Yearly Financial Report 2021

STRABAG
SOCIETAS EUROPAEA

CONTENT

CONSOLIDATED FINANCIAL STATEMENTS 2021

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

CONSOLIDATED INCOME STATEMENT

T€	Notes	2021	2020
Revenue	(1)	15,298,536	14,749,744
Changes in inventories		-118,649	17,695
Own work capitalised		8,835	5,763
Other operating income	(2)	211,260	205,809
Construction materials, consumables and services used	(3)	-9,415,079	-9,304,347
Employee benefits expenses	(4)	-3,843,579	-3,713,069
Other operating expenses	(5)	-823,814	-910,529
Share of profit or loss of equity-accounted investments	(6)	92,110	66,214
Net income from investments	(7)	36,102	57,173
EBITDA		**1,445,722**	**1,174,453**
Depreciation and amortisation expense	(8)	-549,614	-543,801
EBIT		**896,108**	**630,652**
Interest and similar income		26,962	27,890
Interest expense and similar charges		-39,532	-48,492
Net interest income	**(9)**	**-12,570**	**-20,602**
EBT		**883,538**	**610,050**
Income tax expense	(10)	-287,135	-210,986
Net income		**596,403**	**399,064**
attributable to: non-controlling interests		10,697	3,847
attributable to: equity holders of the parent company		585,706	395,217
Earnings per share (€)	**(11)**	**5.71**	**3.85**

STATEMENT OF TOTAL COMPREHENSIVE INCOME

T€	Notes	2021	2020
Net income		**596,403**	**399,064**
Differences arising from currency translation		27,064	-34,743
Recycling of differences arising from currency translation		3,637	576
Change in interest rate swaps		20,077	-12,170
Recycling of interest rate swaps		10,585	11,862
Change in cost-of-hedging reserves		0	-209
Recycling of cost-of-hedging reserves		103	-215
Change in currency hedging instruments		0	3,726
Recycling of currency hedging instruments		-1,537	13,829
Deferred taxes on neutral change in equity	(10)	-6,510	-2,028
Other income from equity-accounted investments		4,820	-10,032
Total of items which are later recognised ("recycled") in the income statement		**58,239**	**-29,404**
Change in actuarial gains or losses		34,985	-17,513
Deferred taxes on neutral change in equity	(10)	-9,251	5,530
Other income from equity-accounted investments		37	-23
Total of items which are not later recognised ("recycled") in the income statement		**25,771**	**-12,006**
Other income		**84,010**	**-41,410**
Total comprehensive income		**680,413**	**357,654**
attributable to: non-controlling interests		10,299	3,963
attributable to: equity holders of the parent company		670,114	353,691

CONSOLIDATED BALANCE SHEET

T€	Notes	31.12.2021	31.12.2020
Goodwill	(12)	447,679	449,566
Rights from concession arrangements	(13)	492,829	511,890
Other intangible assets	(14)	28,395	33,061
Property, plant and equipment	(15)	2,533,116	2,571,007
Equity-accounted investments	(16)	403,163	418,993
Other investments	(17)	195,388	187,638
Receivables from concession arrangements	(20)	524,570	561,763
Other financial assets	(23)	259,971	234,066
Deferred taxes	(18)	104,444	185,364
Non-current assets		**4,989,555**	**5,153,348**
Inventories	(19)	969,103	1,069,909
Receivables from concession arrangements	(20)	46,001	42,427
Contract assets	(21)	1,348,241	1,071,329
Trade receivables	(22)	1,447,374	1,511,850
Non-financial assets		143,203	112,377
Income tax receivables		52,396	48,147
Other financial assets	(23)	266,644	268,100
Cash and cash equivalents	(24)	2,963,251	2,856,954
Current assets		**7,236,213**	**6,981,093**
Assets		**12,225,768**	**12,134,441**
Share capital		102,600	110,000
Capital reserves		2,085,806	2,315,384
Retained earnings and other reserves		1,859,100	1,660,762
Non-controlling interests		24,316	22,074
Total equity	**(25)**	**4,071,822**	**4,108,220**
Provisions	(26)	1,235,924	1,224,244
Financial liabilities[1]	(27)	710,610	992,111
Other financial liabilities	(29)	95,788	105,203
Deferred taxes	(18)	104,063	61,291
Non-current liabilities		**2,146,385**	**2,382,849**
Provisions	(26)	1,097,705	1,008,376
Financial liabilities[2]	(27)	483,005	163,896
Contract liabilities	(21)	1,117,348	1,023,809
Trade payables	(28)	2,421,430	2,462,827
Non-financial liabilities		536,945	477,048
Income tax liabilities		51,163	218,481
Other financial liabilities	(29)	299,965	288,935
Current liabilities		**6,007,561**	**5,643,372**
Equity and liabilities		**12,225,768**	**12,134,441**

1 Thereof T€ 452,402 concerning non-recourse liabilities from concession arrangements (2020: T€ 526,792)
2 Thereof T€ 200,338 concerning non-recourse liabilities from concession arrangements (2020: T€ 70,405)

CONSOLIDATED CASH FLOW STATEMENT

T€	Notes	2021	2020
Net income		596,403	399,064
Deferred taxes		106,413	-42,437
Non-cash effective results from consolidation		10,375	-2,132
Non-cash effective results from equity-accounted investments		26,605	3,834
Other non-cash effective results		-9,679	-5,903
Depreciations/reversal of impairment losses		553,165	544,640
Change in non-current provisions		-3,982	87,296
Gains/losses on disposal of non-current assets		-62,952	-54,027
Cash flow from earnings		**1,216,348**	**930,335**
Change in inventories		105,797	-102,573
Change in receivables from concession arrangements, contract assets and trade receivables		-159,118	484,641
Change in non-financial assets		-30,585	13,754
Change in income tax receivables		-4,534	-5,113
Change in other financial assets		-3,402	6,540
Change in current provisions		126,599	127,863
Change in contract liabilities and trade payables		60,870	-226,277
Change in non-financial liabilities		61,197	-17,016
Change in income tax liabilities		-176,670	85,564
Change in other financial liabilities		24,059	-18,058
Cash flow from operating activities		**1,220,561**	**1,279,660**
Purchase of financial assets		-19,289	-40,338
Purchase of property, plant, equipment and intangible assets		-456,338	-450,955
Inflows from asset disposals		123,072	131,212
Change in other financing receivables		-17,819	16,255
Change in scope of consolidation		-7,185	-5,772
Cash flow from investing activities		**-377,559**	**-349,598**
Issue of bank borrowings		126,600	1,273
Repayment of bank borrowings		-90,577	-71,417
Repayment of bonds		0	-200,000
Change in lease liabilities		-61,046	-63,689
Change in other financing liabilities		-2,072	-57,443
Change in non-controlling interests due to acquisition		-2,750	1,200
Distribution of dividends		-714,061	-105,813
Cash flow from financing activities		**-743,906**	**-495,889**
Net change in cash and cash equivalents		**99,096**	**434,173**
Cash and cash equivalents at the beginning of the period		2,856,804	2,459,969
Change in cash and cash equivalents due to currency translation		7,201	-38,033
Change in restricted cash and cash equivalents		0	695
Cash and cash equivalents at the end of the period	**(33)**	**2,963,101**	**2,856,804**

STATEMENT OF CHANGES IN EQUITY

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves[1]	Foreign currency reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2020	**110,000**	**2,315,384**	**1,531,174**	**-86,849**	**-47,505**	**3,822,204**	**33,695**	**3,855,899**
Net income	–	–	395,217	–	–	395,217	3,847	399,064
Differences arising from currency translation	–	–	–	–	-34,266	-34,266	99	-34,167
Change in currency hedging instruments	–	–	–	17,131	–	17,131	0	17,131
Change in equity-accounted investments	–	–	-23	-2,593	-7,439	-10,055	0	-10,055
Change in actuarial gains and losses	–	–	-17,494	–	–	-17,494	-19	-17,513
Change in interest rate swap	–	–	–	-308	–	-308	0	-308
Deferred taxes on neutral change in equity	–	–	5,494	-2,028	–	3,466	36	3,502
Other income	**–**	**–**	**-12,023**	**12,202**	**-41,705**	**-41,526**	**116**	**-41,410**
Total comprehensive income	**–**	**–**	**383,194**	**12,202**	**-41,705**	**353,691**	**3,963**	**357,654**
Transactions concerning non-controlling interests	–	–	2,590	0	1	2,591	-2,111	480
Distribution of dividends[2]	–	–	-92,340	–	–	-92,340	-13,473	-105,813
Balance as at 31.12.2020	**110,000**	**2,315,384**	**1,824,618**	**-74,647**	**-89,209**	**4,086,146**	**22,074**	**4,108,220**

1 The hedging reserve includes also the cost of hedging, see cash flow hedges section in item (34) Financial instruments.
2 The total dividend payment of T€ 92,340 corresponds to a dividend per share of € 0.90 based on 102,600,000 shares.

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves[1]	Foreign currency 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 taxes on neutral change in equity	–	–	-9,264	-6,510	–	-15,774	13	-15,761
Other 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	0	0	-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**

1 The hedging reserve includes also the cost of hedging, see cash flow hedges section in item (34) 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.

CONSOLIDATED STATEMENT OF FIXED ASSETS AS AT 31 DECEMBER 2021

	Acquisition and production costs							
T€	Balance as at 1.1.2021	Additions in scope of consolida-tion	Disposals in scope of consolida-tion	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. Tangible assets								
1. Properties 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 facilities 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									
T€	Balance as at 1.1.2021	Additions in scope of consol-idation	Disposals in scope of consol-idation	Currency transla-tion	Additions[1]	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**

1 Of this amount, impairments of T€ 7,708, reversal of impairment losses T€ 0

CONSOLIDATED STATEMENT OF FIXED ASSETS AS AT 31 DECEMBER 2020

	Acquisition and production costs							
T€	Balance as at 1.1.2020	Additions in scope of consolida-tion	Disposals in scope of consolida-tion	Currency translation	Additions	Transfers	Disposals	Balance as at 31.12.2020
I. Intangible assets								
1. Concessions, software, licences, rights	141,627	5,752	5	-1,607	2,722	132	5,187	143,434
2. Goodwill	689,185	7,330	800	-7,256	0	0	0	688,459
3. Advances paid	149	0	0	0	39	-132	40	16
Total	**830,961**	**13,082**	**805**	**-8,863**	**2,761**	**0**	**5,227**	**831,909**
II. Rights from concession arrangements	**551,793**	**0**	**0**	**0**	**0**	**0**	**0**	**551,793**
III. Tangible assets								
1. Properties and buildings	1,564,127	500	19,563	-17,933	23,769	23,329	31,029	1,543,200
2. Right-of-use assets	381,781	0	0	-4,276	93,170	0	42,646	428,029
3. Technical equipment and machinery	2,958,911	3,047	23,857	-51,866	216,183	77,360	195,015	2,984,763
4. Other facilities, furniture and fixtures and office equipment	1,275,820	1,258	1,255	-15,432	164,410	-6,100	105,371	1,313,330
5. Advances paid and facilities under construction	119,615	0	0	-3,619	43,610	-94,589	54	64,963
6. Investment property	145,800	0	0	-47	222	0	4,087	141,888
Total	**6,446,054**	**4,805**	**44,675**	**-93,173**	**541,364**	**0**	**378,202**	**6,476,173**

T€	Balance as at 1.1.2020	Additions in scope of consol-idation	Disposals in scope of consol-idation	Currency transla-tion	Additions[1]	Transfers	Disposals	Balance as at 31.12. 2020	Carrying amount as at 31.12. 2020	Carrying amount as at 31.12. 2019
				Accumulated depreciation						
I.										
1.	104,429	4,767	5	-1,662	7,651	0	4,791	110,389	33,045	37,198
2.	235,680	0	800	-503	4,516	0	0	238,893	449,566	453,505
3.	0	0	0	0	0	0	0	0	16	149
	340,109	**4,767**	**805**	**-2,165**	**12,167**	**0**	**4,791**	**349,282**	**482,627**	**490,852**
II.										
	21,436	**0**	**0**	**0**	**18,467**	**0**	**0**	**39,903**	**511,890**	**530,357**
III.										
1.	696,481	0	18,585	-6,634	38,977	-433	20,931	688,875	854,325	867,646
2.	55,434	0	0	-751	65,416	0	20,955	99,144	328,885	326,347
3.	2,147,172	2,403	23,374	-34,408	258,167	7,068	191,119	2,165,909	818,854	811,739
4.	773,982	433	1,107	-9,392	150,251	-6,635	95,572	811,960	501,370	501,838
5.	0	0	0	0	0	0	0	0	64,963	119,615
6.	140,499	0	0	0	356	0	1,577	139,278	2,610	5,301
	3,813,568	**2,836**	**43,066**	**-51,185**	**513,167**	**0**	**330,154**	**3,905,166**	**2,571,007**	**2,632,486**

1 Of this amount, impairments of T€ 5,929, reversal of impairment losses T€ 0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BASIC PRINCIPLES

The STRABAG Group is a leading European technology group for construction services. STRABAG SE has its headquarters in Triglavstraße 9, 9500 Villach, Austria. From its core markets of Austria and Germany, STRABAG is present via its numerous subsidiaries in all countries of Eastern and South-East Europe including Russia, 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 2021, 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.

The consolidated financial statements were shown 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 2021 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 2021.

	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)**
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	1.1.2021	1.1.2021
Amendments to IFRS 4 – Deferral of IFRS 9	1.1.2021	1.1.2021
Amendments to IFRS 16 Leases-Covid-19-Related Rent Concessions	1.4.2021	1.4.2021

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform (IBOR Reform) Phase 2

The Phase 2 amendments address issues arising from the implementation of the reform.

Leases, financing arrangements and interest rate hedges concluded by the STRABAG SE Group mainly use the EURIBOR as the interest rate benchmark. EURIBOR rates have been calculated in accordance with the specifications of the EU Benchmark Regulation since 2019. As a result, EURIBOR can continue to be used as the benchmark interest rate and no changes were made to existing contracts.

As at 31 December 2021, no material contracts to lending, financing and interest rate hedges using LIBOR or another international interest rate benchmark exist that need to be changed.

The amendment therefore had no impact on the IFRS consolidated financial statements.

The first-time adoption of the other IFRS standards had no impact on the consolidated financial statements as at 31 December 2021.

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 2021 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
Annual Improvements to IFRS 2018–2020	1.1.2022	1.1.2022	minor
Amendments to IFRS 3 – References to Conceptual Framework	1.1.2022	1.1.2022	no
Amendments to IAS 16 – Proceeds before Intended Use	1.1.2022	1.1.2022	minor
Amendments to IAS 37 – Onerous Contracts: Cost to Fulfilling a Contract	1.1.2022	1.1.2022	no
IFRS 17 Insurance Contracts	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 1 – Classification of Liabilities as Current or Non-Current	1.1.2023	n. a.[1]	is being analysed
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	n. a.[1]	minor
IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1.1.2023	n. a.[1]	no

1 n. a. – endorsement process is still in progress

Amendments to IAS 37 – Onerous Contracts: Cost to 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 corporate 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.

Early application of the new standards and interpretations is not planned.

CONSOLIDATION

The financial statements of the domestic and foreign companies included in the scope of consolidation 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 company 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:

- The parent company has power over the investee.
- The parent company is exposed to variable returns on the investment.
- The parent company 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, but can be achieved through other rights or contractual agreements which give the parent company 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 company acquired control. Conversely, the entity is deconsolidated when control ends.

Capital consolidation is performed in accordance with IFRS 3 using the acquisition method. The cost of acquisition of the subsidiary is 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 and loss following another review. Goodwill is subjected to an impairment test in accordance with IAS 36 at least once a year.

In the 2021 financial year, T€ 0 (2020: T€ 7,330) in goodwill arising from capital consolidation were recognised as assets. Impairments in the amount of T€ 5,667 (2020: T€ 4,516) were made.

Immaterial subsidiaries are not consolidated; these are reported at amortised cost and recognised in the item other investments.

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.

Associates which are immaterial and therefore not recognised using the equity method, are recognised at amortised cost and accounted for in the item other 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.

Joint ventures which are immaterial and therefore not recognised using the equity method, are recognised at amortised cost and accounted for in the item other 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.

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.

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 company are shown separately in the consolidated financial statements.

The necessary tax deferrals are made for consolidation procedures.

SCOPE OF CONSOLIDATION

The consolidated financial statements as at 31 December 2021 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 scope of consolidation is based on quantitative and qualitative considerations.

Subsidiaries and equity-accounted investments included in the 2021 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 scope of consolidation on the basis of an interim report effective 31 December 2021, 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 2020 and 2021 financial years as follows:

	Consolidation	**Equity method**
Balance as at 31.12.2019	**285**	**27**
First-time inclusions in year under report	14	2
First-time inclusions in year under report due to merger/accretion	3	0
Merger/accretion in year under report	-8	-1
Exclusions in year under report	-14	-4
Balance as at 31.12.2020	**280**	**24**
First-time inclusions in year under report	5	0
First-time inclusions in year under report due to merger/accretion	3	0
Merger/accretion in year under report	-4	0
Exclusions in year under report	-18	-2
Balance as at 31.12.2021	**266**	**22**

ADDITIONS TO SCOPE OF CONSOLIDATION

The following companies formed part of the scope of consolidation for the first time on the reporting date:

Consolidation	**Direct stake %**	**Date of acquisition or foundation**	
DCO d.o.o., Ljubljana	100.00	1.1.2021	1
Metallica Stahl- und Fassadentechnik GmbH, Stuttgart	100.00	1.1.2021	1
Rezidence Herálecká s.r.o., Prague	100.00	10.2.2021	
STRABAG SCARBOROUGH PROJECT INC., Ontario	100.00	6.4.2021	
STRABAG UK LIMITED, London	100.00	1.1.2021	1
Merger/Accretion			
DRUMCO SA, Timisoara	100.00	23.7.2021	2
SEF Netz-Service GmbH, Munich	100.00	20.10.2021	2
STRABAG PFS s.r.o., Prague	100.00	1.8.2021	2

1 Due to its increased business volumes, the company was included in the scope of consolidation of the group for the first time effective 1 January. The foundation/acquisition of the company occurred before 1 January 2021.
2 The companies listed under Merger/Accretion were merged with/accrued on already consolidated companies and as such are at once represented as additions to and removals from the scope of consolidation.

Companies included for the first time were consolidated at the date of acquisition or a near reporting date, provided this had no significant difference to an inclusion at the date of acquisition.

Additions to assets and liabilities from initial consolidations are comprised as follows:

T€	Initial consolidations
Acquired assets and liabilities	
Other non-current assets	1,204
Current assets	2,292
Non-current liabilities	-107
Current liabilities	-1,738
Resulting loss from initial consolidation	269
Trade-off (purchase price)	**1,920**
Non-cash effective purchase price component	-1,920
Acquired cash and cash equivalents	182
Net cash inflow from initial consolidations	**182**

All companies which were consolidated for the first time in 2021 contributed T€ 77,117 (2020: T€ 112,850) to revenue and with a loss of T€ 1,629 (2020: loss of T€ 14,639) to net income after minorities.

Assuming a fictitious first-time consolidation on 1 January 2021 for all new acquisitions, consolidated revenue and net income would only insignificantly change in the fiscal year.

DISPOSALS FROM THE SCOPE OF CONSOLIDATION

As at 31 December 2021, the following companies were no longer included in the scope of consolidation:

Disposals from scope of consolidation	
BEWO - Projekt Q4a Reininghausstraße GmbH & Co KG, Graz	Sale
Bug-AluTechnic GmbH, Vienna	Fell below significant level
Chustskij Karier, Zakarpatska	Sale
Eckstein Holding GmbH, Spittal an der Drau	Fell below significant level
EFKON SOUTH AFRICA (PTY) LTD, Pretoria	Sale
EVOLUTION ONE Sp. z o.o., Warsaw	Fell below significant level
Lift-Off GmbH & Co. KG, Cologne	Fell below significant level
Nordbahnhof Projekt EPW8 GmbH & Co KG, Vienna	Sale
Nordbahnhof Projekt EPW8 Komplementär GmbH, Vienna	Sale
Nordbahnhof Projekt Taborstraße 123 GmbH & Co KG, Vienna	Sale
Nordbahnhof Projekt Taborstraße 123 Komplementär GmbH, Vienna	Sale
RE Klitschgasse Errichtungs GmbH, Vienna	Fell below significant level
Sakela Beteiligungsverwaltung GmbH, Vienna	Fell below significant level
Shanghai Changjiang-Züblin Construction&Engineering Co.Ltd., Shanghai	Sale
SQUARE One GmbH & Co KG, Vienna	Sale
Zezelivskij karier TOW, Zezelev	Sale
Züblin Ground and Civil Engineering LLC, Dubai	Fell below significant level
Züblin Inc., Saint John/NewBrunswick	Fell below significant level
Merger/Accretion[1]	
DRUMCO SA, Timisoara	Merger
Griproad Spezialbeläge und Baugesellschaft mbH, Cologne	Merger
SEF Netz-Service GmbH, Munich	Merger
STRABAG PFS s.r.o., Prague	Merger
at-equity	
Leopold Ungar Platz 3 GmbH, Vienna	Sale
SQUARE Two GmbH & Co KG, Vienna	Sale

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

The disposals of assets and liabilities from deconsolidation are composed as follows:

T€	Disposals from scope of consolidation
Disposals of assets and liabilities	
Other non-current assets	2,719
Current assets	38,819
Non-current liabilities	-474
Current liabilities	-30,877
Resulting loss from deconsolidation	-6,469
Trade-off received (purchase price)	**3,718**
Non-cash effective purchase price component	-728
Disposals of cash and cash equivalents	-10,358
Net cash outflow from deconsolidations	**-7,368**

Resulting profit in the amount of T€ 1,107 (2020: T€ 1,332) and losses in the amount of T€ 7,576 (2020: T€ 1,496) are recognised in profit or loss under other operating income or other operating expenses.

One of the STRABAG Group's business fields is real estate project development. SQUARE One GmbH & Co. KG, Vienna, is a project company for a commercial project in Vienna that was sold as a share deal in the 2021 financial year. In these cases, the disposal profit was not presented as a deconsolidation gain from an economic point of view; instead, the sales revenues from project developments and the corresponding expenses were presented gross.

There were no significant restrictions on the use of assets or risks related to structured entities at the end of the reporting period.

NON-CONTROLLING INTERESTS

As of 31 December 2021, the amount of the non-controlling interests stood at T€ 24,316 (2020: T€ 22,074) 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 (34) Financial instruments. Currency translation differences of T€ 30,701 (2020: T€ -34,167) were recognised directly in equity in the financial year. Forward exchange operations (hedging), excluding deferred taxes, in the amount of T€ -1,434 (2020: T€ 17,131) were recognised directly in equity.

Restatements in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies) were not necessary.

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 an annual impairment test 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 test, 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 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 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 depreciation and impairment 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 expenditure 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 depreciation and impairment losses. Within the group, there are no intangible assets with indefinite useful lives.

The following useful lives were assumed for intangible assets using the straight-line method:

Intangible assets	**Useful life in years**
Property rights/utilisation rights/other rights	3–50
Software	2–5
Patents, 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 expenditures are 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 rentals 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 Center 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 during the 2021 financial year. Applications were made for the revenue shortfall bonus ("Ausfallsbonus") in the amount of T€ 917, the investment promotion bonus ("Investitionsförderungprämie") in the amount of T€ 2,091, the fixed cost subsidy ("Fixkostenzuschuss II") / loss compensation subsidy ("Verlustersatz II") in the amount of T€ 4,316 and for other subsidies to a lesser extent.

Short-time work compensation in the amount of T€ 14,644 was claimed in Austria and Germany in the 2020 financial year, along with other subsidies to a minor extent.

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 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 impairment, 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 the impairment tests:

%	2021	2020
Growth rate	0.0–0.5	0.0–0.5
Cost of capital (after taxes)	5.7–8.3	5.2–8.0
Cost of capital (before taxes)	6.9–11.4	7.2–10.5

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, the impairment 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 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; trade date 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 debt instruments under IAS 32, measured at fair value through other comprehensive income (FVOCI-debt)
- Financial assets, classified as equity instruments under IAS 32, measured at fair value through other comprehensive income (FVOCI-equity)

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.

Service concession arrangements which provide an absolute contractual right to receive payment are shown separately. 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.

Trade receivables, receivables from consortia, receivables from subsidiaries and receivables from participation companies, as well as other receivables, are measured at amortised cost less impairment allowances for expected credit losses.

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 are not qualified 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 impairments, 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, 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 impaired if there is objective evidence of credit default indicators. STRABAG makes 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.

Impairments lower the carrying amount of the financial assets. The impairment loss or gain 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 year under report, 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.

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 competition'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 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 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. The relief provided in IFRS 9 due to the interest rate benchmark reform was applied. For further details, please refer to the section “Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform”.

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 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 taxes are 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 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, 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 sold already 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.

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 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 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 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 expenses, 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 (26) 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.

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.

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, from the facility management, and the other revenue** is 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 expenses 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.

IMPACT OF THE COVID-19 PANDEMIC

On 11 March 2020, the World Health Organisation (WHO) officially declared Covid-19 a pandemic. STRABAG's European core markets as well as many of its international markets were to varying degrees affected in the 2021 financial year and remain so today. Construction activity, however, was able to continue largely unrestricted in most countries. The workflows were reorganised in line with the national regulations.

Due to the mostly small-scale and decentralised structures compared to other industries, the risk of simultaneous infection or quarantine of a critical portion of the workforce in the construction sector is relatively low. The Management Board of STRABAG SE has therefore been working together with the local management, the occupational safety specialists and the specialists from the service companies to continuously evaluate the risks in the individual group countries. This ensures that necessary decisions are made quickly and implemented effectively.

Risks resulting from disruptions in the supply chain due to restrictions in the movement of goods, services and people could be partially cushioned by the high level of value added in raw materials within the group. The existing construction equipment, machinery and other vehicles benefit the group in this regard as well. The construction industry in general benefitted here from a high domestic value-added factor.

Declines in the property and facility services segment, specifically in real estate management and industrial services, occurred to a lower-than-expected extent. From today's perspective, the impact of the Covid-19 pandemic in the real estate development business also appears to be manageable. The construction delays in this respect remained within acceptable limits.

Overall, the construction sector has been only slightly affected by the Covid-19 pandemic. Based on the current business development and the order backlog, there is no threat to the company as a going concern.

However, the uncertainties that nonetheless exist were taken into account in the medium-term planning prepared in December 2021. The cost of capital used in connection with impairment testing is increased by market risk premiums and beta factors; no growth factors were used.

Increased insolvencies can be expected in the coming years following expiration of the national support and deferral programmes. In determining the ECL, the higher credit risk for private clients from the previous year is therefore retained.

IMPACT OF CLIMATE CHANGE

Climate change is a reality associated with increasing economic impacts and risks for businesses in the future. When preparing the consolidated financial statements, possible risks must be taken into account, especially in the valuation of property, plant and equipment, inventories and provisions.

Significant goodwill at the STRABAG SE Group is reported under item (12) Goodwill. Even if an additional risk premium is applied for possible delays or the non-awarding of construction projects, especially in road construction, no amortisation 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 sales price for the valuation.

When forming provisions, climate-related risks and probable regulatory changes are also assessed.

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€ 527 (2020: T€ 3,553), while an isolated increase of the cost of capital by one percentage point would lead to an impairment of goodwill of T€ 1,323 (2020: T€ 7,668). These two effects together would trigger an impairment loss of T€ 1,815 (2020: T€ 8,319).

An extended sensitivity analysis was performed due to the current uncertainty from the Covid-19 pandemic. An annual decrease of 10 % 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€ 11,644 (2020: T€ 15,617).

The depreciation would relate to a Slovak concrete production company in the segment International + Special Divisions in the amount of T€ 7,170 (2020: T€ 6,792) as well as several German construction companies in the segment North + West in the amount of T€ 4,474 (2020: T€ 8,825).

(b) 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.

(c) 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€ 210,487 on 31 December 2021 (2020: T€ 217,181). As earnings developed according to plan and because of the ongoing distributions, an impairment test was not required.

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.

(d) 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 taxes. 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 is 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.

(e) 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.

(f) 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.

(g) 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 (26) Provisions.

(h) 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.

Corresponding provisions were made in the consolidated financial statements for damage control and claims resulting from the cartel violations. 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 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 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**

Revenue 2020

T€	North + West	South + East	International + Special Divisions	Other	Group
Business Construction	**7,239,493**	**4,407,277**	**1,203,687**		**12,850,457**
Germany	5,669,229	129,801	123,725		5,922,755
Austria	16,115	1,841,626	43,617		1,901,358
Poland	1,068,432	70	6,724		1,075,226
Czech Republic	0	717,186	12,443		729,629
Hungary	0	530,189	1,734		531,923
Chile	0	0	375,661		375,661
Other countries, each below € 300 million	485,717	1,188,405	639,783		2,313,905
Construction materials	**130,741**	**96,945**	**313,988**		**541,674**
Facility management	**0**	**0**	**492,752**		**492,752**
Project development	**0**	**0**	**546,103**		**546,103**
Other	**91,640**	**98,609**	**113,679**	**14,830**	**318,758**
Total	**7,461,874**	**4,602,831**	**2,670,209**	**14,830**	**14,749,744**

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€ 59,880 (2020: T€ 59,568).

The interest income is calculated using the effective interest method.

All values presented under revenue involve revenue from contracts with customers.

In the 2021 financial year, revenue from approved claims in the amount of T€ 190,862 (2020: T€ 197,347) 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 Group comprises the value of the produced goods and services. The total output volume of the group which also includes the proportional output of consortia and associates is therefore represented in addition to the revenue:

T€	**2021**	**2020**
Germany	7,461,734	7,323,385
Austria	2,694,313	2,459,842
Poland	1,152,130	1,183,364
Czech Republic	948,016	825,659
Hungary	651,550	670,970
Americas	481,753	494,161
Great Britain	390,034	225,509
Slovakia	289,142	296,976
Romania	264,185	250,175
Benelux	232,308	261,852
Middle East	202,862	119,035
Switzerland	191,710	219,688
Croatia	177,379	171,770
Serbia	154,602	157,671
Asia	144,907	116,844
Rest of Europe	136,238	159,626
Sweden	121,256	160,100
Denmark	109,054	76,397
Slovenia	104,300	58,822
Bulgaria	81,416	65,622
Italy	58,346	51,756
Russia	46,329	51,598
Africa	35,355	45,786
Total output volume	**16,128,919**	**15,446,608**

(2) OTHER OPERATING INCOME

Other operating income includes insurance compensation and indemnification in the amount of T€ 34,397 (2020: T€ 45,039), exchange rate gains from currency fluctuations in the amount of T€ 12,347 (2020: T€ 5,259) as well as gains from the disposal of fixed assets without financial assets in the amount of T€ 55,642 (2020: T€ 61,873).

(3) CONSTRUCTION MATERIALS, CONSUMABLES AND SERVICES USED

T€	**2021**	**2020**
Construction materials, consumables	2,914,523	2,760,658
Services used	6,500,556	6,543,689
Construction materials, consumables and services used	**9,415,079**	**9,304,347**

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 EXPENSES

T€	2021	2020
Wages	1,372,450	1,363,837
Salaries	1,793,821	1,701,138
Social security and related costs	618,326	594,532
Expenses for severance payments and contributions to employee provident fund	20,179	16,743
Expenses for pensions and similar obligations	12,704	10,226
Other social expenditure	26,099	26,593
Employee benefits expenses	**3,843,579**	**3,713,069**

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€ 14,523 (2020: T€ 11,239).

The **average number of employees** with the proportional inclusion of all participation companies is as follows:

Average number of employees (FTE)	2021	2020
White-collar workers	31,934	31,889
Blue-collar workers	41,672	42,451
Total	**73,606**	**74,340**

(5) OTHER OPERATING EXPENSES

Other operating expenses of T€ 823,814 (2020: T€ 910,529) mainly include 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 expenses from concession projects and losses on the disposal of assets (excluding financial assets). Other taxes amounting to T€ 64,417 (2020: T€ 53,988) are included.

Other operating expenses include losses from exchange rate differences from currency fluctuations in the amount of T€ 23,045 (2020: T€ 48,630).

The changes in the impairments for expected credit losses under IFRS 9 in the financial year in the amount of T€ 4,946 as income (2020: T€ 9,749 expense) are included in other operating expenses.

