaft für Nachhaltige Immobilienwirtschaft)
OpEx	Operating expenses
Order backlog	Future revenues from contracts signed to a specific date less work already accomplished
p. a.	Per annum (per year)
P/E ratio	Price-earnings ratio
Payout ratio	Ratio of dividends to earnings per share in %
PMH	Project Management Hub; digital tool to support construction site management
PPP	Public-Private Partnership; project which is funded and operated through a partnership of private investors and public-sector institutions
Risk management	An approach to recognise potential risks to the company and develop strategies to manage these risks
RMS	Risk Management System
ROCE	Return on Capital Employed; (net income + interest on debt - interest tax shield (25 %))/(average group equity + interest-bearing debt)
SAM	Smart Asset Manager; planning and billing software
SCC	Safety Certificate Contractors
SDG	Sustainable Development Goals
SE	Societas Europaea = a public company in the European Union and the European Economic Area registered in accordance with EU corporate law
SID	STRABAG Innovation & Digitalisation
SOX	Sulphur oxides
SPS	Strategic Procurement Solution
SSO	Smart Site One; digital software for road construction
STF hazards	Slips, trips and falls
Sureties	Bank guarantees or surety bonds
Sustainalytics	ESG risk ratings
Task force	A unit temporarily established to work on a single defined activity
TPA	STRABAG entity for quality assurance and innovation
UGB	Austrian Commercial Code (Unternehmensgesetzbuch)
UN	United Nations
UNGC	United Nations Global Compact
WBI	Vienna Stock Exchange Share Index (Wiener Börse Index), made up of all companies listed on the Vienna Stock Exchange
WHM	Workplace Health Management
WHO	World Health Organization

COMPANY INFORMATION

Owner, editor and publisher

STRABAG SE

Triglavstr. 9, 9500 Villach/Austria

Austrian Commercial Register Number FN 88983 h

District Court Klagenfurt

We will be pleased to answer any questions you may have:

STRABAG SE

Marianne Jakl

Spokesperson
Head of Corporate Communications

Donau-City-Str. 9, 1220 Vienna/Austria

+43 800 880 890

@ investor.relations@strabag.com

www.strabag.com

Many of the projects contained in this Annual Report were carried out in joint ventures. We hereby extend a warm “thank you” to all our partners.

Copy editing: ASI GmbH

Editing of the country report: STRABAG Investor Relations and Michaela Stefan-Friedl

This Annual Report is also available in German.