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€	2021	2020
Income from equity-accounted investments	34,322	37,985
Expenses arising from equity-accounted investments	-21,700	-5,671
Gains on the disposal of equity-accounted investments	3,163	0
Profit from construction consortia	138,240	141,564
Losses from construction consortia	-61,915	-107,664
Share of profit or loss of equity-accounted investments	**92,110**	**66,214**

(7) NET INCOME FROM INVESTMENTS

T€	2021	2020
Investment income	53,473	69,097
Expenses arising from investments	-17,619	-12,505
Gains on the disposal of investments	4,264	4,944
Impairment and reversal of impairment losses of investments	-3,551	-839
Losses on the disposal of investments	-465	-3,524
Net income from investments	**36,102**	**57,173**

(8) DEPRECIATION AND AMORTISATION EXPENSE

Depreciations and impairments are represented in the consolidated statement of fixed assets. In the year under report impairments on intangible assets and on property, plant and equipment to the amount of T€ 2,041 (2020: T€ 1,413) and reversal of impairment losses in the amount of T€ 0 (2020: T€ 0) were made. Impairment on goodwill amounts to T€ 5,667 (2020: T€ 4,516). For goodwill impairments we refer to the details under item (12) 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€ 63,281 (2020: T€ 65,416).

(9) NET INTEREST INCOME

T€	2021	2020
Interest and similar income	26,962	27,890
Interest expense and similar charges	-39,532	-48,492
Net interest income	**-12,570**	**-20,602**

Included in interest and similar income are exchange rate gains amounting to T€ 9,959 (2020: T€ 9,973) and interest portions from the plan assets for pension provisions in the amount of T€ 646 (2020: T€ 871).

Included in interest expense and similar charges are interest components from the allocation of severance payment and pension provisions amounting to T€ 3,024 (2020: T€ 4,718) as well as currency losses of T€ -13,835 (2020: T€ -15,327).

Interest from leases in the amount of T€ 6,122 (2020: T€ 6,364) is included in the interest expense and similar charges.

(10) INCOME TAX EXPENSES

Income tax includes taxes paid in the individual companies or owed on income, as well as deferred taxes and the payments of additional tax payments resulting from tax audits:

T€	2021	2020
Current taxes	180,722	253,423
Deferred taxes	106,413	-42,437
Income tax expense	**287,135**	**210,986**

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

T€	2021	2020
Change in hedging reserves	-6,510	-2,028
Actuarial gains/losses	-9,251	5,530
Total	**-15,761**	**3,502**

The reasons for the difference between the Austrian corporate income tax rate of 25 % valid in 2021 and the actual consolidated tax rate are as follows:

T€	2021	2020
EBT	**883,538**	**610,050**
Theoretical tax expenditure 25 %	220,884	152,512
Differences to foreign tax rates	-675	11,986
Change in tax rates	-772	214
Non-tax deductible expenses	19,899	16,504
Tax-free earnings	-28,286	-19,664
Additional tax payments/tax refund	-4,689	17,872
Change of valuation adjustment on deferred tax assets	79,268	33,363
Others	1,506	-1,801
Recognised income tax	**287,135**	**210,986**

(11) EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the consolidated profit or loss by the weighted average number of ordinary shares. In the 2021 financial year, 7,400,000 own shares were withdrawn. See also the comments under item (25) Equity.

As there are no stock options at the STRABAG Group, the diluted earnings per share equal the basic earnings per share.

	2021	2020
Number of ordinary shares	102,600,000	110,000,000
Number of shares bought back	0	-7,400,000
Number of shares outstanding as at 31.12.	**102,600,000**	**102,600,000**
Profit or loss attributable to equity holders of the parent company (consolidated profit/loss) T€	585,706	395,217
Weighted number of shares outstanding during the year	102,600,000	102,600,000
Earnings per share €	**5.71**	**3.85**

NOTES ON THE ITEMS IN THE CONSOLIDATED BALANCE SHEET

(12) GOODWILL

The composition of and changes in goodwill is shown in the consolidated statement of fixed assets.

The goodwill at the balance sheet date is composed as follows:

T€	31.12.2021	31.12.2020
STRABAG Cologne (N+W)	128,838	128,838
STRABAG Cologne (S+E)	61,105	61,105
Czech Republic (S+E)	73,184	69,324
STRABAG Poland (N+W)	57,169	57,635
DIW Group (incl. SPFS Austria, SPFS Czech Republic; I+S)	51,817	51,763
Ed. Züblin AG (N+W)	17,057	17,057
Germany (various CGUs; N+W)	37,409	43,076
Construction materials (various CGUs; I+S)	9,170	8,792
Other	11,930	11,976
Total goodwill	**447,679**	**449,566**

The comparison of the carrying amounts with the recoverable amounts of the cash-generating units determined by the annual impairment test showed a need for goodwill impairment of T€ 5,667 (2020: T€ 4,516). This figure is shown under depreciation and amortisation. The recoverable amount of the impaired cash-generating units amounts to T€ 900 (2020: T€ 1,763).

The depreciation in the financial year related entirely to a company in bridge construction with an amount of T€ 5,667 allocated to the North + West segment.

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 31.12.2021	Methodology 31.12.2021	Detailed planning period 31.12.2021	Growth rate 31.12.2021	Discount rate after tax 31.12.2021
STRABAG Cologne (N+W)	128,838	FV less cost of disposal (Level 3) [2020: FV less cost of disposal (Level 3)]	4 (2020: 4)	0 (2020: 0)	7.49 % (2020: 7.08 %)
STRABAG Cologne (S+E)	61,105	FV less cost of disposal (Level 3) [2020: FV less cost of disposal (Level 3)]	4 (2020: 4)	0 (2020: 0)	7.76 % (2020: 7.53 %)
Czech Republic (S+E)	73,184	FV less cost of disposal (Level 3) [2020: FV less cost of disposal (Level 3)]	4 (2020: 4)	0 (2020: 0)	7.91 % (2020: 7.77 %)
STRABAG Poland (N+W)	57,169	FV less cost of disposal (Level 3) [2020: FV less cost of disposal (Level 3)]	4 (2020: 4)	0 (2020: 0)	8.07 % (2020: 8.04 %)
DIW Group (incl. SPFS Austria, SPFS Czech Republic; I+S)	51,817	FV less cost of disposal (Level 3) [2020: FV less cost of disposal (Level 3)]	4 (2020: 4)	0 (2020: 0)	7.49 % (2020: 7.08 %)

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. An annual 5 % decrease of the cash flow and a simultaneous increase of the interest rate by one percentage point would not result in any impairment loss of the goodwill mentioned above. 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.

(13) RIGHTS FROM CONCESSION ARRANGEMENTS

STRABAG has held 100 % of PANSUEVIA GmbH & Co. KG of 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 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€ 365,135 (2020: T€ 375,412) classified either as a current or non-current liability depending on the term to maturity. The resulting interest expenses are recognised under other operating expenses. 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.

(14) OTHER INTANGIBLE ASSETS

The composition of and changes in other intangible assets is shown in the consolidated statement of fixed assets.

No borrowing costs were capitalised for other intangible assets in the year under report.

Capitalised development costs

At the balance sheet date, development costs in the amount T€ 0 (2020: T€ 0) were capitalised as intangible assets.

A total of T€ 16,164 (2020: T€ 17,376) in research and development costs incurred in the 2021 financial year were recorded as expenses.

(15) PROPERTY, PLANT AND EQUIPMENT

The composition of and changes in property, plant and equipment is shown in the consolidated statement of fixed assets.

Borrowing costs in the amount of T€ 0 were capitalised for property, plant and equipment in the year under report (2020: T€ 0).

Leases

Lessee

The development of right-of-use assets from leases is shown in the consolidated statement of fixed assets.

The cash outflows from leases in the 2021 financial year break down as follows:

T€	31.12.2021	31.12.2020
Interest from leases	6,122	6,364
Redemption of leases	61,046	63,689
Variable lease payments	6,730	5,985
Payments for short-term leases	9,190	9,680
Total lease payments	**83,088**	**85,718**

Additionally, expenses for short-term equipment rentals that do not meet the leasing criteria, in the amount of T€ 162,095 (2020: T€ 153,661) were incurred in the financial year.

To a minor extent, the STRABAG Group also rents office space to third parties and thus acts as a **lessor**. This particularly involves the Tech Gate building in Vienna. The annual rental income amounts to T€ 2,503 (2020: T€ 2,591) and is shown in other operating income.

The carrying amount of this building as of 31 December 2021 is T€ 66,376 (2020: T€ 67,953) 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 were T€ 107,021 (2020: T€ 29,798) in contractual commitments for acquisition of property, plant and equipment which were not considered in the financial statements.

Restrictions exist for non-current assets in the amount of T€ 0 (2020: T€ 0).

Investment property

The development of investment property is shown separately in the consolidated statement of fixed assets. The fair value of investment property as of 31 December 2021 amounts to T€ 2,786 (2020: T€ 3,172). 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 2021 financial year amounted to T€ 5,464 (2020: T€ 5,716) and direct operating expenses totalled T€ 6,210 (2020: T€ 5,991). 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€ 4,176 (2020: T€ 256) and losses from asset disposals in the amount of T€ 126 (2020: T€ 0) were achieved.

A reversal of impairment losses in the amount of T€ 0 was made in the financial year (2020: T€ 0).

(16) EQUITY-ACCOUNTED INVESTMENTS

T€	2021	2020
Carrying amount as at 1.1.	**418,993**	**454,532**
Change in scope of consolidation	0	-1,782
Acquisitions/contributions	31,858	17,792
Proportional annual results	15,785	32,314
Received distributions	-45,316	-36,148
Return of capital	-47,874	-37,660
Proportional other income	4,857	-10,055
Recognised as risk provision	16,403	0
Tax adjustment	8,457	0
Carrying amount as at 31.12.	**403,163**	**418,993**

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 (36) Notes on related parties.

The following financial information concerns the consolidated financial statements prepared in accordance with IFRS.

T€	2021	2020
Revenue	273,735	248,619
Income from continuing operations	12,447	27,918
Other income	10,111	-18,393
Total comprehensive income	**22,558**	**9,525**
attributable to: non-controlling interests	*-129*	*76*
attributable to: equity holders of the parent company	*22,687*	*9,449*
	31.12.2021	**31.12.2020**
Non-current assets	561,205	538,490
Current assets	119,663	117,325
Non-current liabilities	-148,483	-148,519
Current liabilities	-116,972	-69,439
Net assets	**415,413**	**437,857**
attributable to: non-controlling interests	*4,070*	*4,199*
attributable to: equity holders of the parent company	*411,343*	*433,658*

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€	2021	2020
Group's share in net assets as at 1.1.	**130,097**	**140,762**
Group's share of net income from continuing operations	3,637	8,277
Group's share of other income	3,169	-5,442
Group's share of total comprehensive income	6,806	2,835
Dividends received	-13,500	-13,500
Group's share in net assets as at 31.12.	**123,403**	**130,097**
Goodwill	87,084	87,084
Equity-carrying amount as at 31.12.	**210,487**	**217,181**

The following table arranges in aggregate form the carrying amount and the group's share of the profit and other income from associates that would be insignificant by themselves:

T€	2021	2020
Total of equity-carrying amount as at 31.12.	87,287	95,358
Group's share of net income from continuing operations	2,630	11,028
Group's share of other income	1,316	-4,400
Group's share of total comprehensive income	3,946	6,627

Notes on joint ventures

The following table arranges in aggregate form the carrying amount and the group's share of the profit and other income from joint ventures that would be insignificant by themselves:

T€	2021	2020
Total of equity-carrying amount as at 31.12.	105,389	106,454
Group's share of net income from continuing operations	9,518	13,009
Group's share of other income	372	-213
Group's share of total comprehensive income	9,890	12,796

Notes on accumulated losses from equity-accounted investments

Proportionate losses from equity-accounted investments in the amount of T€ 11,621 (2020: T€ 9,773) 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 2021 financial year.

Construction consortia	Stake in %
ARGE A1 DAMMER BERGE, Germany (DAM)	50.00
ARGE A26 A7 BAULOS 3.1, Germany (A26)	50.00
ARGE FLUGHAFENTUNNEL, Germany (FHT)	65.00
ARGE KORALMTUNNEL KAT 2, Austria (KAT)	85.00
ARGE NB JVA WILLICH I, Germany (JVA)	50.00
ARGE TULFES PFONS, Austria (TULF)	51.00
ARGE TUNNEL RASTATT, Germany (RAST)	50.00
ARGE U2 17-21, Austria (U2)	50.00
BAU-ARGE ÖPP BAB A49 SLW, Germany (A49)	50.00
COMBINATIE HEREPOORT VOF, the Netherlands (HER)	37.50

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
KAT	53,269	1,080	84,054	543	0	85,134
U2	52,263	2,634	15,042	8,234	0	17,676
RAST	40,674	705	35,238	16,422	0	35,943
JVA	40,335	418	33,882	31,832	0	34,300
TULF	29,276	230	150,913	25,783	0	151,143
A26	27,359	0	9,426	1,307	0	9,426

In the 2021 financial year, the share of profit or loss of equity-accounted investments recorded for the above-mentioned consortia included T€ 22,806 in profits from consortia and T€ 20,860 in losses from consortia including impending losses.

The financial information in the 2020 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	10,232	194	47,472	22,760	0	47,666
FHT	55,788	13,132	74,417	16,597	0	87,549
HER	26,315	430	11,832	1,939	0	12,262
DAM	0	0	0	0	0	0
KAT	78,346	3,970	106,416	899	0	110,386
U2	0	0	0	0	0	0
RAST	31,545	1,010	24,840	13,422	0	25,850
JVA	2,595	0	4,522	4,522	0	4,522
TULF	69,193	6,253	102,653	72,233	0	108,906
A26	13,722	0	9,230	8,330	0	9,230

In the 2020 financial year, the share of profit or loss of equity-accounted investments recorded for the above-mentioned consortia included T€ 27,511 in profits from consortia and T€ 50,892 in losses from consortia including impending losses.

The business transactions with the consortia in the financial year can be presented as follows:

T€	2021	2020
Work and services performed	899,929	1,008,853
Work and services received	17,063	11,339
Receivables as at 31.12.	383,012	478,250
Liabilities as at 31.12.	367,655	406,823

(17) 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.

The development of the other investments in the financial year was as follows:

T€	Balance as at 1.1.2021	Currency translation	Changes in scope of consolidation	Additions	Transfers	Disposals	Impairment/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**

The development of the other investments in the previous financial year was as follows:

T€	Balance as at 1.1.2020	Currency translation	Changes in scope of consolidation	Additions	Transfers	Disposals	Impairment/Reversal of impairment losses	Balance as at 31.12.2020
Investments in subsidiaries	86,616	-12	-4,334	18,611	-10	-5,957	-4,506	90,408
Investments	88,446	-175	8,622	3,934	10	-7,274	3,667	97,230
Other investments	**175,062**	**-187**	**4,288**	**22,545**	**0**	**-13,231**	**-839**	**187,638**

(18) DEFERRED TAXES

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 1.1.2021	Currency translation	Changes in scope of consolidation	Other changes	Balance as at 31.12.2021
Intangible assets and property, plant and equipment	49,772	-26	0	2,908	52,654
Financial assets	7,920	7	0	3,661	11,588
Inventories	26,505	-315	-286	-17,926	7,978
Trade and other receivables	123,004	-1,251	-54	-9,595	112,104
Provisions	197,470	20	-131	-36,682	160,677
Liabilities	75,943	805	-2	-58,513	18,233
Tax loss carryforwards	109,932	236	0	-24,897	85,271
Deferred tax assets	**590,546**	**-524**	**-473**	**-141,044**	**448,505**
Netting out of deferred tax assets and liabilities of the same tax authorities	-405,182	0	0	61,121	-344,061
Deferred tax assets netted out	**185,364**	**-524**	**-473**	**-79,923**	**104,444**
Intangible assets and property, plant and equipment	-110,952	252	-107	14,843	-95,964
Financial assets	-17,333	0	0	7,168	-10,165
Inventories	-31,087	-306	2,597	2,003	-26,793
Trade and other receivables	-261,474	478	421	-22,487	-283,062
Provisions	-10,683	-61	0	4,948	-5,796
Liabilities	-34,944	-17	0	8,617	-26,344
Deferred tax liabilities	**-466,473**	**346**	**2,911**	**15,092**	**-448,124**
Netting out of deferred tax assets and liabilities of the same tax authorities	405,182	0	0	-61,121	344,061
Deferred tax liabilities netted out	**-61,291**	**346**	**2,911**	**-46,029**	**-104,063**

Deferred taxes on losses carried forward were 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€ 1,705,397 (2020: T€ 1,561,402), as their effectiveness as final tax relief is not sufficiently assured.

Of the non-capitalised losses carried forward T€ 1,568,548 (2020: T€ 1,423,374) have unrestricted use.

For the STRABAG SE tax group, Austria, deferred taxes were capitalised despite tax losses in the previous years as well as in the year under report. The recognised deferred taxes for losses carried forward amount to T€ 76,165 (2020: T€ 86,715), for the STRABAG SE tax group. This contains deferred tax assets on open one-seventh impairments in the amount of T€ 76,165 (2020: T€ 86,715). 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.

(19) INVENTORIES

T€	31.12.2021	31.12.2020
Construction materials, auxiliary supplies and fuel	218,820	225,086
Finished buildings	128,741	138,137
Unfinished buildings	219,787	291,811
Development land	331,317	354,291
Finished and unfinished goods	21,276	26,148
Payments made	49,162	34,436
Inventories	**969,103**	**1,069,909**

Impairment in the amount of T€ 3,883 (2020: T€ 3,414) was recognised on inventories excluding construction materials, auxiliary supplies and fuel. T€ 21,474 (2020: T€ 44,512) 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€ 341 (2020: T€ 1,294).

(20) RECEIVABLES FROM CONCESSION ARRANGEMENTS

STRABAG has a 100 % interest in the Hungarian M5 motorway concession company, AKA Alföld Koncesszios Autopalya Zrt., Budapest (AKA).

In the concession arrangement with the Hungarian state, AKA committed to develop, plan, 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€ -7,681 (2020: T€ -15,068) 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€ 161,656 (2020: T€ 221,785), classified either as a current or non-current liability depending on the term to maturity. The resulting interest expense is recognised in other operating expenses.

(21) 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€	31.12.2021	31.12.2020
Contract assets (gross)	7,514,453	7,659,966
Advances received	-6,166,212	-6,588,637
Contract assets	**1,348,241**	**1,071,329**
Contract liabilities (gross)	-6,828,833	-5,386,523
Advances received	7,946,181	6,410,332
Contract liabilities	**1,117,348**	**1,023,809**

In the 2021 financial year, revenue was recognised in the amount of T€ 976,548 (2020: T€ 957,247) that had been contained under contract liabilities at the beginning of the financial year.

As of 31 December 2021, there are unsatisfied performance obligations from construction contracts with customers and project developments (order backlog) in the amount of T€ 18,877,387 (2020: T€ 15,951,566). The recognition of revenue from these performance obligations is expected with T€ 9,964,684 (2020: T€ 9,653,641) in the following financial year and with T€ 8,912,704 (2020: T€ 6,297,924) in the next four financial years.[1]

In the year under report, 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 - (b) Recognition of revenue from construction contracts with customers and project developments”.

(22) TRADE RECEIVABLES

Trade receivables are comprised as follows:

	31.12.2021			31.12.2020		
T€	Total	thereof current	thereof non-current	Total	thereof current	thereof non-current
Trade receivables	1,132,810	1,132,810	0	1,116,174	1,116,174	0
Receivables from consortia	254,005	254,005	0	342,574	342,574	0
Advances paid to subcontractors	60,559	60,559	0	53,102	53,102	0
Trade receivables	**1,447,374**	**1,447,374**	**0**	**1,511,850**	**1,511,850**	**0**

[1] The disclosure was amended in 2021 to include the order backlogs of proportionately and fully consolidated joint ventures. The figures for the previous year have therefore been adjusted.

(23) OTHER FINANCIAL ASSETS

Other financial assets are comprised as follows:

T€	31.12.2021 Total	thereof current	thereof non-current	31.12.2020 Total	thereof current	thereof non-current
Securities	28,122	0	28,122	27,546	0	27,546
Receivables from subsidiaries	99,401	94,905	4,496	104,118	104,118	0
Receivables from participation companies	158,240	76,299	81,941	137,349	56,946	80,403
Other financial assets	240,852	95,440	145,412	233,153	107,036	126,117
Other financial assets total	**526,615**	**266,644**	**259,971**	**502,166**	**268,100**	**234,066**

(24) CASH AND CASH EQUIVALENTS

T€	31.12.2021	31.12.2020
Securities	2,823	3,102
Cash on hand	1,338	1,467
Bank deposits	2,959,090	2,852,385
Cash and cash equivalents	**2,963,251**	**2,856,954**

(25) EQUITY

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 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 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 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.

Details as to the development of the equity of STRABAG SE are represented in the statement of changes in equity.

Long-term economic success, within the context of responsibility to our shareholders, customers, employees, suppliers, subcontractors and the company itself, is the primary entrepreneurial objective of the STRABAG 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 2021 amounted to 33.3 % (2020: 33.9 %). With this equity base, the STRABAG 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.

(26) PROVISIONS

T€	Balance as at 1.1.2021	Currency translation	Changes in scope of consolidation	Additions	Utilisation	Balance as at 31.12.2021
Provisions for severance payments	122,552	-919	-78	0	13,194	108,361
Provisions for pensions	428,356	162	0	0	51,693	376,825
Construction-related provisions	484,546	951	0	52,237	33,108	504,626
Personnel-related provisions	17,969	0	0	244	12,353	5,860
Other provisions	170,821	532	0	82,780	13,881	240,252
Non-current provisions	**1,224,244**	**726**	**-78**	**135,261**	**124,229**	**1,235,924**
Construction-related provisions	473,040	3,053	-2,490	613,601	471,391	615,813
Personnel-related provisions	191,650	-769	-274	203,263	191,010	202,860
Other provisions	343,686	924	-4,120	293,297	354,755	279,032
Current provisions	**1,008,376**	**3,208**	**-6,884**	**1,110,161**	**1,017,156**	**1,097,705**
Total	**2,232,620**	**3,934**	**-6,962**	**1,245,422**	**1,141,385**	**2,333,629**

The actuarial assumptions as at 31 December 2021 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
Discounting rate (%)	0.98	0.98	0.98	0.25
	(2020: 0.52)	(2020: 0.52)	(2020: 0.52)	(2020: 0.16)
Salary increase (%)	2.00	0.00	0.00	0.70
	(2020: 2.00)	(2020: 0.00)	(2020: 0.00)	(2020: 0.70)
Future pension increase (%)		dependent on contractual	1.50	0.25
	n.a.	adaption	(2020: 1.50)	(2020: 0.25)
Retirement age for men	62	65	63–67	65
	(2020: 62)	(2020: 65)	(2020: 63–67)	(2020: 65)
Retirement age for women	62	60	63–67	64
	(2020: 62)	(2020: 60)	(2020: 63–67)	(2020: 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 2021:

T€	**Change in discounting 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	-3,844	3,601	1,816	-1,867	n.a.	n.a.
Pension obligations	-34,519	33,026	1,013	-234	11,757	-10,092

1 Sign: - increase of obligation, + decrease of obligation

Provisions for severance payments show the following development:

T€	**2021**	**2020**
Present value of the defined benefit obligation as at 1.1.	**122,552**	**124,680**
Changes in scope of consolidation/currency translation	-997	-516
Current service costs	2,378	3,279
Interest costs	485	742
Severance payments	-12,178	-9,905
Actuarial gains/losses arising from experience adjustments	-352	1,916
Actuarial gains/losses arising from change in the discount rate	-3,527	2,356
Present value of the defined benefit obligation as at 31.12.	**108,361**	**122,552**

The **development of the provisions for pensions** is shown below:

T€	**2021**	**2020**
Present value of the defined benefit obligation as at 1.1.	**631,731**	**638,605**
Changes in scope of consolidation/currency translation	8,364	887
Current service costs	7,468	7,916
Interest costs	2,539	3,976
Pension payments	-44,446	-37,148
Actuarial gains/losses arising from experience adjustments	-8,667	2,402
Actuarial gains/losses arising from change in the discount rate	-23,504	16,062
Actuarial gains/losses arising from demographic changes	-7,256	-969
Present value of the defined benefit obligation as at 31.12.	**566,229**	**631,731**

The **plan assets for pension provisions** developed as follows in the year under report:

T€	**2021**	**2020**
Fair value of the plan assets as at 1.1.	**203,375**	**202,689**
Changes in scope of consolidation/currency translation	8,202	861
Income from plan assets	646	871
Contributions	6,909	7,327
Pension payments	-21,407	-12,627
Actuarial gains/losses	6,869	4,254
Assets not included according to IFRIC 14	-15,190	0
Fair value of the plan assets as at 31.12.	**189,404**	**203,375**

The **plan assets** consist of the following risk groups:

T€	31.12.2021	31.12.2020
Shares[1]	30,433	30,029
Bonds[1]	45,004	53,573
Cash	1,237	1,280
Investment funds	10,837	14,640
Real estate	22,939	13,663
Liability insurance	61,871	61,716
Other assets	32,273	28,474
Assets not included according to IFRIC 14	-15,190	0
Total	**189,404**	**203,375**

1 All shares and bonds are traded in an active market

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.

In the 2021 financial year, STRABAG AG, Switzerland, had a surplus of plan assets over the pension liability of T€ 5,033 (2020: T€ 0).

The expected contributions to pension foundations in the following year will amount to T€ 3,293 (2020: T€ 3,575).

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 return on plan assets amounted to T€ 7,634 (2020: T€ 4,534) in the financial year.

The following amounts for pension and severance provisions were recognised in the **income statement**:

T€	2021	2020
Current service costs	9,846	11,195
Interest costs	3,024	4,718
Return on plan assets	646	871

The **development of the net defined benefit obligation** for pension and severance provisions was as follows:

T€	31.12.2021	31.12.2020
Severance provisions obligation	108,361	122,552
Present value of the defined benefit obligation (pension provision)	*566,229*	*631,731*
Fair value of plan assets (pension provision)	*-189,404*	*-203,375*
Pension provision obligation	376,825	428,356
Obligation total	**485,186**	**550,908**

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	36,305	144,352	135,206	174,185	131,707

The **maturity profile** of the benefit payments from the net defined benefit liability as at 31 December 2020 was as follows:

T€	< 1 year	1–5 years	6–10 years	11–20 years	> 20 years
Provisions for severance payments	9,218	27,478	31,111	30,664	3,179
Provisions for pensions	36,835	145,892	143,106	187,959	149,970

The **durations** (weighted average term) are shown in the following table.

Years	31.12.2021	31.12.2020
Severance payments Austria	8.66	8.88
Pension obligations Austria	9.01	8.40
Pension obligations Germany	11.00	11.70
Pension obligations Switzerland	14.30	15.10
Pension obligations Netherlands	17.18	17.64

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.

(27) FINANCIAL LIABILITIES

	31.12.2021			31.12.2020		
T€	Total	thereof current	thereof non-current	Total	thereof current	thereof non-current
Bonds	200,000	200,000	0	200,000	0	200,000
Bank borrowings	687,764	224,358	463,406	651,741	107,093	544,649
Lease liabilities	305,851	58,647	247,204	304,265	56,803	247,462
Financial liabilities	**1,193,615**	**483,005**	**710,610**	**1,156,006**	**163,896**	**992,111**

Physical securities were established to cover liabilities to banks in the amount of T€ 33,516 (2020: T€ 47,964).

The bank borrowings involve non-recourse liabilities in the amount of T€ 652,740 (thereof non-current: T€ 452,402). This value amounted to T€ 597,197 (thereof non-current: T€ 526,792) in the previous year.

(28) TRADE PAYABLES

	31.12.2021			31.12.2020		
T€	**Total**	**thereof current**	**thereof non-current**	**Total**	**thereof current**	**thereof non-current**
Trade payables	2,150,670	2,150,670	0	2,141,827	2,141,827	0
Liabilities from construction consortia	270,760	270,760	0	321,000	321,000	0
Trade payables	**2,421,430**	**2,421,430**	**0**	**2,462,827**	**2,462,827**	**0**

(29) OTHER FINANCIAL LIABILITIES

	31.12.2021			31.12.2020		
T€	**Total**	**thereof current**	**thereof non-current**	**Total**	**thereof current**	**thereof non-current**
Payables to subsidiaries	110,530	110,530	0	101,984	101,984	0
Payables to participation companies	15,524	15,524	0	9,445	9,445	0
Other financial liabilities	269,699	173,911	95,788	282,709	177,506	105,203
Other financial liabilities total	**395,753**	**299,965**	**95,788**	**394,138**	**288,935**	**105,203**

(30) 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 interests, 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.

Libya filed a motion to set aside the arbitration award, which was rejected in first instance by the competent court in the United States. Libya has appealed against this decision.

It remains uncertain whether Libya will honour the award. STRABAG is examining the possibilities of enforcing the arbitration award and has initiated recognition and enforcement proceedings on a small scale. 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.

(31) CONTINGENT LIABILITIES

The company has accepted the following **guarantees**:

T€	**31.12.2021**	**31.12.2020**
Guarantees without financial guarantees	174	174

(32) 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 2021 are performance bonds in the amount of € 3.1 billion (2020: € 2.3 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 Group hold a share interest.

(33) 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 scope of consolidation were eliminated and represented in the cash flow from investing activities.

The **cash and cash equivalents** are composed as follows:

T€	31.12.2021	31.12.2020
Securities	2,823	3,102
Cash on hand	1,338	1,467
Bank deposits	2,959,090	2,852,385
Restricted cash and cash equivalents	0	0
Pledge of cash and cash equivalents	-150	-150
Cash and cash equivalents	**2,963,101**	**2,856,804**

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€	2021	2020
Interest paid	18,503	31,401
Interest received	21,994	14,217
Taxes paid	359,777	154,805
Dividends received	91,198	106,676

The taxes paid include tax arrears from tax deferrals from the previous year.

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**
Issue	0	126,600	0	0	126,600
Repayment	0	-90,577	0	0	-90,577
Increase (+)/decrease (-) of financing	0	0	-2,072	-61,046	-63,118
Total cash flow from financing activities	**0**	**36,023**	**-2,072**	**-61,046**	**-27,095**
Currency translation	0	0	-25	1,251	1,226
Change in scope of consolidation	0	0	0	0	0
Other changes	0	0	156	61,381	61,537
Total of non cash-effective 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**

1 The recognition in the balance sheet was made under current and non-current other financial liabilities

The cash flow from financing activities can be derived as follows:

T€	Inflow (+) Outflow (-)
Total cash flows from financing activities	-27,095
Change in non-controlling interests due to acquisition	-2,750
Distribution of dividends	-714,061
Cash flow from financing activities	**-743,906**

The **cash flow from financing activities** for the financial year 2020 can be derived from the balance sheet items as follows:

T€	Bonds	Bank borrowings	Other financial liabilities[1]	Lease liabilities	Total
Balance as at 1.1.2020	**400,000**	**721,888**	**88,418**	**300,319**	**1,510,625**
Issue	0	1,273	0	0	1,273
Repayment	-200,000	-71,417	0	0	-271,417
Increase (+)/decrease (-) of financing	0	0	-57,443	-63,689	-121,132
Total cash flow from financing activities	**-200,000**	**-70,144**	**-57,443**	**-63,689**	**-391,276**
Currency translation	0	-3	-75	-3,649	-3,727
Change in scope of consolidation	0	0	0	0	0
Other changes	0	0	114	71,284	71,398
Total of non cash-effective changes	**0**	**-3**	**39**	**67,635**	**67,671**
Balance as at 31.12.2020	**200,000**	**651,741**	**31,014**	**304,265**	**1,187,020**

1 The recognition in the balance sheet was made under current and non-current other financial liabilities

The cash flow from financing activities can be derived as follows:

T€	Inflow (+) Outflow (-)
Total cash flows from financing activities	-391,276
Change in non-controlling interests due to acquisition	1,200
Distribution of dividends	-105,813
Cash flow from financing activities	**-495,889**

NOTES ON FINANCIAL INSTRUMENTS

(34) 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:

		31.12.2021			31.12.2020	
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	48,511	48,511	FVPL	41,278	41,278
Trade receivables	AC	1,386,815		AC	1,458,748	
Receivables from concession arrangements	AC	578,252		AC	619,258	
Other non-current financial assets	AC	229,235		AC	206,520	
Other current financial assets	AC	266,447		AC	262,555	
Cash and cash equivalents	AC	2,960,428		AC	2,853,852	
Securities	FVPL	28,122	28,122	FVPL	27,546	27,546
Cash and cash equivalents (securities)	FVPL	2,823	2,823	FVPL	3,102	3,102
Derivatives held for hedging purposes (receivables from concession arrangements)	Derivatives	-7,681	-7,681	Derivatives	-15,068	-15,068
Derivatives held for hedging purposes (other financial assets)	Derivatives	2,614	2,614	Derivatives	1,434	1,434
Derivatives other (other financial assets)	FVPL	197	197	FVPL	4,111	4,111
Liabilities						
Financial liabilities	FLaC	-1,193,615	-1,193,883	FLaC	-1,156,006	-1,165,326
Trade payables	FLaC	-2,421,430		FLaC	-2,462,827	
Other non-current financial liabilities	FLaC	-75,789		FLaC	-75,777	
Other current financial liabilities	FLaC	-299,965		FLaC	-288,681	
Derivatives held for hedging purposes (other financial liabilities)	Derivatives	-12,996	-12,996	Derivatives	-29,426	-29,426
Derivatives other (other financial liabilities)	FVPL	-7,003	-7,003	FVPL	-254	-254
	Measurement categories according to IFRS 9			**Measurement categories according to IFRS 9**		
	AC	5,421,177		AC	5,400,933	
	FVPL	72,650	72,650	FVPL	75,783	75,783
	FLaC	-3,990,799	-1,193,883	FLaC	-3,983,291	-1,165,326
	Derivatives	-18,063	-18,063	Derivatives	-43,060	-43,060
	Total	**1,484,965**	**-1,139,296**	**Total**	**1,450,365**	**-1,132,603**

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 as far as 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 borrowing and lease liabilities are measured at the present value of the payments associated with them and under consideration of the relevant applicable market parameters as far as market values were not available. The fair value of the financial liabilities would qualify as a Level 1 measurement at T€ 200,224 (2020: T€ 202,610) and as a Level 2 measurement at T€ 993,659 (2020: T€ 962,716).

T€ 150 (2020: T€ 150) of cash and cash equivalents, T€ 843 (2020: T€ 2,577) of securities and T€ 1,844 (2020: T€ 1,815) of other financial instruments were pledged as collateral for liabilities.

The non-recourse liabilities in the amount of T€ 652,740 are secured with the return flows from the respective project.

The **net income effects of the financial instruments** according to valuation categories are as follows:

	2021				2020			
T€	**AC**	**FVPL**	**FLaC**	**Derivatives**	**AC**	**FVPL**	**FLaC**	**Derivatives**
Interest	14,938	0	-21,944	0	16,224	0	-29,364	0
Interest from concession arrangements	59,880	0	-17,280	-4,230	59,568	0	-19,900	-5,216
Result from investment	0	2,111	0	0	0	3,939	0	0
Result from securities	0	556	0	0	0	531	0	0
Impairments, credit losses and reversals of impairment losses	3,679	1,395	0	0	-30,381	4,565	0	0
Disposal profits/losses	0	2,538	0	0	0	49	0	0
Change in other derivatives	0	-10,663	0	0	0	3,790	0	0
Income from derecognition of liabilities and payments of derecognised receivables	37	0	7,298	0	35	0	6,375	0
Net income recognised in profit or loss	**78,534**	**-4,063**	**-31,926**	**-4,230**	**45,446**	**12,874**	**-42,889**	**-5,216**
Value changes recognised directly in equity	0	0	0	29,228	0	0	0	16,823
Net income	**78,534**	**-4,063**	**-31,926**	**24,998**	**45,446**	**12,874**	**-42,889**	**11,607**

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 expenses from concession arrangements are recognised in other operating expenses.

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 expenses 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 expenses.

Income from the derecognition of liabilities as well as payments received on derecognised receivables are reported under other operating income.

Income, expenses, impairments and reversals of impairments as well as disposal gains and losses on investments of less than 20 % are recognised in net income from investments.

Income, expenses, impairments and reversals of impairments 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 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**

The **fair values as at 31 December 2020** 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)			41,278	41,278
Securities	27,546			27,546
Cash and cash equivalents (securities)	3,102			3,102
Derivatives held for hedging purposes		-13,634		-13,634
Derivatives other		4,111		4,111
Total	**30,648**	**-9,523**	**41,278**	**62,403**
Liabilities				
Derivatives held for hedging purposes		-29,426		-29,426
Derivatives other		-254		-254
Total	**0**	**-29,680**	**0**	**-29,680**

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 2021 and 2020, 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 on 31 December 2021.

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. The fair value is determined on the basis of simplified company valuations.

The carrying amount of investments below 20 % developed as follows:

T€	2021	2020
Carrying amount as at 1.1.	**41,278**	**32,540**
Currency translation/Transfers	260	26
Change in scope of consolidation	0	6,716
Additions	7,760	2,811
Disposals	-2,082	-4,471
Depreciation	-100	0
Changes in fair value	1,395	3,656
Carrying amount as at 31.12.	**48,511**	**41,278**

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€		31.12.2021			31.12.2020	
Bank	**Assets**	**Liabilities**	**Total**	**Assets**	**Liabilities**	**Total**
Deutsche Bank AG	0	0	0	1,434	0	1,434
Republic of Hungary	-7,681	0	-7,681	-15,068	0	-15,068
National Bank of Canada	1,254	0	1,254	0	0	0
SMBC Capital Markets	1,360	0	1,360	0	0	0
KfW IPEX-Bank	0	-3,023	-3,023	0	-6,545	-6,545
Norddeutsche Landesbank	0	-3,447	-3,447	0	-7,513	-7,513
SEB AG	0	-3,229	-3,229	0	-7,693	-7,693
Société Générale	0	-3,297	-3,297	0	-7,675	-7,675
Total derivatives held for hedging purposes	**-5,067**	**-12,996**	**-18,063**	**-13,634**	**-29,426**	**-43,060**
Bayerische Landesbank	0	-684	-684	884	0	884
Crédit Agricole Corp. & Investment	0	-2,059	-2,059	16	0	16
Landesbank Baden-Württemberg	0	0	0	271	0	271
Raiffeisenbank International AG[1]	197	-2,879	-2,682	1,086	-254	832
UniCredit Bank Austria AG	0	-1,381	-1,381	1,854	0	1,854
Total other derivatives	**197**	**-7,003**	**-6,806**	**4,111**	**-254**	**3,857**
Total	**-4,870**	**-19,999**	**-24,869**	**-9,523**	**-29,680**	**-39,203**

1 Can be set off in the event of insolvency

No hedge accounting is used for other derivatives, but they are part of economic hedging relationships.

Principles of risk management

The STRABAG 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.

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 2021.

Interest rate risk

The financial instruments bear mainly variable interest rates on the assets side, on the liabilities side there are both variable and fixed interest obligations. The risk of financial instruments bearing variable interest rates consists of increasing interest charges and sinking interest revenue 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€ 200,000 (2020: T€ 200,000).

With regard to the possible impact from the IBOR reform, reference is made to the explanations contained in the section "Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform (IBOR Reform) Phase 2".

The amount of bank deposits and bank borrowings according to currency – giving the average interest rate at balance sheet date – is represented as follows:

Bank deposits

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
Other	368,333	0.52
Total	**2,959,090**	**-0.09**

Currency	**Carrying amount 31.12.2020 T€**	**Weighted average interest rate 2020 %**
EUR	1,974,032	-0.08
PLN	294,039	0.14
HUF	127,872	0.01
CZK	152,044	0.07
Other	304,398	0.56
Total	**2,852,385**	**0.02**

Bank borrowings

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**

Currency	Carrying amount 31.12.2020 T€	Weighted average interest rate 2020 %
EUR	651,741	1.03
Total	**651,741**	**1.03**

Had the interest rate level at 31 December 2021 been higher by 100 basis points, then the EBT would have been higher by T€ 24,165 (2020: T€ 23,304) and the equity at 31 December 2021 would have been higher by T€ 53,584 (2020: T€ 58,752). 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. Loan financing and investments were predominantly made by the group companies in the respective country's local currency. Receivables and liabilities from business activities mainly offset each other in the same currency.

The internal financing of companies within the group using different functional currencies resulted in an earnings-relevant currency risk. To limit this risk derivative financial instruments are transacted. The market values of these hedging transactions in the amount of T€ -6,806 (2020: T€ 3,857) are recognised in profit or loss in the income statement. The hedging transactions are reported under other financial assets or other financial liabilities.

Development of the important **currencies in the group**:

Currency	Exchange rate 31.12.2021: 1 € =	Average rate 2021: 1 € =	Exchange rate 31.12.2020: 1 € =	Average rate 2020: 1 € =
HUF	369.1900	358.6083	363.8900	354.0517
CZK	24.8580	25.6486	26.2420	26.4976
PLN	4.5969	4.5720	4.5597	4.4680
CHF	1.0331	1.0799	1.0802	1.0709
CLP	964.4400	903.2125	870.6600	906.4485
USD	1.1326	1.1816	1.2271	1.1195
GBP	0.8403	0.8584	0.8990	0.8894

The following table shows the hypothetical changes in EBT and equity if the euro in the year 2021 had been revalued or devalued by 10 % in relation to another currency:

T€	Revaluation euro of 10 %		Devaluation euro of 10 %	
Currency	change in EBT	change in equity	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
USD	-1,786	-1,786	1,786	1,786
Other	-16,626	-16,626	16,626	16,626

The following table shows the hypothetical changes in EBT and equity if the euro in the year 2020 had been revalued or devalued by 10 % in relation to another currency:

T€	Revaluation euro of 10 %		Devaluation euro of 10 %	
Currency	change in EBT	change in equity	change in EBT	change in equity
PLN	1,784	3,784	-1,784	-3,784
HUF	-6,018	10,622	6,018	-10,622
CHF	-2,245	-9,615	2,245	9,615
CZK	2,419	11,919	-2,419	-11,919
USD	9,483	9,483	-9,483	-9,483
Other	-11,770	-11,770	11,770	11,770

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 made 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.

The group designates exclusively the spot element of foreign exchange forwards and swaps to hedge its currency risk and applies a hedge ratio of 1:1 or 100 %. The spot element corresponds to that part of the fair value that is determined exclusively on the basis of the spot exchange rate. The interest element (forward element), on the other hand, is determined from the difference between the total fair value and the cash element. The forward element is excluded from designation and recognised as cost of hedging. The key features of the foreign exchange forward or swap correspond to the hedged item.

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 rates benchmarks, terms, repricing dates and maturities of the nominal amounts.

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	Cost-of-hedging reserves
Interest rate risk			
Interest AKA	-4,245	-10,505	0
Interest PANSUEVIA	-13,218	-20,525	0
Interest Scarborough	-2,614	2,614	0
Total	**-20,077**	**-28,416**	**0**

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 2020 are as follows:

T€

Hedged item	Value changes in the basis for effectiveness measurement	Hedging reserves	Cost-of-hedging reserves
Exchange risk			
USD sale	-3,725	1,537	-103
Interest rate risk			
Interest AKA	-3,012	-21,693	0
Interest PANSUEVIA	15,183	-37,385	0
Total	**8,446**	**-57,541**	**-103**

The hedging instruments as at 31 December 2021 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	Cost of hedging recognised in OCI	Recycling amount from hedging reserves	Recycling amount from cost-of-hedging reserves	P&L item where the recycling value is recognised
Interest rate risk								
Interest rate swap AKA	161,656	-7,681	receivables from concession arrangements	4,245	0	6,943	0	other operating expenses
Interest rate swaps PAN-SUEVIA	244,959	-12,996	other financial liabilities	13,218	0	3,642	0	other operating expenses
Interest rate swaps Scarbor-ough	125,948	2,614	other financial assets	2,614	0	0	0	interest expense
Total	**532,563**	**-18,063**		**20,077**	**0**	**10,585**	**0**	

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 2021 financial year, no amounts from value changes resulting from ineffectiveness were recognised in the income statement.

The hedging instruments as of 31 December 2020 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	Cost of hedging recognised in OCI	Recycling amount from hedging reserves	Recycling amount from cost-of-hedging reserves	P&L item where the recycling value is recognised
Exchange risk								
USD sale	39,932	1,434	other financial assets	3,726	-209	13,829	-215	revenue
Interest rate risk								
Interest rate swap AKA	221,785	-15,068	receivables from concession arrangements	3,012	0	8,452	0	other operating expenses
Interest rate swaps PAN-SUEVIA	251,851	-29,426	other financial liabilities	-15,182	0	3,410	0	other operating expenses
Total	**513,568**	**-43,060**		**-8,444**	**-209**	**25,691**	**-215**	

In the 2020 financial year, no amounts from value changes resulting from ineffectiveness were recognised in the income statement.

On 31 December 2021, the group held the following instruments for the purpose of hedging interest rate fluctuation:

	1–6 months	6–12 months	Maturity > 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

On 31 December 2020, the group held the following instruments for the purpose of hedging exchange rate and interest rate fluctuation:

	1–6 months	6–12 months	Maturity > 1 year
Foreign exchange forward			
Nominal amount in TUSD	30,000	19,000	
Average USD-CLP forward rate	689.40	811.72	
Interest rate swap			
Nominal amount in TEUR	33,988	33,032	406,616
Average fixed interest rate (%)	2.61	2.60	1.66

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		
Currency risk	0	0
Interest rate risk	20,077	0
Recycling		
Currency risk	-1,537	103
Interest rate risk	10,585	0
Deferred taxes		
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**

The reconciliation of the equity components as at 31 December 2020 is as follows:

T€	Hedging reserves	Cost-of-hedging reserves
As at 1.1.	**-87,083**	**234**
Fair value changes		
Currency risk	3,726	-209
Interest rate risk	-12,170	0
Recycling		
Currency risk	13,829	-215
Interest rate risk	11,862	0
Deferred taxes		
Currency risk	-4,740	115
Interest rate risk	2,597	0
Change in hedging reserves from equity-accounted investments	-2,593	0
As at 31.12.	**-74,572**	**-75**

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 rates and customers. Because of the Covid-19 pandemic in particular, loans and receivables from private clients are being monitored 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 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 and/or the risk of default has been significantly reduced as a result of assumed liabilities of third parties.

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. The performance of work for private customers is largely secured by payments of advance consideration.

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. The higher probabilities of default for private clients due to the Covid-19 pandemic that were applied in the previous year were retained unchanged for the 2021 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 of which none, seen alone, is significant.

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	Contract assets
Gross carrying amount as at 31.12.2021	**1,492,787**	**1,354,874**
Lifetime ECL as at 1.1.	**9,513**	**7,568**
Exchange differences/change in scope of consolidation	-38	-16
Change due to volume change	-420	96
Change due to rating change	-1,911	-1,015
Lifetime ECL as at 31.12.	**7,144**	**6,633**
Impairment as at 1.1.	**119,922**	**0**
Exchange differences/change in scope of consolidation	-337	0
Allocation/utilisation	-20,757	0
Impairment as at 31.12.	**98,828**	**0**
Net carrying amount as at 31.12.2021	**1,386,815**	**1,348,241**

In addition, impairments on other financial assets amounting to T€ 3,449 (2020: T€ 5,091) exist as at 31 December 2021.

The risk provision as at 31 December 2020 for trade receivables and for contract assets developed as follows during the financial year:

T€	Trade receivables	Contract assets
Gross carrying amount as at 31.12.2020	**1,588,183**	**1,078,897**
Lifetime ECL as at 1.1.	**4,747**	**5,025**
Exchange differences/change in scope of consolidation	-63	-789
Change due to volume change	-399	-186
Change due to rating change	5,228	3,518
Lifetime ECL as at 31.12.	**9,513**	**7,568**
Impairment as at 1.1.	**110,973**	**0**
Exchange differences/change in scope of consolidation	-2,522	0
Allocation/utilisation	11,471	0
Impairment as at 31.12.	**119,922**	**0**
Net carrying amount as at 31.12.2020	**1,458,748**	**1,071,329**

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 2021 financial year are as follows:

T€	Trade receivables	Contract assets
Low risk	718,310	772,906
Medium risk	752,735	567,851
High risk	21,742	14,117
Gross carrying amount as at 31.12.2021	**1,492,787**	**1,354,874**

The gross carrying amounts for the 2020 financial year are as follows:

T€	Trade receivables	Contract assets
Low risk	662,674	415,439
Medium risk	876,588	596,636
High risk	48,921	66,822
Gross carrying amount as at 31.12.2020	**1,588,183**	**1,078,897**

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 (2020: € 0.4 billion) respectively € 2.0 billion (2020: € 2.0 billion). The overall line for cash and aval loan amounts to € 8.2 billion (2020: € 7.9 billion). The syndicated surety credit line contains covenants which were fulfilled at the balance sheet date.

An increased liquidity risk due to the Covid-19 pandemic could not be identified in the 2021 and 2020 financial years.

The medium- and long-term liquidity needs have so far also been covered by the issue of corporate bonds. In the years 2013 and 2015, STRABAG issued bonds of € 200 million each, with a term to maturity of seven years each. In the 2020 financial year, the € 200 million bond issued in 2013 was repaid in full. As per 31 December 2021, STRABAG SE had a bond with a total volume of € 200 million 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 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**

Payment obligations as at 31 December 2020

The **payment obligations from financial liabilities as at 31 December 2020** are comprised as follows:

T€	Carrying amount 31.12.2020	Cash flows 2021	Cash flows 2022–2025	Cash flows after 2025
Bonds	200,000	3,250	203,250	0
Bank borrowings	651,741	118,498	249,400	352,629
Lease liabilities	304,265	63,126	216,637	183,698
Financial liabilities	**1,156,006**	**184,874**	**669,287**	**536,327**

The payment obligations from leasing liabilities amount to T€ 66,402 for 2022, T€ 56,704 for 2023, T€ 51,603 for 2024 and T€ 41,928 for 2025.

The **payment obligations from derivatives as at 31 December 2020** are comprised as follows:

T€	Carrying amount 31.12.2020	Cash flows 2021	Cash flows 2022–2025	Cash flows after 2025
Derivatives held for hedging purposes	43,060	9,161	20,846	13,486
Derivatives other	-3,857	-142	-3,715	0
Derivatives	**39,203**	**9,019**	**17,131**	**13,486**

In addition, financial guarantees in the amount of T€ 71,036 (2020: T€ 42,699) are issued. Theoretically these guarantees can be used at any time, leading to a short-term outflow of liquidity.

SEGMENT REPORT

(35) 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 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, Rest of Europe and Russia 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, machine management, quality management, logistics, legal affairs, contract management etc. These services are included in the segment Other. The newly established entities for digitalisation and innovation established on 1 January 2020 are also assigned to the segment Other.

Segment reporting for the financial year 2021

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output volume	**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 in intangible assets	0	0	0	532,042	0	532,042
Reversal of impairment losses, depreciation and amortisation	5,667	0	19,061	524,886	0	549,614
thereof extraordinary reversal of impairment losses, depreciation and amortisation	5,667	0	0	2,041	0	7,708

Segment reporting for the financial year 2020

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output volume	**7,862,645**	**4,632,603**	**2,811,859**	**139,501**		**15,446,608**
Revenue	**7,461,874**	**4,602,831**	**2,670,209**	**14,830**	**0**	**14,749,744**
Inter-segment revenue	205,318	44,481	298,519	915,897		
EBIT	**406,425**	**176,349**	**54,040**	**904**	**-7,066**	**630,652**
thereof share of profit or loss of equity-accounted investments	31,131	6,925	28,078	80	0	66,214
Interest and similar income	0	0	0	27,890	0	27,890
Interest expense and similar charges	0	0	0	-48,492	0	-48,492
EBT	**406,425**	**176,349**	**54,040**	**-19,698**	**-7,066**	**610,050**
Investments in property, plant and equipment, and in intangible assets	0	0	0	544,125	0	544,125
Reversal of impairment losses, depreciation and amortisation	2,816	0	20,167	520,818	0	543,801
thereof extraordinary reversal of impairment losses, depreciation and amortisation	2,816	0	1,700	1,413	0	5,929

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 the investment result.

Other minor differences result from entries in other consolidations.

Reconciliation of the internal reporting to IFRS financial statements is allocated as follows:

T€	2021	2020
Net income from investments	-15,553	-5,497
Other consolidations	945	-1,569
Total	**-14,608**	**-7,066**

Breakdown of revenue by geographic region

T€	2021	2020
Germany	6,913,192	6,974,533
Austria	2,629,785	2,198,663
Rest of Europe	5,037,786	4,889,929
Rest of world	717,773	686,619
Revenue	**15,298,536**	**14,749,744**

OTHER NOTES

(36) NOTES ON RELATED PARTIES

The core shareholders of STRABAG SE are the Haselsteiner Group, as well as the Raiffeisen-Holding NÖ-Wien Group, the UNIQA Group and MKAO “RASPERIA TRADING LIMITED”, controlled by Russian businessman Oleg Deripaska. A syndicate agreement exists between the core shareholders of STRABAG SE. This agreement was terminated by Haselsteiner Familien-Privatstiftung on 15 March 2022 and will expire at the end of 2022.

Arm’s-length finance and insurance transactions exist with the Raiffeisen Holding NÖ-Wien Group and the UNIQA Group. The receivables on 31 December 2021 to the Raiffeisen Group relating from current accounts and investments amounted to T€ 650,212 (2020: T€ 714,568), the payables on 31 December 2021 to the Raiffeisen Group relating to financing and current accounts amounted to T€ 25,614 (2020: T€ 32,673). The interest income in the 2021 financial year amounted to T€ 1,731 (2020: T€ 1,986), the interest expense amounted to T€ 741 (2020: T€ 2,123).

Premiums for insurance contracts with the UNIQA Group were recognised as an expense in the amount of T€ 650 (2020: T€ 927).

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€ -71 (2020: T€ -363). The earnings attributable to the Haselsteiner Group for the 100 % subsidiary partnerships of STRABAG Real Estate GmbH, Cologne, are included in the net interest income in the amount of T€ 0 (2020: T€ 364). For the remaining companies, the amount recognised in income attributable to non-controlling interests in 2021 amounts to T€ 3,291 (2020: T€ 1,589). In the 2021 financial year, the dividends from the above-mentioned companies amounted to T€ 391 (2020: T€ 7,776).

The business relations between STRABAG SE and the companies of the Haselsteiner Group including joint investments during the financial year are presented below.

T€	2021	2020
Work and services performed	19,907	10,063
Work and services received	4,917	6,018
Receivables as at 31.12.	21,218	12,539
Liabilities as at 31.12.	771	899

Basic Element

The Basic Element Group, a group with numerous industrial holdings, among other things in the area of construction, construction materials and infrastructure, is controlled by Russian businessman Oleg Deripaska.

In the financial year 2021, as in the previous year, there were no business relations with the companies of the Basic Element Group.

As of 31 December 2021, as in the previous year, no receivables or liabilities existed vis-à-vis the Basic Element Group.

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 Group at the usual market conditions. Rental costs arising from both buildings in the 2021 financial year amounted to T€ 8,559 (2020: T€ 8,467). Under IFRS 16, these leases are recognised as right-of-use assets and lease liabilities. The consolidated financial statements as of 31 December 2021 show right-of-use assets of T€ 59,326 (2020: T€ 66,647) and lease liabilities of T€ 32,487 (2020: T€ 38,721). The lease liabilities are presented less the rental deposits of T€ 28,552 (2020: T€ 29,199). Other services in the amount of T€ 123 (2020: T€ 69) were obtained from the IDAG Group.

Furthermore, revenues of T€ 784 (2020: T€ 1,426) were made with the IDAG Group in the 2021 financial year.

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 2021, STRABAG procured cement services worth T€ 28,634 (2020: T€ 29,424) from Lafarge. At the balance sheet date, there were liabilities to Lafarge Cement CE Holding GmbH Group in the amount of T€ 437 (2020: T€ 887).

The **business transactions with the other equity-accounted investments** can be presented as follows:

T€	2021	2020
Work and services performed	96,989	116,131
Work and services received	58,046	61,817
Receivables as at 31.12.	28,327	31,287
Liabilities as at 31.12.	13,679	16,047
Financing receivables as at 31.12.	114,212	100,468

For information about consortia we refer to item (16) Notes on consortia.

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 year under report, services worth T€ 261 (2020: T€ 992) were provided and services worth T€ 50 (2020: T€ 47) were procured. At the balance sheet dates, there were receivables in the amount of T€ 836 (2020: T€ 851) and liabilities in the amount of T€ 0 (2020: 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€ 22,163 (2020: T€ 17,883) in the year under report. Of this amount, T€ 21,932 (2020: T€ 17,703) is attributable to the current remuneration and T€ 231 (2020: T€ 180) to severance and pension payments.

(37) NOTES ON THE MANAGEMENT AND SUPERVISORY BOARDS

Management Board

Dr. Thomas Birtel (CEO)

Mag. Christian Harder

Klemens Haselsteiner

Dipl.-Ing. Dr. Peter Krammer

Dipl.-Ing. Siegfried Wanker

Dipl.-Ing. (FH) Alfred Watzl

Supervisory Board

Dr. Alfred Gusenbauer (Chairman)

Mag. Erwin Hameseder (Vice Chairman)

Dr. Andreas Brandstetter

Thomas Bull

Mag. Kerstin Gelbmann

Dr. Hermann Melnikov (since 18 June 2021)

Ksenia Melnikova (until 18 June 2021)

Dipl.-Ing. Andreas B a t k e (works council)

Miroslav C e r v e n y (works council)

Magdolna P. G y u l a i n é (works council)

Georg H i n t e r s c h u s t e r (works council)

Wolfgang K r e i s (works council)

The total salaries of the Management Board members in the financial year amount to T€ 9,815 (2020: T€ 9,817). The severance payments for Management Board members amount to T€ 96 (2020: T€ 85). In the financial year, one member of the Management Board received an annual pension benefit of T€ 76 (2020: 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 2021 amounted to T€ 270 (2020: T€ 270). Neither the Management Board members nor the Supervisory Board members of STRABAG SE received advances or loans.

(38) EXPENSES FOR THE AUDITOR

The expenses for the auditor, KPMG Austria GmbH, incurred in the financial year amount to T€ 1,465 (2020: T€ 1,451) of which T€ 1,375 (2020: T€ 1,324) were for the audit of the consolidated financial statements (including the audit of separate financial statements of group companies) and T€ 90 (2020: T€ 127) for other services.

(39) EVENTS AFTER THE BALANCE SHEET DATE

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 Moldova.

STRABAG has no business activities in Ukraine itself. As far as STRABAG's business in Russia is concerned – of only subordinate importance with 0.3 % of the group's output volume – the Management Board has decided to wind up the activities in that country.

Indirect repercussions – including for construction materials – can already be observed on the global markets, with price increases currently even more dynamic than in the previous year. STRABAG is closely monitoring all relevant developments. An assessment of these impacts is currently not possible.

Oleg Deripaska indirectly holds less than 50 % of the STRABAG SE shareholder MKAO "Rasperia Trading Limited" (share: 27.8 %), although he still controls Rasperia. Sanctions were imposed on numerous individuals, including Oleg Deripaska, by the United Kingdom, Canada and Australia in response to the Russian invasion, in addition to the sanctions imposed on him by the United States in 2018. No sanctions have been imposed on STRABAG and doing business with STRABAG does not constitute a violation of the sanctions. STRABAG is complying with all applicable legal requirements and sanctions regulations.

On 15 March 2022, STRABAG shareholder Haselsteiner Familien-Privatstiftung informed the company that it had terminated the shareholder syndicate agreement in place with the UNIQA Group, the Raiffeisen Group and Rasperia. As a result, the agreement expires at the end of 2022, thereby ending joint control of the company.

To avert any potential harm to the company, the Management Board of STRABAG SE subsequently decided to withhold dividend payments to Rasperia as long as any risk of sanctions cannot be excluded.

(40) 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 2021 will take place on 25 April 2022.

Villach, 7 April 2022

The Management Board

Dr. Thomas Birtel m.p.
CEO
Responsibility Central Staff Divisions
and Central Divisions BMTI,
CML as well as TPA

Mag. Christian Harder m.p.
CFO
Responsibility Central Division BRVZ

Klemens Haselsteiner m.p.
Responsibility Central Divisions
STRABAG Innovation & Digitalisation
as well as Zentrale Technik,
Subdivision NN Russia

Dipl.-Ing. Dr. Peter Krammer m.p.
Responsibility Segment South + East
(except Subdivision NN Russia)

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

Dipl.-Ing. (FH) Alfred Watzl m.p.
Responsibility Segment North + West

List of subsidiaries, equity-accounted investments and investee companies as at 31.12.2021

Consolidated companies

Company	Residence	Direct stake %	
"A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH"	Spittal an der Drau	100.00	
"Crnagoraput" AD, Podgorica	Podgorica	95.32	
"SBS Strabag Bau Holding Service GmbH"	Spittal an der Drau	100.00	
"STRABAG REAL ESTATE" EOOD	Sofia	100.00	
"Strabag" d.o.o. Podgorica	Podgorica	100.00	
"VITOSHA VIEW" EOOD	Sofia	100.00	
"Wiener Heim" Wohnbaugesellschaft m.b.H.	Vienna	100.00	
ABR Abfall Behandlung und Recycling GmbH	Schwadorf	100.00	
AKA Zrt.	Budapest	100.00	
Alpines Hartschotterwerk GmbH	Leinfelden-Echterdingen	100.00	1)
AMFI HOLDING Kft.	Budapest	100.00	
ANTREPRIZA DE REPARATII SI LUCRARI A R L CLUJ SA	Cluj-Napoca	98.59	
ASIA Center Kft.	Budapest	100.00	
Asphalt & Beton GmbH	Spittal an der Drau	100.00	
AUSTRIA ASPHALT GmbH & Co OG	Spittal an der Drau	100.00	
Bau Holding Beteiligungs GmbH	Spittal an der Drau	100.00	
Baumann & Burmeister GmbH	Halle/Saale	100.00	1)
BHG Bitumenhandelsgesellschaft mbH	Hamburg	100.00	1)
BHG CZ s.r.o.	Ceske Budejovice	100.00	
BHG Sp. z o.o.	Pruszkow	100.00	
BHK KRAKÓW JOINT VENTURE Sp. z o.o.	Warsaw	100.00	
Bitumen Handelsgesellschaft m.b.H. & Co KG	Loosdorf	100.00	
BITUNOVA Baustofftechnik Gesellschaft m.b.H.	Spittal an der Drau	100.00	
BITUNOVA GmbH	Duesseldorf	100.00	1)
Bitunova Kft.	Budapest	100.00	
BITUNOVA Romania SRL	Bucharest	100.00	
BITUNOVA Sp. z o.o.	Warsaw	100.00	
BITUNOVA spol. s r.o.	Jihlava	100.00	
BITUNOVA spol. s r.o.	Zvolen	100.00	
Blees-Kölling-Bau GmbH	Cologne	100.00	1)
Blutenburg Projekt GmbH	Cologne	100.00	
Böhm Stadtbaumeister & Gebäudetechnik GmbH	Vienna	100.00	
BONDENO INVESTMENTS LTD	Limassol	100.00	
BrennerRast GmbH	Vienna	100.00	
Campus Eggenberg Immobilienprojekt GmbH	Graz	60.00	
CML Construction Services GmbH	Cologne	100.00	
DC1 Immo GmbH	Vienna	100.00	
DCO d.o.o.	Ljubljana	100.00	
Deutsche Asphalt GmbH	Cologne	100.00	1)
Diabaswerk Saalfelden Gesellschaft m.b.H.	Saalfelden	100.00	
DISTRICT DEVELOPMENT SRL	Bucharest	100.00	
DYWIDAG International GmbH	Cologne	100.00	1)
Dywidag Saudi Arabia Co. Ltd.	Jubail	100.00	
DYWIDAG-Holding GmbH	Cologne	100.00	1)
Ed. Züblin AG	Stuttgart	100.00	1)
EFKON GmbH	Raaba	100.00	
EFKON INDIA Pvt. Ltd.	Mumbai	100.00	
Eraproject GmbH	Cologne	100.00	1)
Erdberger Mais GmbH & Co KG	Vienna	100.00	
ERRICHTUNGSGESELLSCHAFT STRABAG SLOVENSKO s.r.o.	Bratislava-Ruzinov	100.00	
EVOLUTION THREE Sp. z o.o.	Warsaw	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.

Consolidated companies

Company	Residence	Direct stake %	
EVOLUTION TWO Sp. z o.o.	Warsaw	100.00	
EXP HOLDING Kft.	Budapest	100.00	2)
F 101 Projekt GmbH & Co. KG	Cologne	100.00	
F. Kirchhoff GmbH	Leinfelden-Echterdingen	100.00	1)
F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG	Wiener Neustadt	100.00	
F.K. SYSTEMBAU GmbH	Münsingen	100.00	1)
Fahrleitungsbau GmbH	Essen	100.00	1)
First-Immo Hungary Kft.	Budapest	100.00	
FRISCHBETON s.r.o.	Prague	100.00	
Frissbeton Kft.	Budapest	100.00	
Gaul GmbH	Sprendlingen	100.00	
GBS Gesellschaft für Bau und Sanierung mbH	Leuna	100.00	
Generál Mély- és Magasépitö Zrt.	Budapest	100.00	
Goldeck Bergbahnen GmbH	Spittal an der Drau	100.00	
Hexagon Projekt GmbH & Co. KG	Cologne	100.00	1)
HUMMEL Komplementär GmbH	Frickenhausen	100.00	1)
HUMMEL Systemhaus GmbH & Co. KG	Frickenhausen	100.00	1)
I.C.S. "STRABAG" S.R.L.	Chisinau	100.00	
Ilbau GmbH Deutschland	Berlin	100.00	
Ilbau Liegenschaftsverwaltung GmbH	Spittal an der Drau	100.00	
InfoSys Informationssysteme GmbH	Spittal an der Drau	100.00	
Innsbrucker Nordkettenbahnen Betriebs GmbH	Innsbruck	51.00	
ITC Engineering AG & Co. KG	Stuttgart	100.00	1)
KAB Straßensanierung GmbH & Co KG	Spittal an der Drau	50.60	
KAMENOLOMY CR s.r.o.	Ostrava	100.00	
Kanzelsteinbruch Gratkorn GmbH	Gratkorn	100.00	
KMG - KLIPLEV MOTORWAY GROUP A/S	Aarhus	100.00	
KÖKA Kft.	Budapest	100.00	
Krems Sunside Living Projektentwicklung GmbH	Vienna	100.00	
KSR - Kamenolomy SR, s.r.o.	Zvolen	100.00	
Kuhwald 55 Projekt GmbH & Co. KG	Cologne	100.00	1)
LIMET Beteiligungs GmbH	Cologne	100.00	1)
LIMET Beteiligungs GmbH & Co. Objekt Köln KG	Cologne	94.00	1)
M5 Beteiligungs GmbH	Vienna	100.00	
M5 Holding GmbH	Vienna	100.00	
MAV Kelheim GmbH	Kelheim	100.00	
MAV Krefeld GmbH	Krefeld	50.00	3)
MAV Lünen GmbH	Lünen	100.00	
Metallica Stahl- und Fassadentechnik GmbH	Stuttgart	100.00	1)
Metallica Stahl- und Fassadentechnik GmbH	Vienna	100.00	
Mineral Abbau GmbH	Spittal an der Drau	100.00	
Mineral Baustoff GmbH	Cologne	100.00	1)
MINERAL IGM d.o.o.	Zapuzane	100.00	
Mineral Polska Sp. z o.o.	Czarny Bor	100.00	
MINERAL ROM SRL	Brasov	100.00	
Mischek Bauträger Service GmbH	Vienna	100.00	
Mischek Systembau GmbH	Vienna	100.00	
Mitterhofer Projekt GmbH & Co. KG	Cologne	100.00	1)
MOBIL Baustoffe GmbH	Munich	100.00	1)
MOBIL Baustoffe GmbH	Spittal an der Drau	100.00	
N.V. STRABAG Belgium S.A.	Antwerpen	100.00	
Na Belidle s.r.o.	Prague	100.00	
NE Sander Immobilien GmbH	Sande	100.00	1)
Nimab Entreprenad AB	Sjöbo	100.00	
Nottendorfer Gasse 13 Kom GmbH	Vienna	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.
2) The presentation of interest is done using the economic approach, the interest as defined by civil law may deviate from this presentation.
3) The voting rights according to the contract of association amount to 50% plus one vote.

Consolidated companies

Company	Residence	Direct stake %	
OAT - Bohr- und Fugentechnik Gesellschaft m.b.H.	Spittal an der Drau	51.00	
Osttiroler Asphalt Hoch- und Tiefbauunternehmung GmbH	Lavant i. Osttirol	80.00	
PANSUEVIA GmbH & Co. KG	Jettingen-Scheppach	100.00	1)
POLSKI ASFALT Sp. z o.o.	Krakow	100.00	
POMGRAD INZENJERING d.o.o.	Split	100.00	
Pyhrn Concession Holding GmbH	Cologne	100.00	1)
Q4a Immobilien GmbH	Graz	60.00	
Ranita OOO	Moscow	100.00	
Raststation A 3 GmbH	Vienna	100.00	
RBS Rohrbau-Schweißtechnik Gesellschaft m.b.H.	Linz	100.00	
RE Beteiligungsholding GmbH	Vienna	100.00	
RE Wohnraum GmbH	Vienna	100.00	
RE Wohnungseigentumserrichtungs GmbH	Vienna	100.00	
REPASS-SANIERUNGSTECHNIK GMBH Korrosionsschutz und Betoninstandsetzung	Munderkingen	100.00	1)
Rezidence Herálecká s.r.o.	Praha	100.00	
RM Asphalt GmbH & Co. KG	Sprendlingen	80.00	1)
ROBA Transportbeton GmbH	Berlin	100.00	1)
SAT s.r.o.	Prague	100.00	
SAT Sp. z o.o.	Olawa	100.00	
SAT Straßensanierung GmbH	Cologne	100.00	1)
SF Bau vier GmbH	Vienna	100.00	
SF-Ausbau GmbH	Freiberg	100.00	1)
SILO DREI Beteiligungsverwaltungs GmbH & Co KG	Vienna	100.00	
SILO DREI next LBG 57 Liegenschaftsverwertung GmbH & Co KG	Vienna	51.00	
SILO II LBG 57 - 59 Liegenschaftsverwertung GmbH & Co KG	Vienna	51.00	
SILO ZWEI Beteiligungsverwaltungs GmbH & Co KG	Vienna	100.00	
SRE Lux Projekt SQM 27E	Belvaux	100.00	
STR Holding Generál Kft.	Budapest	100.00	
STR Holding MML Kft.	Budapest	100.00	
STR Mély- és Magasépítö Kft	Budapest	100.00	
STRABAG a.s.	Prague	100.00	
STRABAG AB	Stockholm	100.00	
STRABAG AG	Cologne	100.00	1)
STRABAG AG	Spittal an der Drau	100.00	
STRABAG AG	Schlieren	100.00	
STRABAG Aircraft Services GmbH	Stuttgart	100.00	1)
STRABAG Általános Építö Kft.	Budapest	100.00	
STRABAG AO	Moscow	100.00	
STRABAG Asfalt s.r.o.	Sobeslav	100.00	
STRABAG Aszfalt Kft.	Budapest	100.00	
STRABAG B.V.	Herten	100.00	
STRABAG Bau GmbH	Vienna	100.00	
STRABAG BMTI GmbH	Erstfeld	100.00	
STRABAG BMTI GmbH	Vienna	100.00	
STRABAG BMTI GmbH & Co. KG	Cologne	100.00	1)
STRABAG BMTI Kft.	Budapest	100.00	
STRABAG BMTI s.r.o.	Brno	100.00	
STRABAG BMTI Sp. z o.o.	Pruszkow	100.00	
STRABAG BRVZ AB	Kumla	100.00	
STRABAG BRVZ AG	Erstfeld	100.00	
STRABAG BRVZ d.o.o.	Ljubljana	100.00	
STRABAG BRVZ d.o.o.	Zagreb	100.00	
STRABAG BRVZ GmbH	Spittal an der Drau	100.00	
STRABAG BRVZ GmbH & Co. KG	Cologne	100.00	1)
STRABAG BRVZ Kft.	Budapest	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.

Consolidated companies

Company	Residence	Direct stake %	
STRABAG BRVZ OOO	Moscow	100.00	
STRABAG BRVZ s.r.o.	Bratislava	100.00	
STRABAG BRVZ s.r.o.	Prague	100.00	
STRABAG BRVZ Sp. z o.o.	Pruszkow	100.00	
STRABAG Building and Industrial Services GmbH	Stuttgart	100.00	1)
STRABAG d.o.o.	Novi Beograd	100.00	
STRABAG d.o.o.	Zagreb	100.00	
STRABAG d.o.o. Sarajevo	Sarajevo	100.00	
STRABAG Development Belgium NV	Antwerpen	100.00	
STRABAG Dubai LLC	Dubai	100.00	
STRABAG EAD	Sofia	100.00	
STRABAG Épitö Kft.	Budapest	100.00	
STRABAG Épitöipari Zrt.	Budapest	100.00	
STRABAG Facility Management GmbH	Berlin	100.00	1)
STRABAG Generálépitö Kft.	Budapest	100.00	
STRABAG GmbH	Bad Hersfeld	100.00	1)
STRABAG gradbene storitve d.o.o.	Ljubljana	100.00	
STRABAG Großprojekte GmbH	Munich	100.00	1)
STRABAG Holding GmbH	Vienna	100.00	
STRABAG INC.	Toronto	100.00	
STRABAG Industries (Thailand) Co.,Ltd.	Bangkok	100.00	
STRABAG Infrastructure & Safety Solutions GmbH	Cologne	100.00	1)
STRABAG Infrastructure & Safety Solutions GmbH	Vienna	100.00	
STRABAG INFRASTRUKTURA POLUDNIE Sp. z o.o.	Wroclaw	100.00	
STRABAG Infrastrukturprojekt GmbH	Bad Hersfeld	100.00	1)
STRABAG International GmbH	Cologne	100.00	1)
STRABAG Kieserling Flooring Systems GmbH	Hamburg	100.00	1)
Strabag Liegenschaftsverwaltung GmbH	Linz	100.00	
STRABAG Mechanical Engineering GmbH	Stuttgart	100.00	1)
STRABAG OMAN L.L.C.	Maskat	100.00	
STRABAG PFS Polska Sp. z o.o.	Warsaw	100.00	
STRABAG Pozemne a inzinierske stavitel'stvo s. r. o.	Bratislava	100.00	
STRABAG Pozemnì a inzenyrskè stavitelstvì s.r.o.	Prague	100.00	
STRABAG Projektentwicklung GmbH	Cologne	100.00	1)
STRABAG Projektutveckling AB	Stockholm	100.00	
STRABAG Property and Facility Services a.s.	Prague	100.00	
STRABAG Property and Facility Services GmbH	Vienna	100.00	
STRABAG Property and Facility Services GmbH	Frankfurt am Main	100.00	1)
STRABAG Rail a.s.	Usti nad Labem	100.00	
STRABAG Rail Fahrleitungen GmbH	Berlin	100.00	1)
STRABAG Rail GmbH	Lauda-Königshofen	100.00	1)
STRABAG Rail Kft.	Budapest	100.00	
STRABAG Real Estate GmbH	Cologne	94.90	
STRABAG Real Estate GmbH	Vienna	100.00	
STRABAG Real Estate Invest GmbH	Cologne	100.00	1)
STRABAG Real Estate Kft.	Budapest	100.00	
STRABAG S.A.S.	Bogotá, D.C.	100.00	
STRABAG S.p.A.	BOLOGNA	100.00	
STRABAG s.r.o.	Bratislava	100.00	
STRABAG SCARBOROUGH PROJECT INC.	Ontario	100.00	
STRABAG SE	Villach	100.00	
STRABAG SIA	Milzkalne	100.00	
STRABAG Sp. z o.o.	Pruszkow	100.00	
Strabag SpA	Santiago de Chile	100.00	
STRABAG Sportstättenbau GmbH	Lünen	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.

Consolidated companies

Company	Residence	Direct stake %	
STRABAG SRL	Bucharest	100.00	
STRABAG Sverige AB	Stockholm	100.00	
STRABAG System Dienstleistungen GmbH	Fürstenfeldbruck	100.00	1)
STRABAG UK LIMITED	London	100.00	
STRABAG Umwelttechnik GmbH	Duesseldorf	100.00	1)
STRABAG Vasútépítö Kft.	Budapest	100.00	
STRABAG Wasserbau GmbH	Hamburg	100.00	
STRABAG-MML Kft.	Budapest	100.00	
TECH GATE VIENNA Wissenschafts- und Technologiepark GmbH	Vienna	100.00	
Torkret GmbH	Stuttgart	100.00	1)
TPA CR, s.r.o.	Ceske Budejovice	100.00	
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Vienna	100.00	
TPA GmbH	Cologne	100.00	
TPA HU Kft.	Budapest	100.00	
TPA odrzavanje kvaliteta i inovacija d.o.o.	Zagreb	100.00	
TPA Sp. z o.o.	Pruszkow	100.00	
TPA Spolocnost pre zabezpecenie kvality a inovacie s.r.o.	Bratislava	100.00	
TPA za obezbedenje kvaliteta i inovacije d.o.o. Beograd	Novi Beograd	100.00	
Trema Engineering 2 sh p.k.	Tirana	100.00	
Treuhandbeteiligung H		100.00	2)
Turm am Mailänder Platz GmbH & Co. KG	Stuttgart	100.00	1)
Wohnquartier Reininghausstraße GmbH	Graz	60.00	
Wolfer & Goebel Bau GmbH	Stuttgart	100.00	1)
Z. Brückenbau Immobiliengesellschaft mbH & Co. KG	Cologne	94.90	1)
Z. Holzbau Immobiliengesellschaft mbH & Co. KG	Cologne	94.90	1)
Z. Immobiliengesellschaft mbH & Co. KG	Cologne	94.90	1)
Z. Sander Immobiliengesellschaft mbH & Co. KG	Cologne	94.90	1)
Z. Stahlbau Immobiliengesellschaft mbH & Co. KG	Cologne	94.90	1)
ZDE Sechste Vermögensverwaltung GmbH	Cologne	100.00	
Züblin A/S	Aarhus	100.00	
Züblin Chimney and Refractory GmbH	Cologne	100.00	1)
Zublin Construction L.L.C.	Abu Dhabi	100.00	
Züblin Egypt LLC	Cairo	100.00	
ZÜBLIN Haustechnik Mainz GmbH	Mainz	100.00	1)
Züblin Hoch- und Brückenbau GmbH	Bad Hersfeld	100.00	1)
Züblin Holding GesmbH	Vienna	100.00	
Züblin International GmbH	Cologne	100.00	1)
Züblin International GmbH Chile SpA	Santiago de Chile	100.00	
Züblin Kft.	Budapest	100.00	
Züblin Nederland B.V.	Breda	100.00	
ZUBLIN PRECAST INDUSTRIES SDN. BHD.	Johor	100.00	
Züblin Projektentwicklung GmbH	Stuttgart	94.88	1)
ZUBLIN ROMANIA SRL	Bucharest	100.00	
Züblin Scandinavia AB	Stockholm	100.00	
Züblin Spezialtiefbau Ges.m.b.H.	Vienna	100.00	
Züblin Spezialtiefbau GmbH	Stuttgart	100.00	1)
Züblin Stahlbau GmbH	Hosena	100.00	1)
ZÜBLIN Timber Gaildorf GmbH	Gaildorf	100.00	1)
ZÜBLIN Timber GmbH	Aichach	100.00	1)
Züblin Umwelttechnik GmbH	Stuttgart	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 presentation of interest is done using the economic approach, the interest as defined by civil law may deviate from this presentation.

Equity accounted associate

Company	Residence	Direct stake %
A-Lanes A15 Holding B.V.	Nieuwegein	24.00
Bayerische Asphaltmischwerke GmbH & Co.KG für Straßenbaustoffe	Hofolding	48.33
Bodensee - Moränekies Gesellschaft mit beschränkter Haftung & Co. Kommanditgesellschaft Tettnang	Tettnang	33.33
DESARROLLO VIAL AL MAR S.A.S.	Medellín	37.50
Lafarge Cement CE Holding GmbH	Vienna	30.00
MAK Mecsek Autopalya Koncesszios Zrt.	Budapest	50.00
Natursteinwerke im Nordschwarzwald NSN GmbH & Co. KG	Mühlacker	25.00
SOCIETATEA COMPANIILOR HOTELIERE GRAND SRL	Bucharest	35.32
Züblin International Qatar LLC	Doha	49.00

Equity accounted joint venture

Company	Residence	Direct stake %	
A 49 Autobahngesellschaft mbH & Co. KG	Schwalmstadt	50.00	
A2 ROUTE Sp. z o.o.	Pruszkow	50.00	
AMB Asphaltmischwerke Bodensee GmbH & Co KG	Singen (Hohentwiel)	50.00	
Autocesta Zagreb-Macelj d.o.o.	Zagreb	50.00	1)
FLARE Living GmbH & Co. KG	Cologne	50.00	
Kieswerke Schray GmbH & Co. KG	Steißlingen	50.00	
Messe City Köln GmbH & Co. KG	Hamburg	50.00	
NWM Nordwestdeutsche Mischwerke GmbH & Co. KG	Großenkneten	50.00	
PANSUEVIA Service GmbH & Co. KG	Jettingen-Scheppach	50.00	
SeniVita Social Estate AG	Bayreuth	50.00	
Silenos Energy Geothermie Garching a.d. Alz GmbH & Co. KG	Garching a.d.Alz	50.00	
SRE-ECE-JV Generalübernehmer GmbH & Co. KG	Oststeinbek	50.00	
Thüringer Straßenwartungs- und Instandhaltungsgesellschaft mbH & Co. KG	Apfelstädt	50.00	

1) There are contractual provisions concerning this joint venture that differ from the share capital

Subsidiaries not consolidated

Company	Residence	Direct stake %
"BITUNOVA" S.R.L.	Chisinau	100.00
"DOMIZIL" Bauträger GmbH	Vienna	100.00
"Granite Mining Industries" Sp. z o.o.	Breslau	100.00
"Mineral 2000" EOOD	Sofia	100.00
"RE PROJECT DEVELOPMENT" Sp. z o.o.	Warsaw	100.00
"Strabag Azerbaijan" L.L.C.	Baku	100.00
A 1 Autobahn Verwaltungsgesellschaft mbH	Bad Hersfeld	100.00
A 1 Autobahngesellschaft mbH & Co. KG	Bad Hersfeld	100.00
A.S.T. Bauschuttverwertung GmbH	Klagenfurt	66.67
A.S.T. Bauschuttverwertung GmbH & Co KG	Klagenfurt	66.67
Al-Hani General Construction Inc.	Tripolis	60.00
AMH Asphaltmischwerk Hellweg GmbH i.L.	Erwitte	50.50
A-Modell Ulm-Augsburg Verwaltungsgesellschaft mbH	Jettingen-Scheppach	100.00
AMW Westsachsen Verwaltung GmbH	Cologne	100.00
Arriba GmbH	Stuttgart	100.00
Asfalt Slaski Wprinz Sp.z o.o.	Warsaw	100.00
Asphaltmischwerk Rieder Vomperbach GmbH	Zirl	60.00
Asphaltmischwerk Rieder Vomperbach GmbH & Co KG	Zirl	60.00
Asphaltmischwerk Roppen GmbH	Roppen	70.00
Asphaltmischwerk Roppen GmbH & Co KG	Roppen	70.00
Asphaltmischwerk Westsachsen GmbH & Co. KG	Oberwiera	100.00
Asphaltmischwerk Zeltweg Gesellschaft m.b.H.	Steyr	100.00
AUSTRIA ASPHALT GmbH	Spittal an der Drau	100.00
A-WAY Zrt.	Újhartyán	100.00
AWB Asphaltmischwerk Büttelborn GmbH & Co. KG	Büttelborn	100.00
AWB Asphaltmischwerk Büttelborn Verwaltungs-GmbH	Büttelborn	100.00
B+R Köln GmbH	Cologne	100.00
Baugesellschaft "Negrelli" Ges.m.b.H.	Vienna	100.00
BBS Baustoffbetriebe Sachsen GmbH	Hartmannsdorf	100.00
Beijing Züblin Equipment Production Co., Ltd.	Beijing	100.00
Beton AG Bürglen	Bürglen TG	65.60
BHG Bitumen Adria d.o.o.	Zagreb	100.00
BHG Bitumen Kft.	Budapest	100.00
BHG COMERCIALIZARE BITUM SRL	Bucharest	100.00
BHG SK s.r.o.	Bratislava	100.00
Bitumen Handelsgesellschaft m.b.H.	Vienna	100.00
BLUMENFELD Liegenschaftsverwaltungs GmbH	Vienna	100.00
BrennerWasser GmbH	Vienna	100.00
BSB Betonexpress Verwaltungsges.mbH	Berlin	100.00
Bug-AluTechnic GmbH	Vienna	100.00
BVHS Betrieb und Verwaltung von Hotel- und Sportanlagen GmbH	Berlin	100.00
Center Systems Deutschland GmbH	Berlin	100.00
CENTRUM BUCHAREST DEVELOPMENT SRL	Bucharest	100.00
CML CONSTRUCTION SERVICE S.R.L.	BOLOGNA	100.00
CML Construction Services	Antwerpen	100.00
CML Construction Services A/S	Trige	100.00
CML Construction Services AB	Stockholm	100.00
CML CONSTRUCTION SERVICES d.o.o.	Zagreb	100.00
CML Construction Services d.o.o. Beograd	Belgrad	100.00
CML Construction Services EOOD	Sofia	100.00
CML Construction Services GmbH	Vienna	100.00
CML Construction Services GmbH	Schlieren	100.00
CML CONSTRUCTION SERVICES LIMITED	London	100.00
CML CONSTRUCTION SERVICES s. r. o.	Bratislava	100.00
CML CONSTRUCTION SERVICES s.r.o.	Prague	100.00

Subsidiaries not consolidated

Company	Residence	Direct stake %
CML CONSTRUCTION SERVICES Sp. z o.o.	Pruszkow	100.00
CML Construction Services Zrt.	Budapest	100.00
CML OOO	Moscow	100.00
Coldmix B.V.	Roermond	100.00
Constrovia Construcao Civil e Obras Publicas Lda.	Lissabon	95.00
Cottbuser Frischbeton GmbH	Wiesengrund	100.00
Demirtürk Uluslararasi Insaat, Ithalat, Ihracat ve Ticaret Sirketi	Istanbul	80.00
Die Haustechniker Technisches Büro GmbH	Jennersdorf	51.00
DRP, d.o.o.	Ljubljana	100.00
DYWIDAG ROMANIA SRL	Bucharest	100.00
DYWIDAG Schlüsselfertig und Ingenieurbau GmbH	München	100.00
E.S.T.M. KFT	Budapest	100.00
EBERHARDT Baugesellschaft mbH Deutschland	Berlin	100.00
Eckstein Holding GmbH	Spittal an der Drau	100.00
ECS European Construction Services GmbH i.L.	Mörfelden-Walldorf	100.00
EFKON ASIA SDN. BHD.	Kuala Lumpur	100.00
EFKON Belgium BVBA	Antwerpen	100.00
EFKON IRELAND LIMITED	Dublin	100.00
EFKON SOUTH AFRICA (PTY) LTD	Pretoria	100.00
EFKON USA, INC.	Dallas	100.00
Eichholz Eivel GmbH	Berlin	100.00
Erlaaer Straße Liegenschaftsverwertungs-GmbH	Vienna	100.00
Erste Nordsee-Offshore-Holding GmbH	Vienna	51.00
Erste STRABAG Vorrats GmbH	Hamburg	100.00
Eslarngasse 16 GmbH	Vienna	100.00
EUROTEC ANGOLA, LDA	Luanda	99.00
EVOLUTION GAMMA Sp. z o.o.	Warsaw	100.00
EVOLUTION ONE Sp. z o.o.	Warsaw	100.00
F 101 Verwaltungs GmbH	Cologne	100.00
Fachmarktzentrum Kielce Projekt GmbH	Berlin	100.00
Fanny von Lehnert Straße 4 Komplementär GmbH	Vienna	100.00
Fanny von Lehnert Straße 4 Projektentwicklung GmbH & Co KG	Vienna	100.00
FLOWER CITY SRL	Bucharest	100.00
Forum Mittelrhein Beteiligungsgesellschaft mbH	Hamburg	51.00
Forum Mittelrhein Koblenz Generalübernehmergesellschaft mbH & Co.KG	Oststeinbek	51.00
Forum Mittelrhein Koblenz Kultur GmbH & Co. KG	Hamburg	51.00
Freo Projektentwicklung Berlin GmbH i.L.	Berlin	50.10
Frisspumpa Kft.	Budapest	100.00
FUSSENEGGER Hochbau und Holzindustrie GmbH	Dornbirn	100.00
GBZ - Baurestmassen GmbH	Graz	100.00
GITA Gunter Ingenieure TA GmbH	Nidda	100.00
GTE-Gebäude-Technik-Energie-Betriebs- und Verwaltungsgesellschaft m.b.H.	Vienna	61.00
GTE-Gebäude-Technik-Energie-Betriebs- und Verwaltungsgesellschaft m.b.H. & Co. KG	Vienna	62.00
Hillerstraße - Jungstraße GmbH	Vienna	100.00
HMC Autópálya Kft. "v. a."	Budapest	100.00
Hotel AVION Management s.r.o.	Bratislava	100.00
Hotel AVION s.r.o.	Bratislava	100.00
Hotel Na Belidle s.r.o.	Prague	100.00
Hotelprojekt am Tabor GmbH & Co KG	Vienna	100.00
Hotelprojekt am Tabor Komplementär GmbH	Vienna	100.00
Hrusecka obalovna, s.r.o.	Hrusky	80.00
IBV - Immobilien Besitz- und Verwaltungsgesellschaft mbH Werder i. L.	Cologne	99.00
iCOR INTELLIGENT CORROSION CONTROL GmbH	Mönchengladbach	100.00
Infraestructura y Prosperidad S.A.S.	Bogotá D.C.	100.00
I-PAY CLEARING SERVICES Pvt. Ltd.	Mumbai	100.00

Subsidiaries not consolidated

Company	**Residence**	**Direct stake %**
IQ Plan Beteiligung GmbH	Oststeinbek	75.00
IQ Plan GmbH & Co. KG	Hamburg	75.00
ITC Engineering Verwaltungs GmbH	Stuttgart	100.00
IVERUS ENTERPRISES LTD	Limassol	100.00
JBA GmbH	Cologne	50.10
KAB Straßensanierung GmbH	Spittal an der Drau	50.60
KFX Holding Kft.	Budapest	100.00
Kieswerk Diersheim GmbH	Rheinau/Baden	60.00
Kieswerk Ohr GmbH	Cologne	100.00
Kieswerk Ziegelheim GmbH	Nobitz	100.00
Kirchner Baugesellschaft m.b.H.	Spittal an der Drau	100.00
Kirchner PPP Service GmbH	Bad Hersfeld	100.00
KIRCHNER ROMANIA SRL	Bucharest	100.00
Koscheinz & Partner Ingenieurgesellschaft mbH	Rustorf a.d. Rott	100.00
KRAMARE s.r.o. v likvidacii	Bratislava	100.00
Latasfalts SIA	Milzkalne	100.00
Leonhard Moll Tiefbau GmbH	Munich	100.00
Leystraße 122-126 Komplementär GmbH	Vienna	100.00
Leystraße 122-126 Projektentwicklung GmbH & Co KG	Vienna	100.00
Lieferasphalt Gesellschaft m.b.H. & Co OG, Viecht	Viecht	66.50
Lieferasphalt Gesellschaft m.b.H. & Co. OG	Maria Gail	60.00
Lift-Off GmbH & Co. KG	Cologne	100.00
Ludwig Voss GmbH	Cuxhaven	100.00
MANIERITA LTD	Limassol	100.00
Mazowieckie Asfalty Sp.z o.o.	Pruszkow	100.00
MBO UK d.o.o.	Ljubljana	100.00
Meischlgasse 28-32 Komplementär GmbH	Vienna	100.00
Meischlgasse 28-32 Projektentwicklung GmbH & Co KG	Vienna	100.00
MHA Projekt GmbH	Vienna	100.00
Mikrobiologische Abfallbehandlungs GmbH	Schwadorf	51.00
MINERAL RS d.o.o. BEOGRAD	Novi Beograd	100.00
Mischek Leasing eins Gesellschaft m.b.H.	Vienna	100.00
Mobil Baustoffe AG in Liquidation	Erstfeld	100.00
MSO Mischanlagen GmbH Ilz & Co KG	Ilz	52.81
MSO Mischanlagen GmbH Pinkafeld & Co KG	Pinkafeld	52.67
Nimab Anläggning AB	Sjöbo	100.00
Nimab Support AB	Sjöbo	100.00
Northern Energy GAIA I. GmbH	Aurich	100.00
Northern Energy GAIA II. GmbH	Aurich	100.00
Northern Energy GAIA III. GmbH	Aurich	100.00
Northern Energy GAIA IV. GmbH	Aurich	100.00
Northern Energy GAIA V. GmbH	Aurich	100.00
Northern Energy SeaStorm I. GmbH	Aurich	100.00
Northern Energy SeaStorm II. GmbH	Aurich	100.00
Northern Energy SeaWind I. GmbH	Aurich	100.00
Northern Energy SeaWind II. GmbH	Aurich	100.00
Northern Energy SeaWind III GmbH	Aurich	100.00
Northern Energy SeaWind IV. GmbH	Aurich	100.00
Nottendorfer Gasse 13 GmbH	Vienna	100.00
NR Bau- u. Immobilienverwertung GmbH	Berlin	100.00
OAT Kft.	Budapest	100.00
OAT spol. s r.o.	Bratislava	100.00
OAT,s.r.o.	Prague	100.00
Obalovna Sokolov s.r.o.	Sobeslav	51.00
OBIT GmbH	Berlin	100.00

Subsidiaries not consolidated

Company	Residence	Direct stake %
OBZ Oberkärntner Baurestmassenzentrum GmbH	Spittal an der Drau	100.00
Passivhaus Kammelweg Bauträger GmbH	Vienna	100.00
PGA Projekt GmbH	Cologne	100.00
PH Bau Erfurt GmbH	Erfurt	100.00
PPP Management GmbH	Cologne	100.00
PPP Schulen Monheim am Rhein GmbH	Bad Hersfeld	100.00
PPP SchulManagement Witten GmbH & Co. KG	Cologne	100.00
PPP SeeCampus Niederlausitz GmbH	Bad Hersfeld	100.00
PRZEDSIEBIORSTWO ROBOT DROGOWYCH Sp.z o.o. W LIKWIDACJI	Choszczno	100.00
RBZ Holding Kft.	Budapest	100.00
RE Klitschgasse Errichtungs GmbH	Vienna	67.00
RE PROJECT DEVELOPMENT SRL	Bucharest	100.00
Rezidencie Machnac, s.r.o.	Bratislava	100.00
RGL Rekultivierungsgesellschaft Langentrog mbH	Langenargen	80.00
Rhein-Regio Neuenburg Projektentwicklung GmbH	Neuenburg am Rhein	90.00
RM Asphalt Verwaltungs GmbH	Sprendlingen	100.00
Rößlergasse Bauteil Sechs GmbH	Vienna	100.00
RST Rail Systems and Technologies GmbH	Barleben	82.00
S.U.S. Abflussdienst Gesellschaft m.b.H.	Vienna	100.00
Sakela Beteiligungsverwaltungs GmbH	Vienna	100.00
SAT REABILITARE RECICLARE SRL	Cluj-Napoca	100.00
SAT SANIRANJE cesta d.o.o.	Zagreb	100.00
SAT SLOVENSKO s.r.o.	Bratislava	100.00
SAT Útjavító Kft.	Budapest	100.00
Schiffmühlenstraße 120 GmbH	Vienna	100.00
Schotter- und Kies-Union GmbH & Co. KG	Leipzig	57.90
Schotter- und Kies-Union Verwaltungsgesellschaft mbH	Leipzig	100.00
SCHOTTERWERK EDLING GESELLSCHAFT M.B.H.	Spittal an der Drau	74.00
SENSOR Dichtungs-Kontroll-Systeme GmbH	Bremen	100.00
SF-BAU-Grundstücksgesellschaft "ABC-Bogen" mbH	Cologne	100.00
Silenos Energy Geothermie Gauting Interkommunal GmbH & Co. KG	Cologne	100.00
Silenos Energy GmbH & Co. KG	Cologne	100.00
Silenos Energy Verwaltungs GmbH	Cologne	100.00
SILO DREI Komplementärgesellschaft m.b.H.	Vienna	51.00
SILO II Komplementärgesellschaft m.b.H.	Vienna	51.00
SPK - Errichtungs- und Betriebsges.m.b.H.	Spittal an der Drau	100.00
SRE Erste Vermögensverwaltung GmbH	Cologne	100.00
SRE Lux Projekt BN 20 S.a.r.l.	Belvaux	100.00
SRE Zweite Vermögensverwaltung GmbH	Cologne	100.00
STHOI Co., Ltd.	Bangkok	100.00
STODIS s.r.o.	Praha	100.00
STRABABG INFRASTRUCTURE AND SAFETY SOLUTIONS Pvt. Ltd.	Mumbai	100.00
STRABAG (B) Sdn Bhd	Bandar Seri Begawan	100.00
STRABAG A/S	Aarhus	100.00
STRABAG ABU DHABI LLC	Abu Dhabi	100.00
STRABAG Algerie EURL	Algier	100.00
STRABAG Anlagentechnik GmbH	Thalgau	100.00
STRABAG AUSTRALIA PTY LTD	Brisbane	100.00
STRABAG BahnLogistik GmbH	Gerasdorf bei Wien	100.00
STRABAG Baustoffaufbereitung und Recycling GmbH	Duesseldorf	51.00
STRABAG Bedachungsgesellschaft m.b.H.	Salzburg	100.00
STRABAG Beton GmbH & Co. KG	Berlin	100.00
STRABAG BMTI BV	Antwerpen	100.00
STRABAG BMTI d.o.o.	Zagreb	100.00
STRABAG BMTI D.O.O. BEOGRAD	Novi Beograd	100.00

Subsidiaries not consolidated

Company	**Residence**	**Direct stake %**
STRABAG BMTI Rail Service GmbH	Berlin	100.00
STRABAG BMTI s.r.o.	Bratislava	100.00
STRABAG BMTI Verwaltung GmbH	Cologne	100.00
STRABAG BRVZ A/S	Trige	100.00
STRABAG BRVZ BV	Antwerpen	100.00
STRABAG BRVZ d.o.o. BEOGRAD	Novi Beograd	100.00
STRABAG BRVZ EOOD	Sofia	100.00
STRABAG BRVZ SRL	BOLOGNA	100.00
STRABAG BRVZ Verwaltung GmbH	Cologne	100.00
STRABAG Construction Co., Ltd.	Bangkok	100.00
STRABAG Corp.	Delaware	100.00
STRABAG DROGI WOJEWODZKIE Sp. z o.o.	Pruszków	100.00
STRABAG Energy Technologies GmbH	Vienna	100.00
STRABAG India Private Limited	Mumbai	100.00
STRABAG Infrastructure & Safety Solutions GmbH	Erstfeld	100.00
STRABAG Infrastruktur Development OOO	Moscow	100.00
Strabag Kiew TOW	Kiew	100.00
STRABAG Krankenhaus Errichtungs- und BetriebsgmbH	Vienna	99.00
STRABAG Logisztika Kft.	Budapest	100.00
STRABAG Motorway GmbH	Spittal an der Drau	100.00
STRABAG Oy	Helsinki	100.00
STRABAG PPP Hochbau GmbH	Bad Hersfeld	100.00
STRABAG PROLAN, s.r.o.	Ostrava-Mariánske	100.00
STRABAG Property and Facility Services d.o.o.	Zagreb	100.00
STRABAG Property and Facility Services s.r.o.	Bratislava	55.00
STRABAG Rail AB	Kumla	100.00
STRABAG Real Estate OOO	Moscow	100.00
STRABAG Residential Property Services GmbH	Berlin	99.51
Strabag RS d.o.o.	Banja Luka	100.00
Strabag Saudi Arabia	Dhahran	100.00
STRABAG Sh.p.k.	Tirana	100.00
STRABAG Silnice a.s.	Prague	100.00
STRABAG Unterstützungskasse GmbH i.L.	Cologne	100.00
STRABAG Versicherungsvermittlung GmbH	Cologne	100.00
STRABAG Vízépítö Kft.	Budapest	100.00
STRABAG Vorrat Eins GmbH	Vienna	100.00
STRABAG Vorrat Neun GmbH	Vienna	100.00
STRABAG Vorrat Neun GmbH & Co KG	Vienna	100.00
STRABAG Vorrat Sieben GmbH	Vienna	100.00
STRABAG Vorrat Sieben GmbH & Co KG	Vienna	100.00
STRABAG Vorrat Zehn GmbH	Vienna	100.00
STRABAG Vorrat Zehn GmbH & Co KG	Vienna	100.00
STRABAG-EDILMAC Desarrollos Verticales SpA	Santiage de Chile	80.00
STRABAG-PROJEKT 2 Sp.z o.o.	Pruszkow	100.00
STRABAG-PROJEKT Sp.z o.o.	Pruszkow	100.00
STRABIL STRABAG Bildung im Lauenburgischen GmbH	Cologne	100.00
Südprojekt A-Modell GmbH & Co. KG	Bad Hersfeld	100.00
Südprojekt A-Modell Verwaltung GmbH	Bad Hersfeld	100.00
SZYBKI TRAMWAY Sp. z o.o.	Pruszkow	100.00
Taurus GM EOOD	Sofia	100.00
TETI TRAFFIC	Centurion	54.00
TolLink Pakistan (Private) Limited	Islamabad	60.00
TPA EOOD	Sofia	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Erstfeld	100.00
TPA OOO	Moscow	100.00

Subsidiaries not consolidated

Company	Residence	Direct stake %
Trema Engineering 2 Sh.p.k.	Pristina	100.00
Treuhandbeteiligung B		100.00
Treuhandbeteiligung Q		100.00
UND-FRISCHBETON s.r.o.	Kosice	75.00
Universitätszentrum Althanstraße Erweiterungsgesellschaft m.b.H.	Vienna	100.00
Unterstützungseinrichtung für die Angestellten der ehemaligen Bau-Aktiengesellschaft "Negrelli" Gesellschaft m.b.H.	Vienna	55.00
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H.	Linz	75.00
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H. & Co.KG	Linz	75.00
Vasagatan Op6 Holding AB	Solna	100.00
Verwaltung Forum Mittelrhein Koblenz Generalübernehmergesellschaft mbH	Oststeinbek	51.00
Viedenska brana s.r.o.	Bratislava	100.00
VIOLA PARK Immobilienprojekt GmbH	Vienna	75.00
WMB Drogbud Sp. z o.o.	Lubojenka	51.00
Wohnbauträgergesellschaft Objekt "Freising - Westlich der Jagdstraße" mbH	Cologne	100.00
Wohnen am Krautgarten Bauträger GmbH	Vienna	100.00
Wollhaus HN GmbH & Co. KG	Cologne	100.00
WSK PULS GmbH	Erfurt	100.00
Z.P.C. Deutschland GmbH	Stuttgart	100.00
Z.P.C. Lda	Amadora	100.00
Z-Bau GmbH i.L.	Magdeburg	100.00
Z-Bau Immobilien Verwaltungs GmbH	Cologne	100.00
ZDE Siebte Vermögensverwaltung GmbH	Cologne	100.00
Z-Design EOOD	Sofia	100.00
Züblin (Thailand) Co. Ltd.	Bangkok	100.00
Züblin Australia Pty Ltd	Perth	100.00
Züblin Bulgaria EOOD	Sofia	100.00
Zublin Corporation	Wilmington	100.00
Züblin Engineering Consulting (Shanghai) Co., Ltd.	Shanghai	100.00
Züblin Ground and Civil Engineering LLC	Dubai	100.00
Züblin Holding (Thailand) Co. Ltd.	Bangkok	79.35
Züblin Hrvatska d.o.o.	Zagreb	100.00
Züblin Inc.	Saint John/NewBrunswick	100.00
Züblin International Malaysia Sdn. Bhd.	Kuala Lumpur	100.00
Zublin Saudi Arabia LLC	Riyadh	100.00
Zweite Nordsee-Offshore-Holding GmbH	Vienna	51.00

Investee companies not consolidated

Company	Residence	Direct stake %
"kabelwerk" bauträger gmbh	Vienna	25.00
A 1 Lohne-Bramsche GmbH & Co. KG	Neuenkirchen-Vörden	50.00
ABO Asphalt-Bau Oeynhausen GmbH.	Oeynhausen	22.50
AGS Asphaltgesellschaft Stuttgart GmbH & Co.Kommanditgesellschaft	Stuttgart	40.00
AGS Asphaltgesellschaft Stuttgart Verwaltungs-GmbH	Stuttgart	40.00
AL SRAIYA - STRABAG Road & Infrastructure WLL	Doha	49.00
A-Lanes Management Services B.V.	Utrecht	25.00
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.	Zistersdorf	40.00
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.& Co.KG	Zistersdorf	40.00
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	Linz	33.33
AMG-Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co.KG	Linz	33.33
AMH Asphaltmischwerk Hauneck GmbH & Co. KG	Hauneck	50.00
AMH Asphaltmischwerk Hauneck Verwaltungs GmbH	Hauneck	50.00
AMS-Asphaltmischwerk Süd Gesellschaft m.b.H.	Linz	35.00
AMSS Asphaltmischwerke Sächsische Schweiz GmbH & Co. KG	Dresden	24.00
AMSS Asphaltmischwerke Sächsische Schweiz Verwaltungs GmbH	Dresden	24.00
Anton Beirer Hartsteinwerke GmbH & Co KG	Pinswang	50.00
ASAMER Baustoff Holding Wien GmbH	Vienna	30.93
ASAMER Baustoff Holding Wien GmbH & Co.KG	Vienna	30.93
ASB Transportbeton GmbH & CO.KG	Osterweddingen	50.00
ASF Frästechnik GmbH	Kematen	40.00
ASF Frästechnik GmbH & Co KG	Kematen	40.00
ASG INVEST N.V.	Genk	25.00
Asphaltmischwerk Betriebsgesellschaft m.b.H.	Rauchenwarth	20.00
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG	Rauchenwarth	20.00
Asphaltmischwerk Bodensee Verwaltungs GmbH	Singen (Hohentwiel)	50.00
Asphaltmischwerk Greinsfurth GmbH	Amstetten	33.33
Asphaltmischwerk Greinsfurth GmbH & Co OG	Amstetten	33.33
Asphaltmischwerk Kundl GmbH	Kundl	50.00
Asphaltmischwerk Kundl GmbH & Co KG	Kundl	50.00
ASTRA - BAU Gesellschaft m.b.H. Nfg. OG	Bergheim	50.00
AUT Grundstücksverwaltungsgesellschaft mbH	Stuttgart	40.00
A-WAY LAGAN INFRASTRUCTURE SERVICES LIMITED	Ballyoran, Castlelyons, Co. Cork	50.00
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H.	Graz	50.00
AWM Asphaltwerk Mötschendorf GmbH & Co.KG	Graz	50.00
BASALT-KÖZÉPKÖ Kft	Uzsa	25.14
Bayerische Asphaltmischwerke Gesellschaft mit beschränkter Haftung	Hofolding	48.29
BBO Bauschuttaufbereitung Verwaltungsgesellschaft mbH	Steißlingen	33.33
BBO Bodensee/Hegau Bauschuttaufbereitung GmbH & Co. KG	Steißlingen	22.22
BBO Bodenseekreis Bauschuttaufbereitung GmbH & Co. KG	Steißlingen	25.00
Beton Pisek spol. s.r.o.	Pisek	50.00
Betun Cadi SA	Trun	35.00
BLU Beteiligungs-GmbH	Karlsruhe	50.00
BLU GmbH & Co. KG	Karlsruhe	50.00
Brnenska obalovna, s.r.o.	Brno	50.00
BRW Baustoff-Recycling GmbH & Co KG	Wesseling	25.00
CAPE 10 Errichtung & Betrieb GmbH	Vienna	26.00
Continental Apartments View AB	Stockholm	50.00
Continental Living Stockholm AB	Stockholm	50.00
CSE Centrum-Stadtentwicklung GmbH i.L.	Cologne	50.00
DAM Deutzer Asphaltmischwerke GmbH & Co. KG	Cologne	40.44
DAM Deutzer Asphaltmischwerke Verwaltungs-GmbH	Cologne	40.44
DC Waterline GmbH	Vienna	50.00
Deponie Westküste GmbH & Co. KG	Nindorf	50.00
Deponie Westküste Verwaltungs-GmbH	Nindorf	50.00

Investee companies not consolidated

Company	Residence	Direct stake %
Diabaswerk Nesselgrund GmbH & Co KG	Floh-Seligenthal	20.00
Diabaswerk Nesselgrund Verwaltungs-GmbH	Floh-Seligenthal	20.00
DIRECTROUTE (FERMOY) CONSTRUCTION LIMITED	Dublin	25.00
DIRECTROUTE (LIMERICK) CONSTRUCTION LIMITED	Fermoy	40.00
DIRECTROUTE (TUAM) CONSTRUCTION LIMITED	Dublin	25.00
Donau City Residential GmbH	Vienna	50.00
Eisen Blasy Reutte GmbH	Pflach	50.00
Entwicklung Quartier am Mailänder Platz Beteiligungsgesellschaft mbH	Hamburg	50.00
Entwicklung Quartier am Mailänder Platz Management GmbH	Hamburg	50.00
FLARE Grundstück Verwaltungs GmbH	Berlin	50.00
Franck4tel Komplementär Drei GmbH	Vienna	50.00
Franck4tel Komplementär Eins GmbH	Vienna	50.00
Franck4tel Komplementär Fünf GmbH	Vienna	50.00
Franck4tel Komplementär Sechs GmbH	Vienna	50.00
Franck4tel Komplementär Sieben GmbH	Vienna	50.00
Franck4tel Komplementär Vier GmbH	Vienna	50.00
Franck4tel Komplementär Zwei GmbH	Vienna	50.00
Franck4tel Projektentwicklung Drei GmbH & Co KG	Vienna	50.00
Franck4tel Projektentwicklung Eins GmbH & Co KG	Vienna	50.00
Franck4tel Projektentwicklung Fünf GmbH & Co KG	Vienna	50.00
Franck4tel Projektentwicklung Sechs GmbH & Co KG	Vienna	50.00
Franck4tel Projektentwicklung Sieben GmbH & Co KG	Vienna	50.00
Franck4tel Projektentwicklung Vier GmbH & Co KG	Vienna	50.00
Franck4tel Projektentwicklung Zwei GmbH & Co KG	Vienna	50.00
GFR remex Baustoffaufbereitung Verwaltungs-GmbH Krefeld i.L.	Krefeld	50.00
Grandemar SA	Cluj-Napoca	41.27
GUS Gußasphaltwerk GmbH & Co KG	Stuttgart	50.00
GUS Gußasphaltwerk Verwaltungs GmbH	Stuttgart	50.00
H S Hartsteinwerke GmbH	Pinswang	50.00
Heideasphalt GmbH & Co. KG	Wittingen	50.00
HK-Rohstoff & Umwelttechnik GmbH & Co. KG	Hildesheim	50.00
Immorent Oktatási Kft.	Budapest	20.00
Industrial Engineering and Contracting Co. S.A.R.L. (INDECO) i.L.	Beirut	50.00
IQ Office Beteiligungsgesellschaft mbH	Hamburg	49.00
IQ Office GmbH & Co. KG	Hamburg	49.00
IQ Residential Beteiligungsgesellschaft mbH	Hamburg	49.00
IQ Residential GmbH & Co. KG	Hamburg	49.00
IQ Tower Beteiligungsgesellschaft mbH	Hamburg	49.00
IQ Tower GmbH & Co. KG	Hamburg	49.00
JCO s.r.o.	Plana	50.00
KAB Kärntner Abfallbewirtschaftung GmbH	Klagenfurt	36.25
KASERNEN Projektentwicklungs- und Beteiligungs GmbH	Vienna	24.90
Kies- und Betonwerk AG Sedrun	Sedrun	35.00
Kiesabbau Gämmerler-Hütwohl GmbH & Co. Aug Kommanditgesellschaft	Königsdorf	50.00
Kiesabbau Gämmerler-Hütwohl GmbH & Co. Grube Grafing KG	Königsdorf	50.00
Kiesabbau Gämmerler-Hütwohl GmbH&Co. Grube Leitzinger Au KG	Königsdorf	50.00
Kiesabbau Gämmerler-Hütwohl Verwaltungs- GmbH	Königsdorf	50.00
Kiesgesellschaft Karsee Beteiligungs-GmbH	Immenstaad am Bodensee	50.00
Kiesgesellschaft Karsee GmbH & Co. KG	Immenstaad am Bodensee	50.00
Kieswerk Rheinbach Gesellschaft mit beschränkter Haftung	Cologne	50.00
Kieswerk Rheinbach GmbH & Co. KG	Rheinbach	50.00
Kieswerke Schray Verwaltungs GmbH	Steißlingen	50.00
Klinik für Psychosomatik und psychiatrische Rehabilitation GmbH	Spittal an der Drau	30.00
KSH Kalkstein Heiterwang GmbH	Pinswang	30.00
KSH Kalkstein Heiterwang GmbH & Co KG	Pinswang	30.00

Investee companies not consolidated

Company	Residence	Direct stake %
Liberecka Obalovna s.r.o.	Liberec	50.00
Lieferasphalt Gesellschaft m.b.H.	Vienna	50.00
Lieferasphalt Gesellschaft m.b.H.& Co.OG, Zirl	Vienna	50.00
Lieferbeton Simmern GmbH & Co. KG i. L.	Simmern/Hunsrück	50.00
Lieferbeton Simmern Verwaltungs-GmbH i.L.	Simmern/Hunsrück	50.00
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	Linz	33.33
LISAG Linzer Splitt- und Asphaltwerk GmbH.	Linz	50.00
LISAG Linzer Splitt- und Asphaltwerk GmbH. & CO KG	Linz	50.00
Main-Aurach-Autobahngesellschaft mbH & Co. KG	Berlin	50.00
Mecsek Autopalya-üzemeltetö Zrt.	Budapest	25.00
Messe City Köln Beteiligungsgesellschaft mbH	Hamburg	50.00
MIGU-Asphalt-Baugesellschaft m.b.H.	Lustenau	50.00
Milet Ditzingen Beteiligungsgesellschaft mbH	Heidelberg	49.00
MLT Maschinen Logistik Technik GmbH & Co. KG	Nesse-Apfelstädt	50.00
MLT Verwaltungs GmbH	Nesse-Apfelstädt	50.00
MSO Mischanlagen GmbH	Ilz	33.33
Natursteinwerke im Nordschwarzwald NSN Verwaltungsgesellschaft mit beschränkter Haftung	Mühlacker	25.00
Oder Havel Mischwerke GmbH & Co. KG i.L.	Berlin	33.33
ODRA-ASFALT Sp. z o.o.	Szeczecin	33.33
Ontwikkelingscombinatie Maasmechelen N.V.	Antwerpen	50.00
PAM Pongauer Asphaltmischanlagen GmbH	St. Johann im Pongau	50.00
PAM Pongauer Asphaltmischanlagen GmbH & Co KG	St. Johann im Pongau	50.00
Philman Holdings Co.	Philippinen	20.00
PPP Campus AM + SEEA GmbH	St. Pölten	50.00
PPP Campus AM + SEEA GmbH & Co KG	St. Pölten	50.00
PPP Campus RAP + LGG GmbH	St. Pölten	45.00
PPP Campus RAP + LGG GmbH & Co KG	St. Pölten	45.00
Projekt Lohsepark Beteiligungsgesellschaft mbH	Hamburg	50.00
Projekt Lohsepark GmbH & Co. KG	Hamburg	50.00
Prottelith Produktionsgesellschaft mbH	Liebenfels	24.00
QMP Generalübernehmer GmbH & Co. KG	Oststeinbek	50.00
REMEX Coesfeld Gesellschaft für Baustoffaufbereitung mbH	Dülmen-Buldern	50.00
RFM Asphaltmischwerk GmbH & Co KG	Traiskirchen	46.00
RFM Asphaltmischwerk GmbH.	Traiskirchen	46.00
Rieder Asphaltgesellschaft m.b.H.	Ried im Zillertal	50.00
Rieder Asphaltgesellschaft m.b.H. & Co. KG.	Ried im Zillertal	50.00
ROBA-Neuland Beton GmbH & Co. KG	Hamburg	50.00
Rohstoff & Umwelttechnik Verwaltungs GmbH	Hildesheim	50.00
RSV Rheinische Schlacke Verwertungs GmbH	Leverkusen	50.00
Salzburger Lieferasphalt GmbH & Co OG	Sulzau	20.00
SAT Spezialbau GmbH	Cologne	50.00
Satellic NV	Groot-Bijgaarden	24.00
SAV Südniedersächsische Aufbereitung und Verwertung Verwaltungs GmbH	Hildesheim	50.00
Schlackenkontor Bremen GmbH	Bremen	25.00
SG Kies GmbH	Vienna	50.00
SG Kies GmbH & Co KG	Vienna	47.00
SHKK-Rehabilitations GmbH	Vienna	50.00
SHUSHICA HYDROPOWER sh p.k.	Tirana	33.00
SIFEE TERRA HEAT SRL	Selimbar	25.00
Sindelfinger Asphalt-Mischwerke GmbH i.L.	Sindelfingen	22.22
SMB Construction International GmbH	Sengenthal	50.00
Spolecne obalovny, s r.o.	Prague	50.00
SRK Kliniken Beteiligungs GmbH	Vienna	25.00
STA Asphaltmischwerk Strahlungen GmbH	Strahlungen	24.90
stahl + verbundbau gesellschaft für industrielles bauen m.b.H.	Dreieich	30.00

Investee companies not consolidated

Company	Residence	Direct stake %
Steinbruch Spittergrund GmbH	Erfurt	50.00
Stephan Beratungs-GmbH	Linz am Rhein	30.00
STRABAG ARCHIRODON LTD.	Port Louis	50.00
STRABAG Gorzów Wielkopolski Sp. z o.o.	Gorzów Wielkopolski	49.00
Strabag Oktatási PPP Kft.	Budapest	30.00
Strabag Qatar W.L.L.	Doha	49.00
Straktor Bau Aktien Gesellschaft	Kifisia	50.00
Syrena Immobilien Holding Aktiengesellschaft	Spittal an der Drau	50.00
TBG Ceske Budejovice spol. s.r.o.	Budweis	50.00
TBG-STRABAG d.o.o.	Zagreb	50.00
TDE Mitteldeutsche Bergbau Service GmbH	Espenhain	50.00
Tierra Chuquicamata SpA	Santiago	50.00
TORONTO TUNNEL PARTNERS 401 RER INC.	London Ontario	50.00
Triplus Beton GmbH	Zell am See	50.00
Triplus Beton GmbH & Co KG	Zell am See	50.00
TSI VERWALTUNGS GMBH	Apfelstädt	50.00
VCO - Vychodoceska obalovna, s r.o	Hradec Kralove	33.33
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.	Spittal an der Drau	50.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG	Spittal an der Drau	50.00
Verwaltung MesseCity Köln Generalübernehmer GmbH i.L.	Oststeinbek	50.00
Verwaltung QMP Generalübernehmer GmbH	Oststeinbek	50.00
Verwaltungsgesellschaft ROBA-Neuland Beton m.b.H.	Hamburg	50.00
VIANOVA - Bitumenemulsionen GmbH	Fürnitz	24.90
VIANOVA SLOVENIJA d.o.o.	Logatec	50.00
VKG-Valentiner Kieswerk Gesellschaft m.b.H.	Linz	50.00
Walter Group International Philippines, Inc.	Philippinen	26.00
WMW Weinviertler Mischwerk Gesellschaft m.b.H.	Zistersdorf	33.33
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG	Zistersdorf	33.33
Wohnbau Tafelgelände Beteiligungs-GmbH	Munich	25.00
Wohnbau Tafelgelände GmbH & Co. KG	Munich	25.00
Z.I.P.O.S. d.o.o.	Antunovac	50.00

GROUP MANAGEMENT REPORT

Important events

JANUARY

STRABAG-consortium wins € 246 million infrastructure contract in Hungary

A consortium, consisting of STRABAG Építő Kft. (50.12 %) and Duna Aszfalt Zrt., will complete the 20 km gap of the Hungarian M6 motorway between Bóly und Ivándárda on the Croatian border. The project entails, among other things, the construction of three junctions, 16 bridges and a service area. The project is scheduled to be completed within 36 months.

STRABAG und JOHANN BUNTE started the year in Germany with a major new contract

The joint venture A1 Lohne Bramsche kicked off the new year with the acquisition of a large project in transportation infrastructures. The Federal Republic of Germany, represented by Die Autobahn GmbH des Bundes, commissioned a joint venture consisting of STRABAG AG (50 %) and JOHANN BUNTE Bauunternehmung GmbH & Co. KG (50 %) with the widening of the A1 motorway in Lower Saxony over a distance of around 29.5 km under a so-called function-based construction contract (FBV). The approx. € 600 million contract also includes structural maintenance over a period of 30 years. Construction started on 1 February and will be carried out under traffic. Completion of the motorway section is scheduled for mid-25.

Widening of the A1 motorway.

FEBRUARY

Germany's largest micro-apartment project in Frankfurt

STRABAG Group company Ed. Züblin AG was commissioned by client iLive Commerz Real Campus Zwei GmbH to build an eight-storey residential complex with a gross floor area of 49,500 m² in Frankfurt's Nordend district. When completed, the student housing complex, which will feature 1,158 flats and has a contract value of around € 83 million, will be the largest of its kind in Germany.

APRIL

Major motorway contract in Poland

The group's Polish subsidiary was awarded the € 153 million design-and-build contract by the country's General Directorate for National Roads and Motorways (GDDKiA). The 18.75 km section of the A2 between Siedlce West and Malinowiec is to be completed by the end of 2024.

ZÜBLIN to design and build new public administration centre for Dresden

Administration centre for Dresden.

STRABAG subsidiary Ed. Züblin AG and Dreßler Bau GmbH are working together as management contractors in a consortium to realise the new public administration headquarters in the heart of Dresden. The design-and-build contract, which will leave its mark on the Dresden cityscape, was awarded by Kommunale Immobilien Dresden GmbH & Co. KG with a fixed lump sum price of € 116 million. The project is based on a design by the architectural firms Barcode Architects (Rotterdam) and Tchoban Voss Architekten (Hamburg/ Dresden). The consortium of ZÜBLIN (66 %) and Dreßler Bau (34 %) will realise the striking 33 metre administration building at Ferdinandplatz within a period of about four years. The new public administration centre will have a gross floor area of 33,500 m² distributed over seven above-ground floors with an asymmetrical floor plan and two underground parking levels. Completion is scheduled for the end of March 2025. The project will be preceded by archaeological excavations commissioned by the city of Dresden.

MAY

Expanding subway in Canada for approx. € 500 million

The Canadian subsidiary of STRABAG was awarded the contract for the Advance Tunnel Project for the Scarborough Subway Extension (Line 2) in Toronto. The approx. € 500 million (CAD 757 million) contract is being executed under a Design Build Finance model which started in May 2021 and is expected to be completed by autumn 2024. The 7.8 km extension will run underground for its entire length. The contract includes one launch shaft, one extraction shaft, five headwalls for future stations and 14 headwalls for future emergency evacuation buildings. The tunnelling works will be performed using a tunnel boring machine with a diameter of 11.87 m.

Tunnel boring machine Diggy Scardust.

Shipbuilding facility for ThyssenKrupp Marine Systems in Kiel

On behalf of ThyssenKrupp Marine Systems GmbH the STRABAG subsidiary Züblin was commissioned to complete a new shipbuilding facility with integrated seven-storey office building in Kiel. The contract value is in the high double-digit million-euro range. Following the start of construction in May 2021, the new building is scheduled to be completed within around two years and handed over ready for use at the end of June 2023. With the new company headquarters at Kieler Förde, ThyssenKrupp Marine Systems intends to significantly expand its production capacities in submarine construction from mid- 2023. The facility is part of a site concept that envisages the implementation of further construction projects at the Kiel shipyard site.

JUNE

STRABAG building bypass road S12 in Poland

STRABAG is further consolidating its strong market position in Poland with a contract worth around € 99 million. The General Directorate for National Roads and Motorways (GDDKiA) has awarded the construction of the 13.6 km Chełm bypass road S12 east of Lublin near the border with Ukraine to STRABAG's Polish subsidiary STRABAG Sp. z o.o. The bypass will be realised as a design-and-build project comprising two carriageways, each with two lanes, as well as four on- and off-ramps and 16 civil engineering structures, including bridges over the Uherka River and the Chełm–Włodawa railroad line, over a length of 13.6 km. The works also include the construction of an expressway service station, local service roads as well as environmental protection and road safety facilities along the entire route. The construction work is expected to take around 36 months.

Last single-track section of railway along the TEN-T network is being expanded in Hungary

STRABAG was awarded the contract to upgrade a 30 km section of railway in south-eastern Hungary via its Hungarian railway construction subsidiary STRABAG Rail Kft. The contract, which is worth a total of € 364 million, will be executed in a consortium with a Hungarian partner (STRABAG share: 66 %). STRABAG is contributing the entire range of the group's services to this infrastructure project. In addition to the track construction work, the contract also includes the overhead lines, the safety and signalling systems, the modification of three stations, including park and ride facilities, as well as road construction and civil engineering works. The construction phase is scheduled for 33 months.

JULY

Motorway connection for Romanian economic centre Oradea

The Romanian subsidiary of STRABAG was awarded a large-scale contract worth around € 111 million by Romania's National Company for Road Infrastructure Administration (CNAIR). Within a construction period of 24 months, STRABAG will build the link between the city of Oradea and the A3 motorway with a length of 18.96 km.

STRABAG acquired two metro projects in Prague

A consortium consisting of STRABAG a.s. and AŽD Praha s.r.o. was awarded the contract for the modernisation of the Jiřího z Poděbrad metro station in the centre of Prague. The order value is € 50 million (STRABAG share 65%). An international consortium with the participation of the two group companies STRABAG a.s. and Ed. Züblin AG (share: 25 %) started work on the first section of the Prague Metro's new Line D at the end of 2021. The geological conditions and the execution of tunnelling works in the densely built urban area pose the greatest challenge. STRABAG had already been involved in the preliminary geological explorations.

AUGUST

Contract for large-scale project A8 motorway Enz Valley crossing

Large-scale project Enz Valley crossing

Germany's federal motorway company, Die Autobahn GmbH des Bundes, awarded to STRABAG the contract for the six-lane expansion of the A8 motorway in the Enz Valley near Pforzheim, Germany. The contract for the complex infrastructure project on the main corridor between Karlsruhe and Stuttgart is worth more than € 100 million. In addition to the widening of a 4.8 km long section of motoway between the Pforzheim-Nord and Pforzheim-Süd interchanges, the project also includes the construction of a total of six bridges and underpasses as well as the realisation of extensive noise protection measures. Lead contractor STRABAG GmbH is supported in its work by teams from Ed. Züblin AG and Züblin Spezialtiefbau GmbH. The entire project is expected to be completed by the end of 2026 after about five years of work.

STRABAG modernising technically challenging railway section in the north of the Czech Republic

The Czech subsidiary STRABAG Rail a.s. was awarded the contract as consortium leader (89 %) for the modernisation of the 1.3 km long section of the railway between Děčín východ and Prostřední Žleb stations in Děčín in the north of the Czech Republic near the German border. The contract is worth around € 41.5 million. Construction will be carried out in a consortium with local partner DT Mostárna a.s.

SEPTEMBER

Expansion of Hungarian 67 expressway for € 77 million

The Hungarian subsidiary of STRABAG acquired another infrastructure contract. The existing section of the Látrány bypass on the 67 expressway will be widened to two lanes in each direction and upgraded to a maximum speed of 110 km/h. As a result, the 67 expressway will have four lanes along its entire section from Kaposvár to its junction with the M7 motorway. The contract has a value of approximately € 77 million.

New venue for young artists of the Vienna State Opera

STRABAG was awarded the contract to convert the French Hall of the Vienna Künstlerhaus, Austria, into a new opera venue with up to 279 seats. The Vienna State Opera's new stage for performances and rehearsals is intended especially for young audiences and emerging talents. The project is being carried out under a public-private partnership arrangement. The project partners of the Vienna State Opera are Künstlerhausbesitz und -betriebs GmbH (KBBG), STRABAG SE Haselsteiner Familien-Privatstiftung and the Austrian Federal Ministry of Arts and Culture, Civil Service and Sport. According to the current planning, the total project costs come to € 20.5 million.

Of this amount, the federal ministry is contributing € 5 million in the form of a grant, € 10 million is being provided by STRABAG through sponsoring, while the remaining € 5.5 million is being financed by the Haselsteiner Familien-Privatstiftung.

OCTOBER

STRABAG Camp[us] Ybbs: Austria's most modern apprenticeship training

STRABAG opened its new training centre in Ybbs after just one year of construction. It will provide training to around 250 apprentices from all over Austria every year. STRABAG invested a total of around € 10 million in the new facility.

STRABAG Camp[us] Ybbs

Antitrust fine imposed on STRABAG Group companies

As expected, the Austrian Cartel Court imposed a fine of € 45.37 million on two STRABAG Group companies, confirming the amount requested by the Federal Competition Authority (BWB). In July 2021, STRABAG SE announced that group companies STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG had issued an acknowledgement as part of a settlement in the antitrust proceedings against them, upon which the BWB filed an application with the Cartel Court for a fine. The acknowledgement and the full co-operation with the BWB had a correspondingly positive effect on the amount of the fine.

S19 expressway in the Podlaskie Voivodeship of northern Poland

The local STRABAG subsidiary signed the contract with the Polish General Directorate for National Roads and Motorways (GDDKiA) for the design and construction of a 12 km section of the S19 expressway. The new section of the S19 will run from Bielsk Podlaski West to Boćki. In September 2021, STRABAG also signed a contract for the design and construction of the subsequent section from Boćki to Malewice. The company will therefore be realising a total of 28 km of the S19. The contract has a value of approximately € 67.5 million (PLN 309.350 million). Construction is scheduled to be completed in the second quarter of 2025.

Austria's first building using 3D printing technology

STRABAG, together with PERI, the formwork and scaffolding manufacturer and a pioneer in 3D concrete printing, realised a roughly 125 m² office building next to its asphalt mixing plant in Hausleiten, Austria. The special dry mortar for the construction 3D printing project, with long workability and good pumpability, was supplied by Lafarge. Construction 3D printing offers several advantages where its use makes technical and financial sense. The COBOD BOD2 gantry printer used in Hausleiten can print concrete at up to one metre per second, which significantly shortens the construction time. The structural works for the building in Hausleiten was completed in around 45 hours of pure printing time. Construction 3D printing also offers significantly more design freedom compared to classic concrete construction, with the possibility of easily creating architecturally complex rounded designs.

Pioneer in concrete printing.

NOVEMBER

STRABAG-subsidiary leads construction of Central Business Tower for Helaba in Frankfurt

Ed. Züblin AG, in a consortium with Dobler Metallbau GmbH, was commissioned to build a prominent 205 m tall office tower for Landesbank Hessen-Thüringen (Helaba) in Frankfurt, Germany. The contract for the turnkey construction of the new building, to be called Central Business Tower, has a volume in the mid three-digit million-euro range. The complex large-scale project designed by KSP Engel is being implemented jointly and in partnership with Helaba using the proven ZÜBLIN teamconcept® partnering approach. The ZÜBLIN teams involved in the project had already provided advice and support to Helaba in the preconstruction design (teamconcept® preconstruction phase) starting in July 2020. Construction of the Central Business Tower, with 52 floors above and five below ground, including a five-storey base building with historic façade, is scheduled to last about six years. The entire project should be completed by early 2028.

Central Business Tower

DECEMBER

Major contract for drinking water treatment plant in Ghana

STRABAG was awarded a contract by Ghana Water Company Limited for the construction of a drinking water treatment plant for the twin cities of Sekondi-Takoradi. The design-and-build contract has a value of approximately € 70 million and a term of 40 months. STRABAG will then operate and maintain the plant and train the local staff during the warranty period. The new drinking water treatment plant, which replaces the old plant that has been in operation since 1961, is based on a robust and efficient state-of-the-art process technology that STRABAG has already successfully implemented several times before. The plant will be able to feed 100,000 m³ of drinking water per day into the existing network. The project is being handled via export financing. The combined export guarantee protects against economic and political risks.

Vienna office building Square One verified according to EU taxonomy

The Austrian Sustainable Building Council (ÖGNI) verified the Vienna office building Square One, a development of STRABAG Real Estate (SRE), as EU taxonomy-compliant. It is the crowning achievement for the property, which was completed in 2017 and has already been certified with ÖGNI/DGNB Platinum, and proof of an ambitious sustainability strategy. The EU Taxonomy regulations for Sustainable Activities, which has been in force since July 2020, aims to define environmentally sustainable activities as a means of promoting sustainable investments. The fact that the verification of the building developed by SRE occurs four years after completion is due to the nature of the procedure. Also existing buildings can meet or exceed the sustainability criteria of the “climate change mitigation” and “adaptation” categories.

Country report

DIVERSIFYING THE COUNTRY RISK

STRABAG sees itself as a European construction company with a strong focus on Central and Eastern Europe. A dense network of numerous subsidiaries in many European countries and on other continents is helping to expand 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. 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 SE Group recorded a 4 % higher output of € 16,128.92 million in the 2021 financial year. This is mainly due to a 10 % upturn in the home market of Austria following the negative business development in the same period of the previous year as a result of the temporary suspension of construction work in the wake of the coronavirus crisis. Growth was also recorded, among other places, in Germany, the Czech Republic and, due to ongoing megaprojects, in the UK.

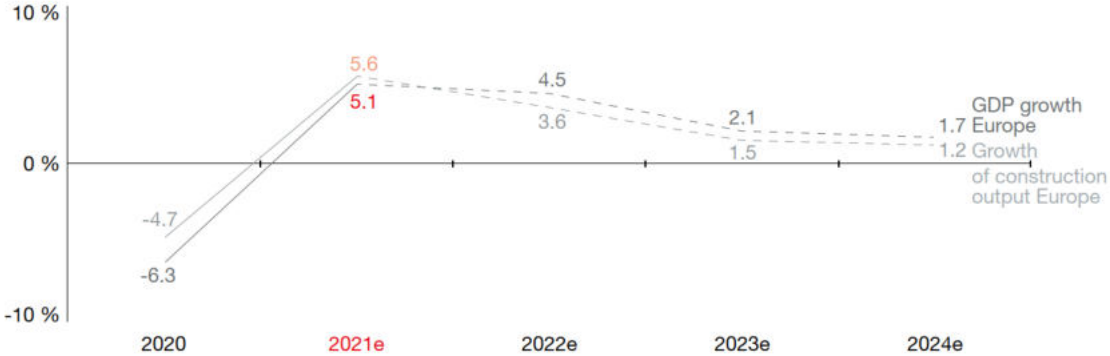
OUTPUT VOLUME BY COUNTRY

€ mln.	2021	% of total output volume 2021[1]	2020	% of total output volume 2020[1]	▲ %	▲ absolute
Germany	7,462	46	7,323	47	2	139
Austria	2,694	17	2,460	16	10	234
Poland	1,152	7	1,183	8	-3	-31
Czech Republic	948	6	826	5	15	122
Hungary	652	4	671	4	-3	-19
Americas	482	3	494	3	-2	-12
United Kingdom	390	2	226	1	73	164
Slovakia	289	2	297	2	-3	-8
Romania	264	2	250	2	6	14
Benelux	233	1	262	2	-11	-29
Middle East	203	1	119	1	71	84
Switzerland	192	1	220	1	-13	-28
Croatia	177	1	172	1	3	5
Serbia	155	1	158	1	-2	-3
Asia	145	1	117	1	24	28
Rest of Europe	136	1	159	1	-14	-23
Sweden	121	1	160	1	-24	-39
Denmark	109	1	76	0	43	33
Slovenia	104	1	59	0	76	45
Bulgaria	82	1	65	0	26	17
Italy	58	0	52	0	12	6
Russia	46	0	52	0	-12	-6
Africa	35	0	46	0	-24	-11
Total	**16,129**	**100**	**15,447**	**100**	**4**	**682**

1 Rounding differences are possible.

GLOBAL ECONOMY SHOWS RESILIENCE[1]

GROWTH COMPARISON CONSTRUCTION VS. GDP EUROPE



Following the pandemic-related slump in 2020, the global economy entered a remarkable recovery phase in 2021 with a momentum that is likely to continue into 2022 to some extent. On the one hand, inflationary pressures are proving to be much stronger and more persistent than previously expected. Labour shortages, rising energy and raw materials prices, as well as disrupted supply chains and bottlenecks for key production inputs are also hampering growth and increasing cost pressures. On the other hand, central bank interventions and public-sector stimulus packages are supporting the recovery. Nevertheless, novel covid variants and the general unwillingness among the industrialised nations to engage in a coordinated global vaccination effort could weaken this momentum. In the event that pandemic-related government aid is slowly scaled back, it will remain important to continue to support the economy through public spending. The composition of this spending must adapt to create room for long-term investment, however, as this is the only way to enable the far-reaching economic transformation that will be necessary to achieve the energy transition.

The OECD expects the global economy to grow by 5.6 % in 2021 and by 4.5 % in 2022. A slight slowdown to 3.2 % is expected in 2023, which roughly corresponds to the pace of growth before the pandemic.

For the EU, the OECD forecasts only slightly lower growth of 5.2 % in 2021, with a plus of 4.3 % expected in 2022. The gross domestic product of the 19 Euroconstruct countries reached a plus of 5.1 % in 2021. The national rates vary greatly, with growth ranging from 2.5 % to 15.6 %. In 2022, economic growth in the EC-19-region is expected to again reach 4.5 %.

Any potential impacts from Russia's war against Ukraine on output, revenue and earnings in the 2022 financial year have not yet been taken into account, as these could not yet be quantified at the beginning of April 2022.

CLEAR RECOVERY IN THE CONSTRUCTION SECTOR

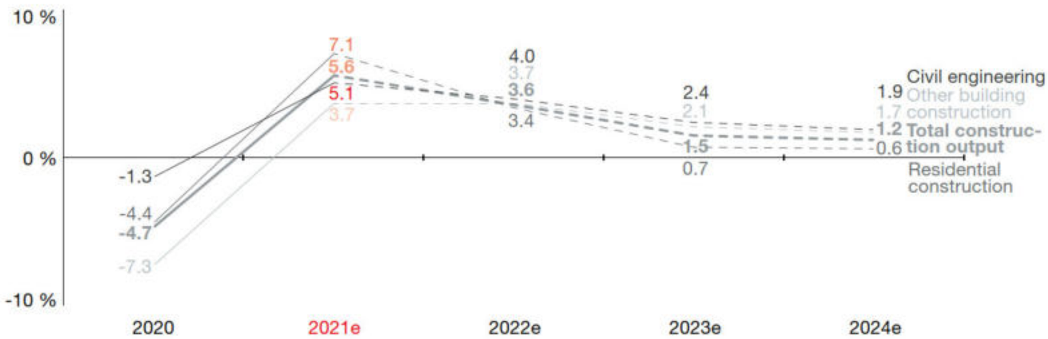
The construction industry in the 19 Euroconstruct countries was able to make up for the crisis-related decline in 2020 (-4.7 %) with growth of 5.6 % in 2021. The national economies recovered from the crisis more quickly than expected, with the construction sector playing a not insignificant role in this process. Additional infrastructure financing and aggressive stimulus packages for residential construction proved effective and boosted construction investments in the European markets. The recovery was reflected in all sectors of the construction industry, most strongly in residential construction with +7.1 %, followed by civil engineering with +5.1 % and other building construction with +3.7 %. Of the "big five" countries, Italy recorded the strongest growth with a plus of 15.1 %. The German construction sector proved to be relatively stable: Despite the negative growth of 0.7 % in 2021, the sector was able to continue its stagnant – and not downward – trend from 2020. Denmark, Sweden, Finland and Portugal even managed to grow in both of the crisis years. Slovakia suffered the greatest slump if the two years are taken together. The development of the total construction output of the 19 Euroconstruct countries from 2019 to 2022 corresponds to a V-shaped

[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 2021 reports. The indicated market share data are based on the data from the year 2020.

curve, with 2020 forming the lowest point and a recovery starting in 2021 of +5.6 %. Depending on the still uncertain development of the Covid-19 pandemic, construction output is expected to be +3.6 % in 2022 before returning to pre-crisis levels in 2023 and 2024 with +1.5 % and +1.2 %, respectively.

RESIDENTIAL CONSTRUCTION AS DRIVING SECTOR AHEAD OF CIVIL ENGINEERING AND OTHER BUILDING CONSTRUCTION

GROWTH COMPARISON CONSTRUCTION SECTOR EUROPE

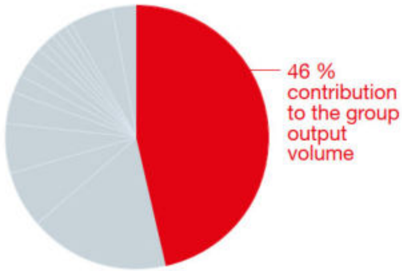


Residential construction, which accounts for almost half of the total European construction output, grew by 7.1 % to € 839.5 billion in 2021. In absolute terms, Germany and France were again in the lead, followed by the UK and Italy. Forecasts, which involve some uncertainty due to the impact of the Covid-19 pandemic, predict growth averaging 3.4 % in 2022. In 2023, investment in residential construction is expected to grow by only 0.7 %.

Other building construction, responsible for almost one third of the European construction volume in 2021, increased by 3.7 % with construction output of € 523.3 billion. On a country-by-country basis, Germany was the largest market for other building construction, followed by the UK, France and Italy. The strongest growth in 2021 was seen in Belgium, Italy, Hungary and Austria, while the biggest downturn was in Slovakia. Euroconstruct again forecasts growth of 3.7 % for this sector in 2022, with +2.1 % and +1.7 % for the following years.

Civil engineering generated a construction output of € 377.6 billion in 2021, 5.1 % above the previous year's value. This sector accounts for around 20 % of the European construction volume. In 2021, the situation was once again highly heterogeneous. While the UK, Norway, Italy and Belgium saw strong investment growth of between 8 % and 17.5 %, other countries were still far from reaching their pre-crisis levels. The forecast for the sector predicts a growth rate of 4.0 % for 2022, 2.4 % for 2023 and 1.9 % for 2024. Almost half of the construction output in civil engineering currently flows into road and railway networks. Increasing importance is attached to the energy sector, which exceeded investments in railway networks for the first time in 2021.

GERMANY



Overall construction volume: € 396.6 billion
GDP growth: 2021e: 2.5 % / 2022e: 4.5 %
Construction growth: 2021e: -0.7 % / 2022e: 1.1 %

The German economy has weathered the Covid-19 crisis quite well. A multitude of state aid measures for companies helped to stabilise the situation. At the same time, however, the strong increase in energy prices strained the private households and led to an increased inflation rate, which in turn resulted in above-average wage increases in individual sectors. Euroconstruct expects GDP growth of around 2.5 % in 2021. Catch-up effects in investment and private consumption are expected to lead to a strong increase of 4.5 % in 2022. In the medium term, growth should then level off again at between 1.0 % and 1.5 % annually.

With a decline in construction output of only 0.7 %, the German construction industry has also come through the crisis well so far. From the second quarter onwards, the sector was confronted not only with a shortage of skilled workers but also with unexpected supply bottlenecks for building materials and associated price increases. For all sectors of the construction industry, an end to real growth is only expected in the medium term, regardless of the short-term ups and downs triggered by the Covid-19 crisis.

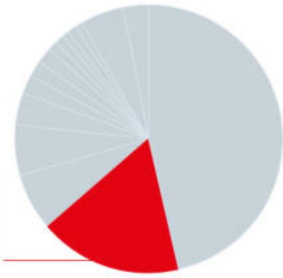
In residential construction, the volume increased only slightly by 0.5 %. The sector is currently still benefitting from low interest rates and the lack of investment alternatives. For the entire construction sector, Euroconstruct still expects a slight increase of 1.1 % and 0.2 % in 2022 and 2023, respectively, and a decline of 0.1 % in 2024.

Other building construction, which contracted by 2.7 % in 2021, increasingly suffered from economic uncertainty and investment restraint on the part of private enterprises and the public sector. In this segment, too, investment caution was exacerbated by price increases for building materials due to temporary supply bottlenecks. Euroconstruct therefore sees only a slight plus of 0.7 % and 0.9 % for the sector in 2022 and 2023, respectively, and a plus of just 0.1 % for 2024.

The civil engineering sector recorded a slight decline of 1.5 % in 2021. This development was essentially still supported by the long-term state investment programmes in railway and road infrastructure. The energy sector experienced new tailwind from investments in power plants based on renewable energies. A slight increase of 0.2 % is expected for 2022 with a plus of 1.2 % and 0.3 % in the following years.

The STRABAG Group has a market share of 1.8 % of the total construction market in Germany. Its 15.0 % share of the German road construction sector is significantly higher than that of the market as a whole. With € 7,461.73 million, around 46 % of STRABAG's total group output volume was generated in Germany in 2021 (2020: 47 %). 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: € 45.8 billion
GDP growth: 2021e: 4.4 % / 2022e: 4.8 %
Construction growth: 2021e: 5.4 % / 2022e: 2.6 %

Following the sharp decline in 2020 due to the Covid-19 crisis, the Austrian economy experienced a significant recovery in 2021 with a plus of 4.4 %. This development was primarily driven by exports and by public and private consumption. The rapid recovery of the service sector during the summer months also contributed to growth. The positive trend was further reflected in the labour market. The momentum was curbed by increased energy prices and a higher rate of inflation. For 2022, Euroconstruct predicts another strong plus of 4.8 % for the Austrian economy due to further catch-up effects, with +2.3 % and +1.9 % expected for 2023 and 2024, respectively.

The Austrian construction industry recovered quickly from the crisis. The decline of 2020 (-3.7 %) was not only offset but significantly overcompensated by a plus of 5.4 % in 2021. This is remarkable insofar as construction output in Austria was strongly affected by material and supply bottlenecks. In total, construction output is expected to grow by 2.6 % in 2022, then by just under 2.0 % in 2023 and 2024.

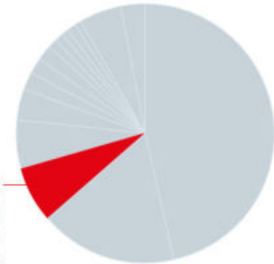
The main growth driver in recent years has been residential construction, supported by favourable financing costs. The unabated demand for residential property led to a solid plus of 3.2 % in this sector in 2021. As the continued positive trend in building permits shows, the lack of investment alternatives and the uncertainty during the Covid-19 crisis are likely to have triggered additional demand. Euroconstruct forecasts continued growth of 2.2 % for 2022, 1.7 % for 2023 and 1.5 % for 2024.

In other building construction, the dynamic growth of 8.0 % almost completely compensated for the strong decline of 8.6 % in the previous year. The sharpest declines during the crisis were recorded in industrial and commercial buildings, and most recently also in the hotel and tourism sectors. The expansion in the volume of educational buildings was somewhat dampened but is expected to maintain the same level in the coming years. Overall, the solid growth in construction output in other building construction should continue in 2022 with a plus of 3.5 %. Euroconstruct then expects to see +2.7 % for 2023 and +2.2 % for 2024.

Relatively unimpressed by the Covid-19 context, civil engineering, which had primarily benefitted from public sector investments in transport infrastructure in the past years, grew with a plus of 5.9 %. The further expansion of the road and especially the rail networks will remain a fixed item in the Austrian budget in the coming years. Investments in a nationwide broadband network as well as construction projects in the energy sector and for environmental protection are gaining in importance. The growth is expected to level off at 1.8 % in 2022, with +0.8 % in 2023 and +1.7 % in 2024.

The STRABAG Group generated 17 % of the total group output volume in its home market of Austria in 2021 (2020: 16 %). Austria thus continues to be one of the group's top three markets along with Germany and Poland. The output reached a volume of € 2,694.31 million in 2021. This gives STRABAG a 5.4 % share of the construction volume in the overall market in Austria. In road construction, the market share stands at 35.9 %.

POLAND



Overall construction volume:	€ 54.9 billion
GDP growth:	2021e: 4.9 %/2022e: 5.1 %
Construction growth:	2021e: 3.0 %/2022e: 4.1 %

Poland's economy also recovered relatively quickly from the economic slump caused by the Covid-19 pandemic, recording strong growth of 4.9 % in 2021 thanks to selective measures taken by the government. Supported by the low interest rate policy of Poland's central bank, the development was mainly driven by private consumption and private investments. Moreover, additional funds from the Next Generation EU recovery package have been flowing into the Polish economy since 2021. Due to the strong momentum, Euroconstruct's growth forecasts of +5.1 % for 2022 and +4.3 % for 2023 are also significantly above the average for the EU member states and the eurozone.

The Polish construction industry benefitted from the growth momentum and achieved a solid plus of 3.0 % in 2021. The only sector to decline was other building construction, which fell slightly by 0.8 %. This was offset, however, by a booming residential construction sector and solid development in civil engineering. The good economic data and the rapid implementation of the Next Generation EU package should provide additional stimulus for the growth of the Polish construction industry. At the same time, however, the dispute between the Polish government and the EU regarding the Polish legal system could have a limiting effect on the positive development. Euroconstruct still forecasts strong growth of 4.1 % and 3.8 % for the Polish construction sector in 2022 and 2023, respectively, with a slight slowdown in growth to 1.6 % expected in 2024.

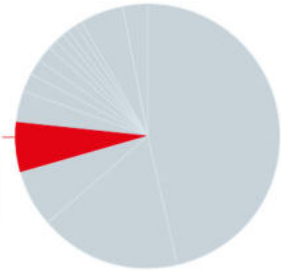
The residential construction sector in Poland boomed in 2021 due to rising incomes, historically low interest rates and a government programme specifically geared towards social housing. The volume of residential construction grew by 7.6 % in the reporting year. Euroconstruct expects a plus of 4.3 % in 2022 and 2.6 % in 2023 before a downward trend with a minus of 1.8 % starts in 2024.

Other building construction was hit hardest by the Covid-19 crisis. Demand for commercial buildings, restaurants and hotels, as well as for tourism and transport services, decreased noticeably. On the other hand, increased demand for warehouses is expected due to flourishing online trade. Expenditure in the healthcare sector is also expected to increase. After a significant decline in construction output in the previous year (-6.7 %), Euroconstruct expects a slight minus of 0.8 % for 2021 before a return to solid growth rates between 3.3 % and 4.6 % in the following years.

The Polish civil engineering sector also grew by 3.3 % in 2021. Significant increases could be seen in bridge construction and tunnelling, and the construction of long-distance pipelines and railway networks also exhibited above-average growth. Increasing public spending on infrastructure projects, especially multi-year government programmes for the construction and modernisation of transport infrastructure, are driving the development of the civil engineering segment in Poland. Euroconstruct therefore forecasts growth of 4.6 % and 4.1 % for 2022 and 2023, respectively, which is expected to weaken slightly to 2.7 % in the following year.

As the number two in the construction sector in Poland, STRABAG realised a construction volume of € 1,152.13 million here in 2021, representing 7 % of the group's total output volume (2020: 8 %). Poland thus represents the third-largest market of the STRABAG Group. Its market share in the entire Polish construction market was 2.2 % and its share of road construction was 12.2 %.

CZECH REPUBLIC



Overall construction volume: € 23.7 billion
GDP growth: 2021e: 3.2 % / 2022e: 4.2 %
Construction growth: 2021e: 0.6 % / 2022e: 1.9 %

The Czech economy recovered from the effects of the pandemic in 2021 with GDP growth of 3.2 % but continues to suffer from post-Covid-19 syndrome. Increased inflation and rising public debt were accompanied by higher energy prices and production declines in industry due to material shortages. Provided the epidemiological situation stabilises, the coming years should bring a return to stable growth. Euroconstruct expects a plus of 4.2 % for 2022, 2.4 % for 2023 and 2.0 % for 2024.

The Czech construction industry recorded a modest increase of 0.6 % in 2021. Following the massive slump in all construction sectors in the previous year, other building construction was the only segment to decline in the year under report. The biggest challenges facing the Czech construction industry, however, lie in structural problems such as the long duration of approval processes and the glaring shortage of labour. In addition, the country, which is almost exclusively dependent on imports for building materials, experienced price increases reminiscent of the communist era. A planned easing of building permits will not be felt until 2023 at the earliest. Euroconstruct forecasts a plus of 1.9 % for the Czech construction industry in 2022, with 2.2 % and 2.0 % for the following years.

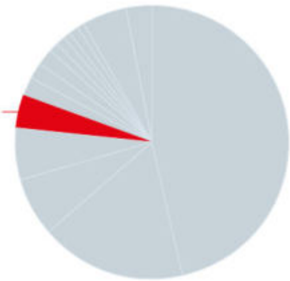
Residential construction, which continued to be characterised by high demand, grew by 1.6 % in 2021. Despite the pandemic, the banking sector registered record levels of real estate lending, as home ownership has a very high social value in the country. On the other hand, there was a shortage of supply in the central areas as well as sluggish construction procedures and further rising prices. In Prague, existing brownfield sites are now to be used specifically for the development of residential and office districts in the coming years. Against this backdrop, Euroconstruct predicts a slight increase of 1.0 % in residential construction for 2022, with growth of 2.5 % and 2.1 % for 2023 and 2024, respectively.

Other building construction was most affected by the Covid-19 crisis. The retail and services sectors were severely restricted by government measures. Government and businesses tried to maintain industrial production, but various private construction projects were postponed until the coming years. Overall, other building construction declined by 2.9 % in 2021. However, the number and volume of building permits issued in 2021 give hope for a rapid recovery. Accordingly, Euroconstruct expects a slight increase of 1.1 % for 2022, with growth of 3.8 % and 3.9 % in the following years.

Despite the pandemic and all other adversities, the Czech civil engineering sector was the most stable in 2021 with growth of 2.8 %. The government, as the largest investor, is trying to strengthen the weakened economy by investing in transport infrastructure and increasing the funds earmarked for this purpose with the help of EU subsidies. As transport construction accounts for about two-thirds of the total civil engineering volume, Euroconstruct expects growth of 3.8 % in 2022, with a slowdown to 0.4 % in 2023 and stagnation at zero growth in 2024.

STRABAG is the number two on the market in the Czech Republic. With an output volume of € 948.02 million in 2021, around 6 % of the group's total output (2020: 5 %) was generated in the country. The market share in the entire construction market is 3.5 % and in road construction amounts to 18.6 %.

HUNGARY



Overall construction volume:	€ 15.9 billion
GDP growth:	2021e: 6.8 %/2022e: 5.5 %
Construction growth:	2021e: 3.3 %/2022e: 7.2 %

With a plus of 6.8 %, the growth momentum of the Hungarian economy in 2021 was well above the European average. As the government had failed to agree on national investment programmes for future EU funds, however, Hungary entered the election year without national programmes for the EU reconstruction plan or for the multi-annual EU financial framework for the years 2021–2027. In order to pre-finance EU projects, the government therefore issued bonds of around € 4.5 billion in September. Based on the assumption of unchanged political parameters, Euroconstruct expects GDP growth of 5.5 % in 2022, 3.5 % in 2023 and 3.3 % in 2024.

The Hungarian construction industry recorded a solid plus of 3.3 % in 2021. The positive development was supported by the above-average momentum in other building construction as a result of government spending. Residential construction was also boosted by government measures, including a reduced VAT on home purchases from 27 % to 5 %. The government also established a new green housing loan model, which for the first time correlates the amount of the loan interest with the positive energy balance of the building project. Euroconstruct expects EU funds to start flowing again after the election and therefore forecasts strong growth rates of 7.2 % and 7.1 % for the entire construction sector for 2022 and 2023, respectively. In 2024, this value should be at around +3.4 %.

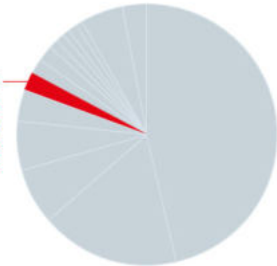
Supported by numerous government measures, residential construction stabilised again in 2021 with a slight plus of 0.7 %. The number of building permits in residential construction increased by 31 % in the reporting year, while construction prices rose by 11 %. Euroconstruct expects positive effects from measures at the EU level, where an energy-saving renovation wave is to be implemented with the recovery plan for Europe in the next ten years. On this basis, the sector is forecast to grow strongly by 11.5 % in 2022, with 2023 and 2024 showing values of +5.9 % and +3.8 %, respectively.

Stimulated by additional impulses from foreign producers settling in Hungary due to government incentives, other building construction increased by a strong 9.5 % despite the crisis. Several construction projects also got underway in the education and health sectors. In addition, the government increased funding from the EU agricultural fund to strengthen rural areas with the equivalent of € 11 billion. For 2022 and 2023, the experts from Euroconstruct predict more moderate growth of 2.9 % and 2.2 %, respectively, with a plus of 1.7 % in 2024.

Civil engineering continued to decline with a minus of 2.5 %. In the medium term, Euroconstruct expects a recovery here as well, provided that the conflict with the European Commission is resolved. Several megaprojects, two of which are financed by a Chinese and a Russian loan each, are nearing implementation. Based on this scenario, Euroconstruct expects very strong growth of 9.8 % and 14.7 % in 2022 and 2023, respectively, followed by a solid plus of 5.1 % in 2024.

The STRABAG Group generated € 651.55 million, or 4 % of its output, in Hungary in 2021 (2020: 4 %). This puts STRABAG in second place in the Hungarian construction market. Its share of the total market reached 4.2 %, that in road construction 16.3 %.

UNITED KINGDOM



Overall construction volume: € 197.7 billion
GDP growth: 2021e: 6.6 % / 2022e: 5.4 %
Construction growth: 2021e: 13.4 % / 2022e: 5.9 %

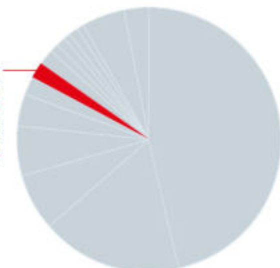
With GDP growth of 6.6 %, the UK economy was not yet able to compensate for the Covid-19-related slump. Supply bottlenecks due to stricter immigration rules following Brexit as well as the reintroduction of tariffs and more bureaucracy exacerbated the situation in the country. Against the backdrop of massive government programmes to boost the economy, Euroconstruct forecasts the UK economy to return to pre-crisis levels in 2022 with growth of 5.4 % before levelling off at 1.8 % in 2023.

Supported by massive government initiatives, the UK construction sector made up for the 2020 decline with a strong increase of 13.4 % in 2021. Residential construction registered record growth of 16.7 % thanks to expected public subsidies in social housing. Euroconstruct predicts an increase of 5.8 % for this segment in 2022, followed by +3.4 % and +2.7 % in 2023 and 2024, respectively.

Other building construction also grew significantly in 2021 with a plus of 7.7 %, though it will not return to pre-crisis levels until the end of 2022 (+7.3 %). The health and warehouse sectors performed particularly well. A plus of 3.4 % and 4.0 % is expected for other building construction in 2023 and 2024, respectively. In part spurred on by the High Speed 2 railway project, being built with the participation of STRABAG, construction output in the country's civil engineering sector reached a record growth of 17.5 %. Euroconstruct forecasts moderate growth of 3.7 % for the segment again in 2022. For 2023 and 2024, a plus of 2.3 % and 3.1 %, respectively, is expected.

The output volume of the STRABAG Group in the UK amounted to € 390.03 million in 2021.

SLOVAKIA



Overall construction volume: € 4.9 billion
GDP growth: 2021e: 3.7 % / 2022e: 4.2 %
Construction growth: 2021e: -6.3 % / 2022e: 5.1 %

Die Slovakia's export-dependent economy recorded a growth of 3.7 % in 2021. The development continued to be driven by private consumption and high net exports as well as the good order situation among the car manufacturers based in the country. However, rising energy prices and increased demand for goods also boosted inflation. Momentum for the labour market and for businesses came mainly from public-sector investments on the basis of EU funding programmes. For 2022 and 2023, a further recovery and growth of 4.2 % and 5.0 %, respectively, are expected. In 2024, growth is likely to level off at 0.7 %.

The Slovak construction industry, which had already grown at a significantly lower rate in previous years, fell by a further 6.3 % in 2021. Reasons for this development included the lack of foreign workers, problems with material procurement and quarantine regulations, but also restraint on the part of private and public clients. For 2022 and 2023, Euroconstruct expects a recovery of +5.1 % and +4.8 %, respectively, before the trend turns down again in 2024 with a minus of 0.5 %.

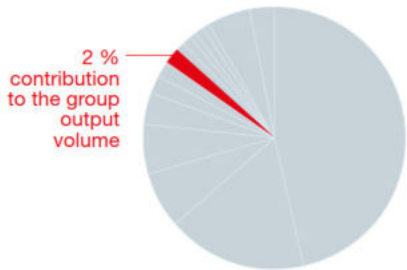
Residential construction, which had suffered a massive slump of 14.5 % in the first year of the pandemic, managed a slight increase of 1.4 % in 2021. For 2022, Euroconstruct expects a somewhat stronger recovery of +4.8 %, with increases of 2.8 % and 1.5 % forecast respectively for 2023 and 2024.

Other building construction was also strongly impacted by the Covid-19 situation. Private investors, as the most important client group, were hit hard by the restrictions, while the public sector re-examined already planned investments in the education and healthcare sectors. Construction and completion delays were the result, so that production in other building construction again fell by 8.5 %. Euroconstruct expects a return to growth of 4.3 % in 2022. For 2023, the sector is predicted to grow strongly by 6.7 % before the growth rate levels off at 3.0 % in 2024.

With a 9.8 % decline in construction output, civil engineering suffered painful losses for the third year in a row in 2021. State funds were not sufficient to finance the existing demand for transport infrastructure, while at the same time long decision-making processes and non-transparent tendering procedures led to delays in the start of construction. In 2022 and 2023, large transport projects in particular should lead to positive growth rates of 6.3 % and 4.5 %, while a decline of 6.4 % is again expected for 2024.

With a market share of 6.1 % and an output volume of € 289.14 million in 2021, STRABAG is the leader in Slovakia. In road construction, STRABAG's share is 13.7 %. In 2021, Slovakia contributed 2 % to the group's total output volume (2020: 2 %).

ROMANIA



Overall construction volume:	€ 23.4 billion
GDP growth:	2021e: 7.0 % / 2022e: 4.6 %
Construction growth:	2021e: -0.3 % / 2022e: 2.4 %

The Romanian economy recovered significantly from the impact of the Covid-19 pandemic in 2021, resulting in a GDP increase of 7.0 %. EEC-FA also forecasts economic growth of 4.6 % and 5.3 % for 2022 and 2023, respectively. While public debt and the national budget deficit will continue to increase, this will be offset by the continuous increase in industrial production and private consumption.

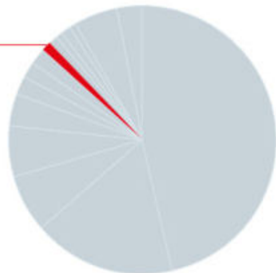
After three years of growth, the construction industry in Romania stagnated at a minus of 0.3 % in 2021. Residential construction stands out especially, as it has been the strongest contributor to the growth of the construction industry for several years due to high demand in this area. This trend could be continued in 2021 with a plus of 4.3 % thanks to historically low interest rates and the recovery on the labour market. Demand has been further bolstered due to concerns over rising inflation and increasing property prices. In the first three quarters of 2021 alone, 28 % more residential building permits were issued than the year before, with a focus on Bucharest. For 2022, EECFA expects a further increase of 3.2 % before the market starts to shrink slightly in 2023 (-1.5 %).

Output in other building construction fell significantly by 7.2 % in 2021. Severe losses were seen in the office segment in particular. Here, the decline in 2021 was as much as 15.9 %. Because of the pandemic, it became increasingly popular for companies to allow their employees to work from home, with a resulting decrease in the demand for office space. Hotel construction was hit even harder. In contrast, the trend is clearly on the up again for commercial and industrial buildings as well as in the area of healthcare and education facilities. EECFA expects output in the segment as a whole to increase by 2.1 % and 2.9 % in 2022 and 2023, respectively.

The civil engineering sector in Romania stagnated at -0.5 % in 2021, although according to EECFA it will recover slightly starting in 2022 with a plus of 1.7 % before growing more significantly in 2023 by +6.9 %. Road construction in particular, the largest and most important sector, is making rapid progress, supported by EU funding programmes. The national reconstruction plan approved by the EU in 2021 alone provides for about € 3 billion for transport infrastructure construction, including 429 km of motorways. The energy sector also has great potential in the next few years, especially because of the phasing out of coal production. According to EECFA, Romania's total construction output is expected to grow by 2.4 % in 2022 and by 2.2 % in 2023.

With an output of € 264.18 million in 2021 the STRABAG Group holds a 1.1 % share of the entire Romanian construction market. In Romanian road construction, the share of the market stands at 4.4 %.

BENELUX (BELGIUM AND NETHERLANDS)



BELGIUM

Overall construction volume:	€ 45.7 billion
GDP growth:	2021e: 5.7 % / 2022e: 3.0 %
Construction growth:	2021e: 10.3 % / 2022e: 3.6 %

NETHERLANDS

Overall construction volume:	€ 89.3 billion
GDP growth:	2021e: 3.9 % / 2022e: 3.5 %
Construction growth:	2021e: 0.8 % / 2022e: 4.9 %

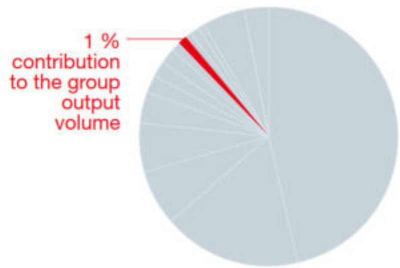
The economies of Belgium and the Netherlands experienced a strong economic recovery. Belgium achieved GDP growth of 5.7 % in 2021, while growth in the Netherlands came to 3.9 %. In both countries, government measures were able to mitigate the negative economic impact of the crisis. Economic growth is also forecast for 2022 in both countries (Belgium: +3.0 %, Netherlands +3.5 %). In the following years, annual growth in both countries is expected to settle between 1.3 % and 1.5 %.

The **Belgian construction industry** was able to more than compensate for the previous economic slump with growth of 10.3 % in the reporting period. The strongest growth was in other building construction with a plus of 12.8 %, followed by residential construction with +9.5 % and civil engineering with +8.0 %. The main drivers of this development were investments by private enterprises and a stable situation on the labour market. Public investments in energy efficiency and renovation programmes, such as the Walloon social housing renovation programme, reinforced the momentum. Additional public spending for reconstruction resulted from the flood disaster in the summer. The civil engineering segment is expected to again grow significantly in 2022 at +5.2 %, driven mainly by large infrastructure projects such as the expansion of the regional rapid transit network, with reduced growth of 1.4 % and 2.6 % in 2023 and 2024, respectively. Other building construction benefits from the renovation of Walloon hospitals and the reconstruction after the flood disaster and should still grow by 2.3 % in 2022, followed by growth of less than 1 % thereafter. For the sector as a whole, Euroconstruct forecasts growth of 3.6 % in 2022, 0.3 % in 2023 and 0.8 % in 2024.

The **Dutch construction industry** also emerged relatively unscathed from the pandemic. After a decline of 1.7 % in the first year of the crisis, the construction sector achieved a plus of 0.8 % in 2021. For 2022, Euroconstruct continues to expect clearly positive effects on the construction industry, resulting in strong growth of 4.9 %. This trend is likely to continue in 2023 and 2024, albeit at a somewhat slower pace of +3.6 % and + 2.0 %, respectively. Government measures, combined with payment deferrals by banks and tax authorities, have kept household incomes stable. A restrictive law passed by the Dutch government to limit nitrogen emissions in environmentally sensitive regions of the densely populated country had a dampening effect on the development of construction output. A lack of building permits and spatial planning concepts had a greater impact on the Dutch construction sector than the Covid-19 crisis. For 2021, Euroconstruct expects a plus of only 2.3 % for residential construction due to the large discrepancy between supply and demand, with a strong plus of 7.4 % forecast for the sector in 2022 due to catch-up effects. Other building construction showed a similar development with a plus of 1.5 %. A stronger plus of 3.6 % is also predicted in this area for 2022. Civil engineering declined for the first time in many years with a minus of 2.7 %. Many civil engineering projects were no longer in line with the strict environmental regulations or with the societal development with regard to sustainability. For the following years, growth rates between 2.0 % and 2.5 % are predicted for the sector.

STRABAG achieved an output volume of € 232.31 million in the Benelux countries in 2021. This corresponds to a 1 % share of the group output volume (2020: 2 %).

SWITZERLAND



Overall construction volume:	€ 65.3 billion
GDP growth:	2021e: 3.2 %/2022e: 3.6 %
Construction growth:	2021e: 1.5 %/2022e: 0.7 %

The Swiss economy showed robust performance in the period under review. GDP growth was 3.2 % in 2021, with +3.6 % expected for 2022. The main drivers of the recovery were the rapid opening of the tourism and services sectors as well as the catch-up effect in private consumption. The highly export-oriented pharmaceutical industry proved to be a particularly stable pillar of the Swiss economy. In addition, the inflation rate was very low in a European comparison, at 0.5 %, with low inflation of +0.6 % and 0.4 % expected for the Swiss economy in 2022 and 2023.

The Swiss construction industry recovered from the impact of the Covid-19 crisis in 2021 with growth of 1.5 %. The development was essentially driven by the temporary upswing in the residential construction sector. In the following years, construction investments are expected to increase only slightly (2022: +0.7 %, 2023: +0.4 %, 2024: +0.4 %). The weakening demand in residential construction is likely to be offset by increased demand from Swiss industry in other building construction. Civil engineering declined slightly for the first time after several years in 2021 with a minus of 0.3 %.

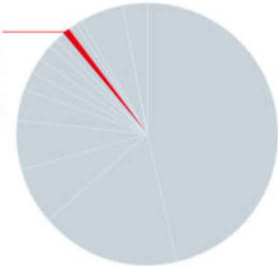
The housing market in Switzerland was already largely saturated before the outbreak of the pandemic. During the crisis, however, stable household incomes as well as attractive financing conditions and the rapid issuing of building permits led to a plus of 2.9 % in 2021. For 2022, Euroconstruct still expects a slight plus of 0.2 % before the figure turns to -1.0 % in 2023 and stagnates in 2024.

Other building construction recorded a slight increase of 0.9 %. Large-scale construction projects in industry and the biopharmaceutical sector, as well as in the healthcare and education sectors, should continue to result in positive growth rates in subsequent years. Several large projects are in the final phase. Euroconstruct therefore forecasts other building construction to grow by 1.6 % in 2022, 2.2 % in 2023 and 0.8 % in 2024.

Civil engineering is proving to be quite resilient. After a decline of 0.3 % in the reporting year, slight increases of 0.5 %, 0.4 % and 0.7 % are expected for the following years. The two infrastructure funds of the Swiss government – for the railway and the road network – are an important stabiliser.

In 2021, Switzerland contributed € 191.71 million, or 1 % (2020: 1 %), to the total output volume of the STRABAG Group.

SWEDEN



Overall construction volume:	€ 51.1 billion
GDP growth:	2021e: 4.7 %/2022e: 3.9 %
Construction growth:	2021e: 8.3 %/2022e: -1.1 %

In 2021, the Swedish economy returned to the growth momentum of the pre-pandemic years with GDP growth of 4.7 %. Selective government measures and public sector investments helped businesses and households to successfully weather the crisis. Industry recovered relatively quickly, although the rise in unemployment to 8.9 % could still have a negative impact on the overall economy in the following years. The Swedish central bank is attempting to limit the rate of inflation to a value of 2 % in the long term through a controlled monetary policy. Euroconstruct expects GDP growth of 3.9 % in 2022. In 2023 and 2024, growth should then settle at 1.4 % and 1.5 %.

The pandemic impacted the Swedish construction industry to varying degrees. Due to the less rigid restrictions compared to other European countries, construction companies recorded a strong increase in production rates. Residential construction, which had previously stagnated, experienced a veritable upswing, and other building construction grew by 4.5 %. The increasing digitalisation in consumer behaviour through e-commerce was particularly noticeable with the significant growth in the logistics sector, while the market for office buildings declined. Civil engineering also increased significantly with a plus of 6.7 %. According to Euroconstruct, the total output of the Swedish construction industry will remain at a high level in the following years, albeit with slightly declining rates (2022: -1.1 %, 2023: -1.3 %, 2024: -0.3 %).

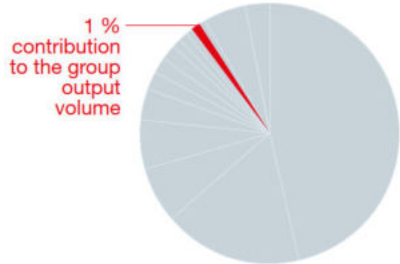
Residential construction experienced a real boom in 2021 with an increase of 13.0 %. This development was triggered by monetary measures of the Swedish central bank, selective measures by the government and the existing supply shortage. For 2022, Euroconstruct expects a decrease of 2.0 %, with -1.5 % and -2.4 % in the two following years.

Government measures also boosted other building construction in the year under review with an increase of 4.5 %. The highest growth rates were recorded in logistics buildings and healthcare. Euroconstruct forecasts declining rates of -2.0 % and -0.4 % for the sector in 2022 and 2023, respectively, before the sector turns positive again in 2024 with +0.7 %.

The Swedish civil engineering segment grew strongly again with a plus of 6.7 %. The development was driven by investments due to the demographic development and increasing urbanisation, favourable financing conditions and projects to reduce greenhouse gas emissions. Public investments in rail infrastructure and public transport as well as in wind and hydropower projects provided important momentum here. After the high growth rates of this subsector in previous years, Euroconstruct therefore expects the level to be maintained at +0.4 % in 2022, before the trend turns negative with -1.9 % in 2023. Growth in 2024 is again expected to be positive at +1.0 %.

The output volume of the STRABAG Group in Sweden amounted to € 121.26 million in 2021.

CROATIA



Overall construction volume:	€ 5.1 billion
GDP growth:	2021e: 8.1 %/2022e: 5.6 %
Construction growth:	2021e: 10.0 %/2022e: 5.8 %

The Croatian economy was hit hard by the pandemic in 2020, but it recovered quickly in 2021. The main driver for the GDP growth of 8.1 % was the excellent development in the tourism sector with a 70 % increase in visitors in the first three quarters of 2021 compared to the previous year. But industrial production, private consumption and retail sales also increased significantly. International programmes made a significant contribution to easing the strain on the budget caused by Covid-19. These include the EU's recovery plan for Europe and the current EU programme as well as far-reaching aid for the damage after the severe earthquakes of 2020 in Zagreb and Sisak-Moslavina County. Against this backdrop, EECFA expects the Croatian economy to continue to grow by 5.6 % and 3.4 % in 2022 and 2023, respectively.

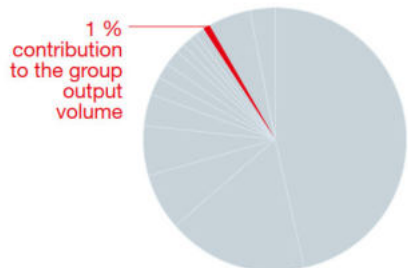
The Croatian construction industry developed even slightly better than the GDP in 2021, with a plus of 10.0 %. Demand remains strong in residential construction despite Covid-19, with sufficient financial resources to provide an adequate supply. The segment therefore grew by 9.9 % in 2021. However, rapidly rising housing prices and construction costs could worsen the situation. EECFA predicts growth of 8.4 % and 4.9 % for this segment in 2022 and 2023, respectively.

Development in other building construction has been comparatively subdued, with low growth rates for office, commercial and hotel buildings. The construction of healthcare and education facilities is not expected to pick up until 2022. The industrial and warehousing sector is growing moderately. Following growth of 2.3 % in 2021, EECFA expects other building construction to grow by 2.9 % and 1.4 %, respectively, in the following two years.

The Croatian civil engineering segment has shown extraordinarily positive growth. Hydropower projects and the expansion of pipelines as well as communication and power grids are contributing to this development, driven by the promotion of "green" energy. Complex construction projects in the industrial sector and the expansion of marina and cable car facilities are further stimulating the segment. In 2021, civil engineering recorded an increase of 16.3 %, while EECFA forecasts growth of 5.0 % and 3.6 % in 2022 and 2023, respectively. Overall, the Croatian construction industry is expected to grow by 5.8 % in 2022 and by 3.6 % in 2023.

The STRABAG Group generated € 177.38 million in the Croatian market in 2021.

SERBIA



Overall construction volume:	€ 4.3 billion
GDP growth:	2021e: 7.2 %/2022e: 5.5 %
Construction growth:	2021e: 12.3 %/2022e: -3.4 %

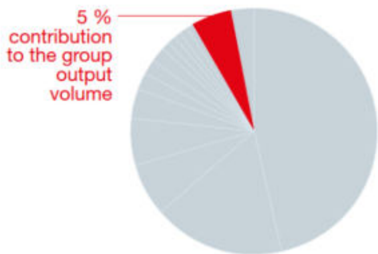
Serbia has come through the Covid-19 crisis better than other countries in the region, with economic growth of 7.2 % in 2021. Tourism does not play a major role in the overall economy. At the same time, however, the country is experiencing record employment and substantial growth in real wages in a low-interest environment. Comprehensive and rapid government aid packages are also helping to sustain purchasing power. For 2022 and 2023, EECFA expects GDP growth of 5.5 % and 5.0 %, respectively.

The construction industry is one of the most important sectors of the country's economy, achieving an impressive plus of 12.3 % in 2021. In residential construction, which grew by 7.4 % in the same year, the construction of single-family homes boomed in particular. According to EEC-FA, rising material and labour costs will lead to lower or even negative growth rates in 2022 and 2023 (+ 4.0 % and -1.8 %, respectively). In other building construction, 2021 saw growth of 10.2 % in industrial and office buildings in particular but also with projects in the healthcare, education and transport sectors. For 2022, however, EECFA expects a decline of the same magnitude (-10.2 %) with a minus of 3.6 % in 2023.

Serbia's civil engineering sector proved to be the strongest in 2021 with a plus of 15.0 %. This was mainly due to extensive state investments in the areas of energy and transport infrastructure. For 2022, EECFA predicts a slight decline of 2.3 % for this segment, with a return to growth of 3.3 % in 2023. Overall, Serbia's construction industry will suffer a slight dip of -3.4 % in 2022. In 2023, construction output will remain roughly the same at +0.7 %.

The STRABAG Group generated an output volume on the Serbian market of € 154.60 million in 2021.

MIDDLE EAST, AMERICAS, AFRICA, ASIA

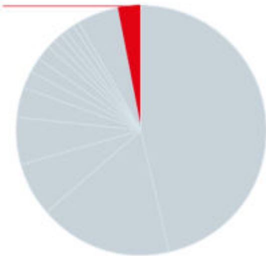


In order to make itself as independent as possible from the economic development of individual countries and so spread its country risk as widely as possible, STRABAG is also active outside of its main markets in Europe. As a rule, the company acts as a main contractor in direct export. With this in 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 2021, the STRABAG Group generated a total € 864.88 million, or 5 % of its total output outside Europe (2020: 5 %). The activities in non-European countries are – with a few exceptions – assigned to the International + Special Divisions segment.

DENMARK, BULGARIA, SLOVENIA, ITALY, RUSSIA AND REST OF EUROPE

3 % contribution to the group output volume



DENMARK

Overall construction volume:	€ 40.9 billion
GDP growth:	2021e: 3.7 % / 2022e: 3.2 %
Construction growth:	2021e: 5.1 % / 2022e: 2.1 %

BULGARIA

Overall construction volume:	€ 8.1 billion
GDP growth:	2021e: 4.0 % / 2022e: 3.3 %
Construction growth:	2021e: 6.5 % / 2022e: 16.5 %

SLOVENIA

Overall construction volume:	€ 3.5 billion
GDP growth:	2021e: 6.1 % / 2022e: 4.7 %
Construction growth:	2021e: 5.0 % / 2022e: 6.0 %

ITALY

Overall construction volume:	€ 171.4 billion
GDP growth:	2021e: 6.7 % / 2022e: 4.2 %
Construction growth:	2021e: 15.1 % / 2022e: 5.6 %

RUSSIA

Overall construction volume:	€ 125.0 billion
GDP growth:	2021e: 4.2 %
Construction growth:	2021e: 3.2 %

Denmark

The fundamentally stable and robust Danish economy has so far been spared severe impacts from the Covid-19 pandemic. Thanks to the low public debt, the government's aid measures to cushion the fallout should not be a problem. Uncertainties aside from the pandemic include Brexit, as the UK is the country's most important trading partner. Denmark's GDP grew by 3.7 % in 2021, with growth of 3.2 % expected in 2022, 2.4 % in 2023 and 2.2 % in 2024.

With a plus of 5.1 %, the construction industry weathered the consequences of the Covid-19 crisis even better than the economy as a whole. Some construction projects were delayed or stopped, while a number of public projects were accelerated. Euroconstruct forecasts growth of 2.1 % for 2022, with a plus of 1.7 % for each of the following two years. Residential construction recorded another peak year in the reporting period with a strong increase of 7.8 %. Moderate growth of 2.3 % is expected for 2022, followed by +1.4 % in both 2023 and 2024. Other building construction grew by 2.1 %. Private investment declined and expected "green" investments did not boom to the extent that had been hoped. In the following years, the segment is forecast to remain stable with annual growth rates between 1.8 % and 1.9 %. The civil engineering sector grew at a solid 3.0 % in 2021. As the government's energy and climate protection measures as well as an infrastructure investment plan are only slowly getting underway, Euroconstruct expects moderate growth of 2.1 % in 2022 and in the following two years.

The output volume of the STRABAG Group in Denmark amounted to € 109.05 million in 2021.

Bulgaria

After the pandemic-related economic slump in 2020, the Bulgarian economy returned to growth of 4.0 % in 2021, primarily due to private consumption and higher disposable incomes. The fourth wave of the pandemic will slow down this growth, however. For 2022 and 2023, EECFA predicts a GDP increase of 3.3 % and 1.6 %, respectively.

With a plus of 6.5 %, the Bulgarian construction industry outperformed the national economy in 2021. Residential construction proved to be very strong and robust in 2021 with an increase of 16.6 %. This is mainly due to the low interest rates and the appeal of residential real estate as a safe investment. The massive increase in demand, especially in the larger cities, continues to fuel prices. EECFA predicts a plus of 7.0 % for residential construction in 2022, with a slight decline of 1.7 % expected for 2023. Output in other building construction fell by a further 1.5 % in 2021 after a sharp drop the year before. Office buildings were particularly affected. For 2022, EECFA expects a plus of 2.4 % in this segment, followed by a minus of 2.9 % in 2023.

The Bulgarian civil engineering sector grew by 5.5 % in 2021, with a focus on energy and water supply projects. For 2022, EECFA forecasts a massive increase of 29.5 % for civil engineering, although the output is expected to slump by 45.4 % in 2023 due to the lack of preparation for the new EU programme period and the national recovery plan. In line with these developments, EECFA expects the Bulgarian construction industry to return to strong growth in 2022 (+16.5 %), before shrinking by almost a quarter in 2023 (-24.9 %).

The STRABAG Group generated € 81.42 million on the Bulgarian market in 2021.

Slovenia

After a significant slump in 2020 due to the Covid-19 pandemic, the Slovenian economy recovered more quickly than expected in 2021 with a plus of 6.1 %. Growth was driven by foreign trade, fixed-asset investments on the part of businesses, and private consumption. For 2022 and 2023, EECFA expects GDP to increase by 4.7 % and 3.3 %, respectively.

The Slovenian construction industry also performed better than forecast in 2021. Construction output increased by 5.0 % despite rising construction costs and supply bottlenecks. The lion's share of this output was accounted for by residential construction, with a focus on the Ljubljana region. Real estate as an alternative to bank savings, as well as the poor condition of many flats, boosted demand for residential property, which was reflected in double-digit growth of 14.6 %. EECFA expects this segment to continue to grow by 5.8 % in 2022 and by 3.9 % in 2023. In contrast, other building construction recorded a slight decline of 2.1 % in 2021. However, as numerous projects have already been planned, growth of 3.9 % and 2.1 % is expected for 2022 and 2023, respectively. The situation in civil engineering is similar, with a slightly positive balance of +1.9 % in 2021. Significant growth of 7.6 % is expected for 2022, however, due among other things to an extensive list of projects in road and railway construction. For 2023, EECFA forecasts a plus of 3.6 % for civil engineering. The Slovenian construction industry as a whole should grow by 6.0 % in 2022 and by 3.3 % in 2023.

The STRABAG Group achieved an output volume of € 104.30 million in Slovenia in 2021.

Italy

The Italian economy was hit hard by the rapid spread of the Covid-19 virus in 2020 but recovered just as quickly in 2021. The GDP slump in the first year of the crisis (-8.9 %) was compensated for to a large extent in 2021 with a plus of 6.7 %. Restrictive health policy measures combined with investment-stimulating measures by the public sector, EU-financed investments and the continuation of the expansionary monetary policy to stabilise the financial markets had a positive effect. Euroconstruct forecasts that the Italian economy will grow by 4.2 % in 2022, higher than pre-crisis levels, with +1.8 % in 2023 and +1.4 % in 2024.

After the slump in the first year of the crisis (-4.9 %), the Italian construction sector experienced a small upswing in 2021 with a plus of 15.1 %. The construction industry acted as an important strategic driver of the Italian economy in the reporting year. This development is expected to continue at a slower pace in 2022, with growth of 5.6 %, before the trend turns negative with a contraction of -0.5 % in both 2023 and 2024. Residential construction grew particularly strongly, with a plus of 19.5 %, especially in the area of maintenance and renovation. A tax "super bonus" for energy-saving measures contributed significantly to this development. Similar to the sector as a whole, Euroconstruct also forecasts a significant increase of 4.6 % for the residential construction sector in 2022 before the trend turns negative in 2023 and 2024 with -4.8 % and -3.5 %, respectively.

Other building construction also prospered in the year under review with an above-average increase of 11.0 % (2020: -7.4 %). Construction output is expected to increase by a moderate 4.9 % in 2022, followed by 1.9 % and 1.4 % in the following two years. Drivers of this growth include substantial public financing guarantees and favourable refinancing conditions from the European Central Bank.

Even in times of crisis, the Italian civil engineering segment proved to be very robust, growing by a strong 11.0 % in 2021 with a continued focus on rail and road infrastructure. Euroconstruct predicts another strong increase of 8.7 % for civil engineering in 2022, followed by +5.9 % and +2.9 % in the following years.

The output volume of the STRABAG Group in Italy amounted to € 58.35 million in 2021.

Russia

The Russian economy experienced a stable upward trend in 2021 as the impact of the Covid-19 pandemic abated. Contributing factors to the 4.2 % increase in GDP included high gas and oil prices and government aid measures for the economy.

The Russian construction industry, which grew by 3.2 % in 2021, is suffering above all from lower purchasing power as well as from rising consumer prices and capital costs. This is particularly evident in residential construction. This segment still flourished in the first half of 2021 thanks to state-supported loans, which was also reflected in a plus of 3.8 % for the year as a whole. In other building construction, the completion of deferred projects in 2021 was mainly responsible for the 4.1 % increase. In civil engineering, state guarantees ensured growth in almost all segments, especially in motorway and bridge construction. In 2021, the increase in this segment was 2.4 %.

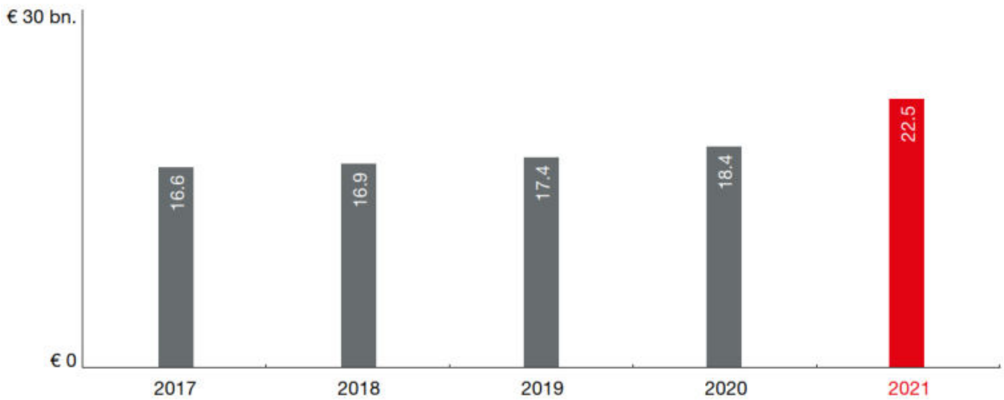
The STRABAG Group generated an output volume of € 46.33 million in Russia in 2021. In the region, STRABAG was almost exclusively active in building and industrial construction. In March 2022, the Management Board of STRABAG SE made the decision to wind up all activities in this country.

Order backlog

ORDER BACKLOG BY SEGMENT AS AT 31 DECEMBER 2021

€ mln.	Total 2021	North + West	South + East	International + Special Divisions	Other	Total 2020	▲ total %	▲ total absolute
Germany	10,724	9,439	216	1,063	6	8,217	31	2,507
Austria	2,663	57	2,266	340	0	1,809	47	854
United Kingdom	2,209	47	0	2,162	0	2,053	8	156
Poland	1,628	1,587	6	35	0	1,296	26	332
Czech Republic	930	0	909	20	1	846	10	84
Americas	815	0	0	815	0	598	36	217
Hungary	711	5	696	10	0	435	63	276
Middle East	368	0	13	355	0	383	-4	-15
Slovakia	290	0	279	10	1	322	-10	-32
Asia	272	0	11	261	0	281	-3	-9
Romania	248	4	241	3	0	230	8	18
Croatia	242	0	242	0	0	174	39	68
Benelux	232	211	0	21	0	368	-37	-136
Bulgaria	178	0	123	55	0	198	-10	-20
Rest of Europe	173	21	149	3	0	171	1	2
Denmark	158	156	0	2	0	229	-31	-71
Russia	122	0	122	0	0	115	6	7
Sweden	119	101	0	18	0	115	3	4
Africa	107	0	69	38	0	76	41	31
Switzerland	102	0	101	1	0	150	-32	-48
Serbia	93	0	93	0	0	124	-25	-31
Italy	61	0	9	52	0	73	-16	-12
Slovenia	56	0	52	4	0	106	-47	-50
Total	**22,501**	**11,628**	**5,597**	**5,268**	**8**	**18,369**	**22**	**4,132**

DEVELOPMENT OF ORDER BACKLOG



At € 22,500.85 million, the order backlog was 22 % higher than in the previous year – another record level. The order backlog increased especially in the home markets of Germany and Austria, but also in core markets such as Poland and Hungary, thanks to numerous new projects in a wide range of sectors. In Germany, these projects include an office tower complex for Helaba in Frankfurt, a shipbuilding facility for ThyssenKrupp Marine Systems in Kiel and the six-lane expansion of the A8 motorway near Pforzheim along a length of 4.8 km. New orders in Poland comprise, among other things, two design-and-build projects for a 12 km section of the S19 expressway and the S12 bypass road for the city of Chełm. In Hungary, the order books were filled in part by projects for a two-lane expansion of the 67 expressway over a length of 10 km, the expansion of a railway section of the TEN-T network and the gap closure of the M6 motorway to the Croatian border.

CONSTRUCTION SITES INCLUDED IN THE ORDER BACKLOG AS AT 31 DECEMBER 2021

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.)	8,725	77	1,780	8
Medium-sized orders (€ 1–15 mln.)	2,216	19	4,203	19
Large orders (€ 15 –50 mln.)	321	3	4,784	21
Very large orders (>€ 50 mln.)	137	1	11,734	52
Total	**11,399**	**100**	**22,501**	**100**

Part of the risk management

The total order backlog is comprised of 11,399 individual projects. 8,700 of these, or 77 %, involve small orders with a volume of up to € 1 million each; the much smaller remaining proportion of 23 % covers medium-sized to very large orders with contract volumes of € 1 million and up. A total of merely 137 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 2021 added up to 22 % of the order backlog.

THE TEN LARGEST PROJECTS IN THE ORDER BACKLOG AS AT 31 DECEMBER 2021

Country	Project	Order backlog € mln.[1]	as % of total order backlog
United Kingdom	HS2 high-speed rail line	1,367	6.1
United Kingdom	Woodsmith Project	799	3.6
Germany	US hospital, Weilerbach	645	2.9
Germany	Central Business Tower	462	2.1
Canada	Scarborough Subway Extension Line 2	457	2.0
Germany	PPP A49 motorway	318	1.4
Germany	Stuttgart 21, underground railway station	238	1.1
Hungary	Railway line Békéscsaba—Lökösháza	228	1.0
Austria	U2 underground line, sections 17–21	213	1.0
Germany	EDGE East Side	212	0.9
Total		**4,939**	**22.0**

Financial performance

The consolidated **group revenue** for the 2021 financial year amounted to € 15,298.54 million. As with the output volume, this corresponds to a slight plus of 4 %. The ratio of revenue to output remained at the previous year's level of 95 %. The operating segments North + West contributed 48 %, South + East 32 % and International + Special Divisions 20 % to the revenue.

The **changes in inventories** involve mainly real estate project developments. The business continued to be actively pursued, but the sale of two large projects exceeded the volume of new project developments. The **own work capitalised** increased slightly from a low level due to the realisation of several corporate locations. The total of **expenses for construction materials, consumables and services used** and the **employee benefits expenses**, expressed in relation to the revenue, fell from 88 % to 87 %.

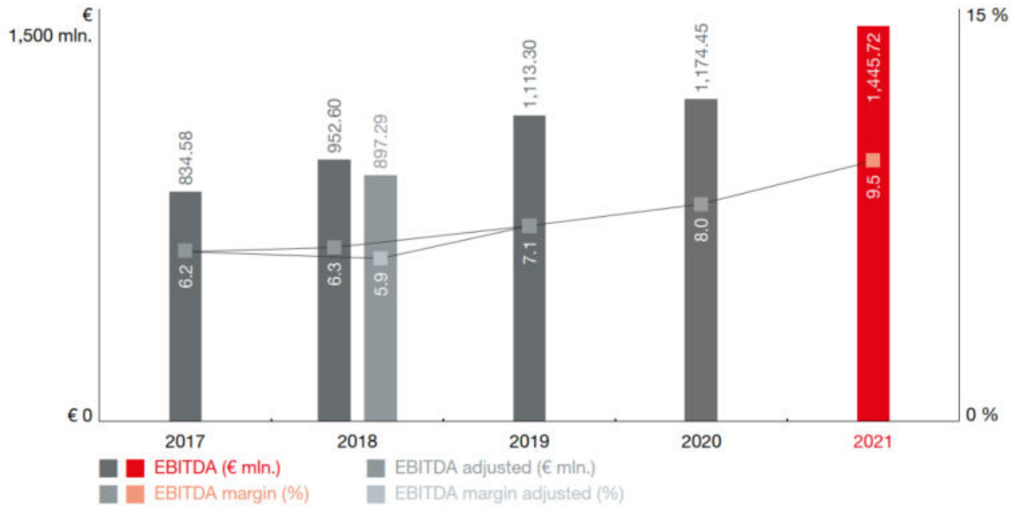
1 Rounding differences are possible.

EXPENSES

€ mln.	2021	2020	▲ %
Construction materials, consumables and services used	9,415.08	9,304.35	1
Employee benefits expenses	3,843.58	3,713.07	4
Other operating expenses	823.82	910.52	-10
Depreciation and amortisation expense	549.61	543.80	1

The **earnings from equity-accounted investments**, which also includes earnings from joint ventures, rose to € 92.11 million in the reporting **period**. **The net income from** investments, which is composed of the dividends and expenses of many smaller companies or financial investments, fell in comparison to the previous year.

DEVELOPMENT OF EBITDA AND EBITDA MARGIN[1]



Effective tax rate: 32.5 %

Earnings per share: € 5.71

In total, the **earnings before interest, taxes, depreciation and amortisation** (EBITDA) increased by 23 % to € 1,445.72 million, significantly topping the € 1.0 billion mark for the third year in a row. The EBITDA margin grew from 8.0 % to 9.5 %. **The depreciation and amortisation expense** increased minimally by € 5.81 million to € 549.61 million compared to the previous year.

The **earnings before interest and taxes** (EBIT) rose by 42 % to € 896.11 million as a result of numerous positive earnings effects in all segments. This corresponds to an EBIT margin of 5.9 % after 4.3 % in 2020.

The **net interest income** improved by € 8.03 million to € -12.57 million due to the absence of interest expenses. The negative exchange rate result of € -3.88 million was slightly lower than in the previous year (2020: € -5.35 million).

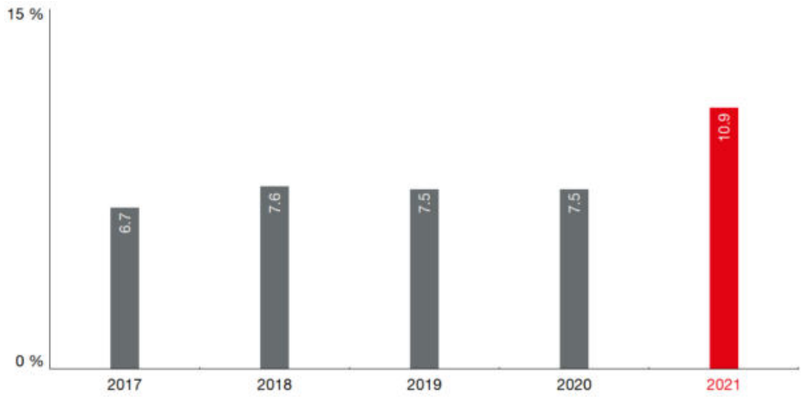
On balance, the **earnings before taxes** stood at € 883.54 million. The income tax rate, at 32.5 %, was slightly lower than in the previous year. The **net income** amounted to € 596.40 million, which corresponds to an increase of € 197.34 million compared to 2020.

The earnings owed to minority shareholders amounted to € 10.69 million after € 3.84 million in the previous year. The **net income after minorities** for 2021 thus stood at **€ 585.71 million** – an increase of 48 %. The earnings per share amounted to € 5.71 (2020: € 3.85).

The **return on capital employed** (ROCE)[2] rose from 7.5 % in the previous year to 10.9 %, the highest value in the history of STRABAG SE.

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.	31.12.2021	% of balance sheet total[1]	31.12.2020	% of balance sheet total[1]
Non-current assets	4,989.56	41	5,135.35	42
Current assets	7,236.21	59	6,981.09	58
Equity	4,071.82	33	4,108.22	34
Non-current liabilities	2,146.39	18	2,382.85	20
Current liabilities	6,007.56	49	5,643.37	46
Total	**12,225.77**	**100**	**12,134.44**	**100**

The total of assets and liabilities, at € 12.2 billion, remained almost unchanged compared to the previous year. Worth mentioning is the increase in cash and cash equivalents by € 106.30 million to € 2,963.25 million despite the distribution of the higher dividend totalling € 707.94 million for the year 2020. The nominal capital decreased as a result of the withdrawal of treasury shares. Non-current financial liabilities decreased in favour of current financial liabilities due to the last tranche of the bond in the amount of € 200 million. Equity decreased slightly to € 4,071.82 million yet remained above the € 4 billion mark as in the previous year. This was reflected in a decline in the **equity ratio** from 33.9 % to 33.3 %.

KEY BALANCE SHEET FIGURES

	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021
Equity ratio (%)	30.7	31.6	31.5	33.9	33.3
Net debt (€ mln.)	-1,335.04	-1,218.28	-1,143.53	-1,747.23	-1,937.18
Gearing ratio (%)	-39.3	-33.3	-29.7	-42.5	-47.6
Capital employed (€ mln.)	5,242.91	5,552.09	5,838.71	5,815.14	5,750.63

Net cash position up to € 1.9 billion

A net cash position was reported as usual on 31 December 2021. This figure was up to € 1.9 billion in the face of the lower severance and pension provisions and the increased cash and cash equivalents.

[1] Rounding differences are possible.

CALCULATION OF NET DEBT[1]

€ mln.	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021
Financial liabilities	1,293.98	1,363.33	1,422.21	1,156.01	1,193.62
Severance provisions	111.10	114.68	124.68	122.55	108.36
Pension provisions	440.11	420.31	435.92	428.36	376.83
Non-recourse debt	-389.78	-730.77	-665.53	-597.20	-652.74
Cash and cash equivalents	-2,790.45	-2,385.83	-2,460.81	-2,856.95	-2,963.25
Total	**-1,335.04**	**-1,218.28**	**-1,143.53**	**-1,747.23**	**-1,937.18**

The **cash flow from operating activities** fell from € 1,279.66 million to € 1,220.56 million, despite the increased cash flow from earnings. The main reason for this development was a less pronounced reduction in working capital compared to the previous year. The expectation of a significant reduction in advance payments in 2021 and a concomitant increase in working capital to familiar levels failed to materialise. The **cash flow from investing activities** was again slightly more negative following the lower investments in intangible assets and property, plant and equipment in 2020 due to Covid-19. The **cash flow from financing activities** showed a value of € -743.90 million after € -495.89 million in the previous year, which is mainly due to the dividend payment.

REPORT ON OWN SHARES

The 17th Annual General Meeting on 18 June 2021 passed a resolution for a simplified reduction of the share capital by € 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), Para 4 of the Austrian Stock Corporation Act (AktG) through the withdrawal of 7,400,000 own treasury shares with a proportionate amount of the share capital of € 7,400,000.00. The meeting also approved an amendment of the Articles of Association in Sec 4 Para 1 for the purpose of withdrawing all of STRABAG SE's own shares. The capital reduction became effective with registration resolution at the Regional Court of Klagenfurt on 16 July 2021. As of 31 December 2021, STRABAG SE therefore no longer holds any own treasury shares.

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.

Capital expenditures

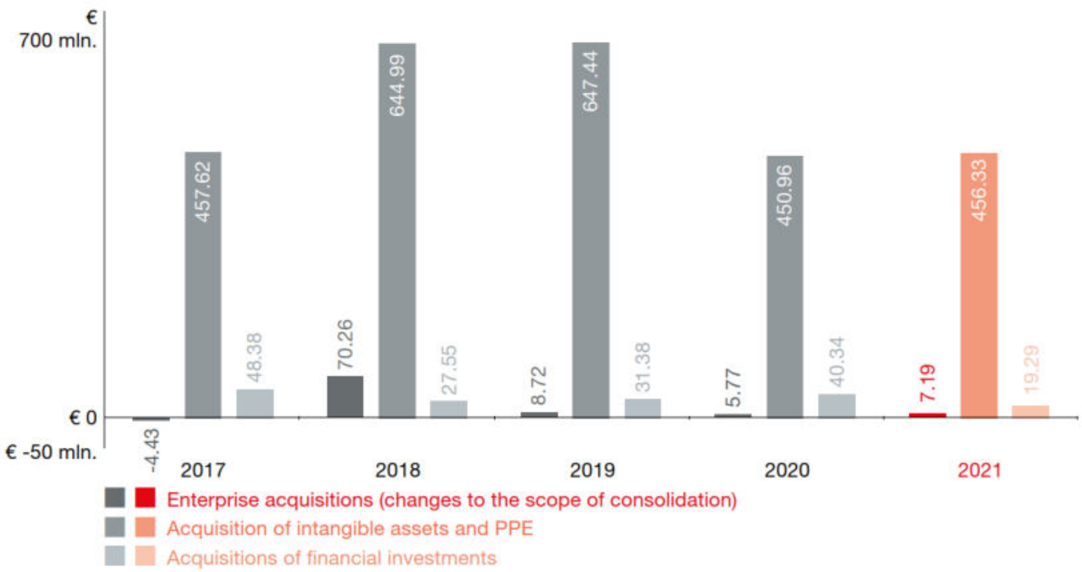
STRABAG had forecast net investments (cash flow from investing activities) of up to € 450 million for the 2021 financial year. In the end, they amounted to € 377.56 million.

The gross investments (CAPEX) before subtraction of proceeds from asset disposals stood at € 482.81 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 € 456.33 million, the **purchase of financial assets** in the amount of € 19.29 million and € 7.19 million from changes to the scope of consolidation.

Particularly significant investments include the maintenance expenditures at our permanent establishments in the booming core markets of Germany and Austria – for example, in the corporate training centre in Ybbs – and the additional investments in the building materials business in various countries. In addition, a substantial investment was made in a tunnel boring machine as part of a major project in Toronto, Canada.

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 € 549.61 million. At € 5.67 million, goodwill impairment was higher than in the previous year.

COMPOSITION OF CAPEX



Financing/treasury

KEY FIGURES TREASURY

	2017	2018	2019	2020	2021
Interest and other income (€ mln.)	46.90	38.62	30.97	27.89	26.96
Interest and other expense (€ mln.)	-74.05	-66.05	-56.32	-48.49	-39.53
EBIT/net interest income (x)	-16.5	-20.4	-23.8	-30.6	-71.3
Net debt/EBITDA (x)	-1.6	-1.3	-1.0	-1.5	-1.3

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, pre-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**. 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 still on the market at the end of the year 2021.

The existing liquidity of € 3.0 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 December 2021. 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 OBLIGATION

€ mln.	Book value 31.12.2021	Book value 31.12.2020
Bonds	200.00	200.00
Bank borrowings	687.76	651.74
Lease liabilities	305.85	304.27
Total	**1,193.61**	**1,156.01**

MANAGEMENT REPORT

Segment report

OVERVIEW OF THE FOUR SEGMENTS WITHIN THE GROUP

The business of STRABAG SE was divided into four segments in 2021, 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 2021, the segments were comprised as follows[1]:

NORTH + WEST
Management Board responsibility: Alfred Watzl
Germany, Poland, Benelux, Scandinavia, Ground Engineering

SOUTH + EAST
M. B. responsibility: Peter Krammer
Austria, Czech Republic, Slovakia, Hungary, South-East Europe, Switzerland, Environmental Technology

M. B. responsibility: Klemens Haselsteiner
Russia

INTERNATIONAL + SPECIAL DIVISIONS
M. B. responsibility: Siegfried Wanker
International, Tunnelling, Services, Real Estate Development, Infrastructure Development, Construction Materials

OTHER
M. B. responsibility: 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.

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			✓

[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.

SEGMENT NORTH + WEST: CRISIS-PROOF THANKS TO STABLE CORE MARKETS

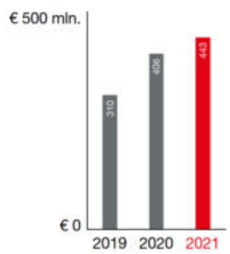
The North + West segment executes construction services of nearly any kind and size with a focus on Germany, Poland, the Benelux countries and Scandinavia. Ground engineering can also be found in this segment.

€ mln.	2021	2020	▲ 2020-2021 %	▲ 2020-2021 absolute
Output volume	7,902.46	7,862.65	1	40
Revenue	7,317.95	7,461.87	-2	-144
Order backlog	11,628.13	9,158.18	27	2,470
EBIT	443.03	406.43	9	37
EBIT margin (% of revenue)	6.1	5.4		
Employees (FTE)	25,430	25,801	-1	-371

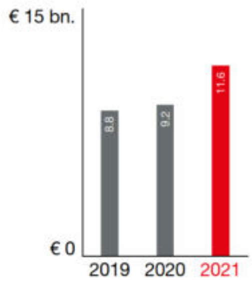
OUTPUT VOLUME NORTH + WEST

€ mln.	2021	2020	▲ 2020-2021 %	▲ 2020-2021 absolute
Germany	6,360	6,227	2	133
Poland	1,036	1,098	-6	-62
Benelux	218	247	-12	-29
Sweden	101	135	-25	-34
Denmark	90	71	27	19
United Kingdom	26	3	767	23
Austria	24	20	20	4
Romania	21	19	11	2
Rest of Europe	15	18	-17	-3
Hungary	9	0	n. a.	9
Switzerland	1	22	-95	-21
Middle East	1	0	n. a.	1
Americas	0	2	-100	-2
Africa	0	1	-100	-1
Total	**7,902**	**7,863**	**1**	**39**

EBIT



ORDER BACKLOG



Significant earnings increase

The North + West segment recorded a stable output volume of € 7,902.46 million (+1 %) in 2021. This is attributable in particular to the home market of Germany and, to a lesser extent, to the market in Denmark. By contrast, construction output in other markets such as Poland, Benelux and Sweden showed a slight decline. Revenue declined slightly by 2 % to € 7,317.95 million. The earnings before interest and taxes (EBIT) rose by 9 % to € 443.03 million. While the transportation infrastructures business in Germany consistently makes positive contributions to earnings, improvements could be achieved in the German building construction and civil engineering business as well as in Poland. The EBIT margin thus exceeded even the extraordinarily high level of the previous year, coming in at 6.1 %.

Order backlog again with strong growth

The order backlog increased by 27 % to € 11,628.13 million as at 31 December 2021, mainly due to the development in Germany. The new orders registered in German building construction in the year as a whole covered a wide range from apartment buildings for developers to industrial buildings to new orders from public-sector clients. Acquisitions include the new administrative centre in Dresden as well as contracts for the construction of the US largest hospital outside the United States and of the 205-metre office tower for Landesbank Hessen-Thüringen (Helaba).

Growth of the order backlog was also recorded in Poland where STRABAG was commissioned to design and build a new section of the A2 motorway and the S12 bypass road for the city of Chełm east of Lublin.

Slight decrease in number of employees

The number of employees declined by 1 % to 25,430 in the entire segment. This decrease is mainly due to developments in the Benelux countries, Poland and Denmark.

Outlook[1]: Germany remains stable core market

The high order backlog suggests a slightly higher output volume for the North + West segment in the 2022 financial year. As a result of the Covid-19 pandemic, some business segments in the **German building construction** sector, such as hotels, remain behind the trend; overall, however, demand for construction services is up again, enabling us to start the new year with an even larger order backlog than at the same time last year despite the price increases in the construction sector.

The **transportation infrastructures** sector in **Germany** is still reporting restrained tendering activity on the part of the public sector. This reduced activity on the markets, which are characterised by an extremely high capacity utilisation, provides an opportunity to work off the high order backlog and to be selective in bidding for projects.

The markets in the **Benelux** countries and in **Scandinavia** are experiencing intense cut-throat competition. Activities here are primarily concentrated on small and medium-sized construction projects. The focus is on stabilisation and consolidation as well as working off large projects.

In **Poland**, the focus is on managing the enormous price increases for raw materials and building materials. Following double-digit growth rates in the first six months, prices for steel, fuels, asphalt and plastics settled at a high level towards the end of the year. Public infrastructure programmes have kept demand in transportation infrastructures high for several years, and the building construction business has also seen a positive trend in output and earnings. Meanwhile, forecasts indicate a continued decline in investments in shopping centres and office building developments on the one hand, with an upturn in production facilities, residential construction, public sector construction, for example schools and hospitals, and in the energy sector, on the other hand. The high inflation rates, which had already become apparent at the end of the year, could weaken the willingness to make further investments, especially in the private sector.

SELECTED PROJECTS NORTH + WEST

Country	Project	Order backlog € mln.	as % of total group order backlog
Germany	US hospital, Weilerbach	645	2.9
Germany	PPP A49 motorway	314	1.4
Germany	Stuttgart 21, underground railway station	238	1.1
Germany	East Side Tower	212	0.9
Germany	A1 motorway Lohne—Bramsche	207	0.9

[1] The impacts from Russia's war against Ukraine are not included in this outlook.

SEGMENT SOUTH + EAST: EXPECTS RETURN TO PRE-CRISIS LEVEL

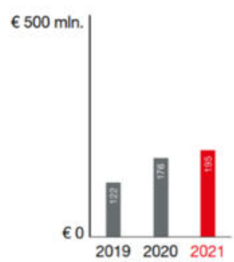
The geographic focus of the South + East segment is on Austria, the Czech Republic, Slovakia, Hungary, South-East Europe, Russia and Switzerland. The environmental technology activities are also handled within this segment.

€ mln.	2021	2020	▲ 2020-2021 %	▲ 2020 -2021 absolute
Output volume	4,930.38	4,632.60	6	298
Revenue	4,924.60	4,602.83	7	322
Order backlog	5,596.97	4,441.14	26	1,156
EBIT	194.93	176.35	11	19
EBIT margin (% of revenue)	4.0	3.8		
Employees (FTE)	20,685	20,512	1	173

OUTPUT VOLUME SOUTH + EAST

€ mln.	2021	2020	▲ 2020-2021 %	▲ 2020-2021 absolut
Austria	2,206	1,989	11	217
Czech Republic	782	687	14	95
Hungary	503	533	-6	-30
Slovakia	243	254	-4	-11
Romania	202	194	4	8
Switzerland	186	189	-2	-3
Croatia	162	160	1	2
Germany	152	164	-7	-12
Serbia	150	156	-4	-6
Rest of Europe	110	136	-19	-26
Slovenia	94	47	100	47
Bulgaria	68	58	17	10
Russia	43	50	-14	-7
Asia	8	2	300	6
Africa	7	1	600	6
Italy	6	5	20	1
Middle East	4	6	-33	-2
Poland	3	0	n. a.	3
Benelux	1	2	-50	-1
Total	**4,930**	**4,633**	**6**	**297**

EBIT

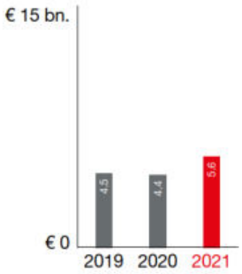


Output up due to relaxation of Covid-19 restrictions

The output volume in the South + East segment in the home market of Austria grew by 6 % to € 4,930.38 million in the 2021 financial year, primarily due to the end of the temporary Covid-19-related suspension of construction work. Business in the Central and Eastern European countries, on the other hand, was mixed. Especially noteworthy is the decline in Hungary, resulting from the after-effects of the Covid-19 pandemic and the winding-up of several projects in the previous year. In contrast, an increase was recorded in the Czech Republic and Slovenia.

The segment also showed a 7 % higher revenue of € 4,924.60 million. The EBIT increased by 11 % to € 194.93 million due to improvements in almost all countries in this segment. This results in an EBIT margin of 4.0 %.

ORDER BACKLOG



Order backlog: Significant growth in Austria and Hungary

At € 5,596.97 million, the order backlog as at 31 December 2021 was 26 % higher than on the previous year's reporting date. This is due especially to the record level in Austria: Large orders in building construction and civil engineering, especially in residential construction, as well as stable, albeit regionally heterogeneous new orders in transport infrastructures, played a decisive role in this development. Hungary caught up significantly as well. New orders here included a contract awarded to a consortium involving STRABAG for the construction of a 20 km section of the M6 motorway between Bóly and Ivándárda and the expansion of the railway section of the TEN-T network. The other markets of Southern and Eastern Europe showed very divergent trends.

Slight increase in the number of employees

The number of employees increased slightly by 1 % to 20,685. In line with the output volume, staff numbers were reinforced in Austria and the Czech Republic, while very different trends were registered in the markets of Central and Eastern Europe: The number of employees increased significantly in Croatia and Bulgaria, but declined in Serbia, Russia, Romania and Slovakia.

Outlook[1]: Home market of Austria back at pre-crisis levels

The trend in the output volume shown in 2021 is expected to continue in 2022. After the Covid-19-related restrictions, a higher output volume is expected in **Austria**, with levels comparable to the record year of 2019. Uncertainties exist due to the strong increase in raw material prices, e.g. for wood, construction steel and insulation materials, and because of the associated price volatilities. From today's perspective, however, no supply bottlenecks are expected that could cause delays in project execution.

The construction sector in **Hungary** was unable to fully recover in 2021. Significant, higher-than-expected price increases for raw materials, building materials and labour costs had to be accepted here as well. Due to the general economic recovery, higher output is expected in 2022 in transport infrastructures as well as in building construction and civil engineering.

In road and railway construction in the **Czech Republic**, projects are being continuously put out to tender, allowing the market to slowly move towards a realistic price level. The group sees itself in a very good position in the building construction sector here as well, despite the fact that the bidding processes are becoming increasingly protracted.

The development in **Slovakia** is cause for concern. The few projects in public transportation infrastructures tend to be small, highly competitive and, accordingly, priced too low. STRABAG is therefore primarily interested in cooperating with private investors, for example in the construction of production and logistics halls. But here, too, the lack of materials is a burden that could lead to delays in the completion of construction projects. As a result, there is a trend among private clients to move the start of projects back in time.

The markets of **South-East Europe**, like almost all of the group's core markets, are also struggling with massive price increases and a shortage of skilled labour. With the exception of the Croatian market, the building construction entities are suffering from high competitive pressure and declining order backlogs. In the infrastructure sector, meanwhile, demand continues unabated. At the same time, this business segment is exposed to pressure from international, especially Chinese, competition, which is why the focus in Serbia, Montenegro and North Macedonia, for example, is on the road maintenance business.

In **Switzerland**, strategic and organisational changes were made some time ago. The group is positioning itself as a quality provider in the country, for example through its BIM expertise and greater consideration of sustainability aspects as well as its own building materials testing laboratory.

In **Russia**, STRABAG had specialised in residential and industrial construction. The output volume had been declining steadily in recent years, however, accounting for only 0.3 % of the group output in 2021. In response to Russia's attack on Ukraine, the Management Board in March 2022 decided to wind down its Russian business.

[1] The impacts from Russia's war against Ukraine are not included in this outlook.

SELECTED PROJECTS SOUTH + EAST

Country	Project	Order backlog in € mln.	as % of total group order backlog
Hungary	Railway line Békéscsaba–Lőkösháza	228	1.0
Austria	Grünblick (Viertel 2) residential project	108	0.5
Romania	Connecting road Oradea with A3	103	0.5
Hungary	M6 section Bóly–Ivánvárda	92	0.4
Slovakia	Modernisation of Žilina railway junction	77	0.3

SEGMENT INTERNATIONAL + SPECIAL DIVISIONS: IMPROVEMENTS IN ALL MAJOR BUSINESS AREAS

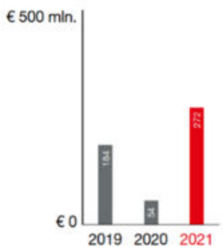
The International + Special Divisions segment includes the field of tunnelling as well as the concessions business, which, especially in transportation infrastructures, operates worldwide. In the markets of the United Kingdom and Chile, STRABAG offers tunnelling as well as a variety of country-specific 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.	2021	2020	▲ 2020-2021 %	▲ 2020-2021 absolute
Output volume	3,161.46	2,811.86	12	349
Revenue	3,039.14	2,670.21	14	369
Order backlog	5,268.22	4,763.26	11	505
EBIT	272.08	54.04	403	218
EBIT margin (% of revenue)	9.0	2.0		
Employees (FTE)	20,610	21,339	-3	-729

OUTPUT VOLUME INTERNATIONAL + SPECIAL DIVISIONS

€ mln.	2021	2020	▲ 2020-2021 %	▲ 2020-2021 absolute
Germany	906	885	2	21
Americas	479	470	2	9
Austria	435	426	2	9
United Kingdom	364	222	64	142
Middle East	198	113	75	85
Czech Republic	159	132	20	27
Asia	137	115	19	22
Hungary	120	126	-5	-6
Poland	107	79	35	28
Italy	52	47	11	5
Slovakia	42	41	2	1
Romania	40	36	11	4
Africa	28	44	-36	-16
Sweden	18	24	-25	-6
Denmark	18	4	350	14
Benelux	13	12	8	1
Croatia	13	11	18	2
Slovenia	10	9	11	1
Rest of Europe	9	6	50	3
Bulgaria	6	6	0	0
Serbia	3	1	200	2
Switzerland	2	2	0	0
Russia	2	1	100	1
Total	**3,161**	**2,812**	**12**	**349**

EBIT

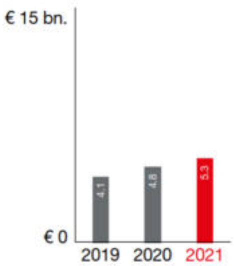


Extraordinary increase in EBIT

In 2021, the International + Special Divisions segment generated an output volume of € 3,161.46 million, 12 % higher than in the previous year, despite the more difficult conditions caused by the Covid-19 pandemic. The increased output is mainly due to the continuous execution of large orders in the international business – above all in Chile, the United Kingdom and the Middle East.

The revenue grew at a slightly higher rate than the output, gaining 14 % to € 3,039.14 million. The negative impact of the Covid-19 pandemic, especially in the international business, decreased, while diversification of the facility management portfolio made further positive contribution to the earnings. The real estate development business continues to be very successful as well. Extraordinarily strong growth of the EBIT to € 272.08 million was recorded in the reporting year. As a result, the EBIT margin increased from 2.0 % in the previous year to 9.0 % in 2021.

ORDER BACKLOG



Austria and Americas driving order backlog

The order backlog increased by 11 % to € 5,268.22 million compared to the same period of the previous year. Growth was recorded in Austria and in the Americas – attributable, for example, to the new orders for the extension of the Vienna U2 metro line and Line 2 in Toronto, Canada. The United Kingdom and Germany also contributed to this development.

Staff reduced for project in Chile and increased in the UK

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, employee levels fell by 3 % to 20,610. This decrease is particularly related to the foreseeable completion of the tunnelling works for the Alto Maipo hydropower megaproject in Chile. In the United Kingdom, on the other hand, staff numbers were increased due to the realisation of the HS2 high-speed rail line and the Woodsmith Project.

Outlook[1]: Impacts from Covid-19 under control

The output volume for the full year 2022 is expected to be higher than in the previous year. This development is being driven by nearly all entities, first and foremost by the internationally active **tunnelling** business. So far it has been possible to keep the adverse effects of the Covid-19 pandemic in 2021 as well as the cost increases for construction materials in check through contractual agreements.

Several megaprojects are currently being carried out in the **international business**, for example in Chile and the UK. In general, the Covid-19-related investment backlog in infrastructure projects is beginning to clear, as the public sector is funding many such projects in order to stimulate the economy. At the same time, the recovery of the oil price is also supporting a renewed demand for construction services in the Middle East. In Canada, too, demand for infrastructure remains high. Despite strong international competition, the Canadian market is being observed with interest.

The future is also looking bright for **property and facility services**, where ongoing digitalisation and efficiency measures are having a significant impact and Covid-19 lockdowns no longer led to output declines in 2021. For the reasons mentioned, the company also expects to see sustainable growth and earnings improvement in all of the division's business areas in 2022. As a result of the legally compliant low-carbon operation of increasingly complex buildings and increasing sustainability demands, the property and facility services division is increasingly shifting towards integrated, digital and sustainable services.

From today's perspective, the impact of the Covid-19 pandemic on **infrastructure development** also appears to be manageable. The construction delays here have remained within acceptable limits and the business field can be described as stable overall.

The **real estate development** business in particular is benefitting from unbroken high demand in the residential segment. For ongoing project developments, it has been possible to achieve attractive sales prices, while the commercial segment has recorded additional leases of office properties as well as sales of commercial properties in the portfolio. The outlook for 2022 as a whole is therefore quite friendly here as well – even if the continuing price increases for properties, materials and subcontractor services requires careful management. Similarly, rising inflation with possible implications for the interest rate level requires timely reactions. Simultaneously with these issues concerning the day-to-day business, work is underway on strategic innovation, sustainability and digitalisation projects, for example in the areas of mobility, generative design, low-tech buildings and CO_2 optimisation.

The **construction materials business** also showed a satisfactory trend overall. The sales volume of aggregates in 2021 was around 7 % higher than the previous year. In the concrete business, this figure was slightly lower due to the completion of several large-scale projects. Among the cement holdings, however, significantly higher CO_2 and energy costs have had a negative impact on the additional income from the increased sales. The country-by-country statistics show a very consistent picture overall, especially in the main markets of Central and Eastern Europe. Meanwhile, an upward trend is evident in the countries of Southern Europe and the Balkans. The dense network of building materials operations, including materials-based services, remains an important basis for self-supply within the group and thus for greater competitiveness.

[1] The impacts from Russia's war against Ukraine are not included in this outlook.

SELECTED PROJECTS INTERNATIONAL + SEPCIAL DIVISION

Country	Project	Order backlog in € mln.	as % of total group order backlog
United Kingdom	HS2 high-speed rail line	1,348	6.0
United Kingdom	Woodsmith Project	799	3.6
Canada	Scarborough Subway Extension Line 2	457	2.0
Chile	El Teniente main access tunnel	118	0.5
Austria	U2 underground line, sections 17–21	70	0.3

SEGMENT OTHER (SERVICE COMPANIES AND CENTRAL STAFF DIVISIONS)

This segment encompasses the group's internal central divisions and central staff divisions.

€ mln.	2021	2020	▲ 2020-2021 %	▲ 2020 -2021 absolute
Output volume	134.62	139.50	-3	-5
Revenue	16.85	14.83	14	2
Order backlog	7.53	6.44	17	1
EBIT	0.69	0.90	-23	0
EBIT margin (% of revenue)	4.1	6.1		
Employees (FTE)	6,881	6,688	3	193

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 the 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/Organisational 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 groups:

- 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 group-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 RISKS: 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 treasury. Detailed information can be found in the Notes under item 34 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 combatting these problems. The rules for proper business behaviour are conveyed by the **STRABAG ethics and business compliance system**. These have group-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 attractiveness 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 company 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 RISKS: 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 WORK SAFETY AND HEALTH IN PLACE

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 group-wide work safety standards are followed. In 2020, 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 COMPONENT OF THE INTEGRATED MANAGEMENT

In accordance with its vision and values, it is the company's aim to realise **construction projects on schedule, to the highest 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 GROUP 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 subcon-tractors 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 company-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

Internal audit report in the Consolidated Corporate Governance Report

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.

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 organizational 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. 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 new 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 2021 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 are 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 cars 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 300 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 group-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 around 1,000 people at 130 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).

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.

The STRABAG Group spent about € 17 million on research, development and innovation activities during the 2021 financial year (2020: about € 17 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 5.

2. The 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), as shareholder groups of STRABAG SE, have signed a syndicate agreement governing (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 have the right to nominate two members of the Supervisory Board. The syndicate agreement also requires the syndicate partners to exercise their voting rights from syndicated shares unanimously at the Annual General Meeting of STRABAG SE. The syndicate agreement further foresees restrictions on the transfer of shares in the form of mutual pre-emptive rights as well as a minimum shareholding on the part of the syndicate partners.

3. 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 2021:

   – Haselsteiner Group ………………… 28.3 %

   – Raiffeisen Group …………………..... 14.2 %

   – UNIQA Group ……………………..... 15.3 %

   – MKAO "Rasperia Trading Limited"… 27.8 %

4. The remaining shares of STRABAG SE, amounting to about 14.4 % of the share capital, are in free float. 7,400,000 no-par value treasury shares of STRABAG SE were withdrawn in the 2021 fiscal year through a simplified capital reduction in accordance with Sec 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). As a result, the company itself no longer holds any own shares as of 31 December 2021.

5. Three shares are – as mentioned under item 1 – registered shares entered in the shareholder register. Registered shares No.1 and No. 2 allow their bearers to nominate a member each to the Supervisory Board of STRABAG SE and require the consent of the Supervisory Board for their full or partial sale and pledging. Registered share No. 1 is held by Klemens Peter Haselsteiner. Registered share No. 2 is held by MKAO "Rasperia Trading Limited".

6. No employee stock option programmes exist.

7. No further regulations exist beyond items 2 and 5 regarding the nomination and recall of members of the Management and Supervisory Boards or regarding changes to the Articles of Association which do not result directly from relevant law and legislation. No other powers of the members of the Management Board exist, in particular with regard to the possibility of issuing or repurchasing shares.

8. 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 ownership in STRABAG SE following a takeover offer.

9. 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 36 of the Notes.

Outlook

Based on the new record order backlog of around € 22.5 billion at the end of 2021, the Management Board is confident that it will also be able to match the record output volume of € 16.6 billion from 2019. Growth is expected in all three operating segments, but especially in South + East.

In terms of the EBIT margin (EBIT/revenue), the company is keeping to its target of achieving at least 4 % on a sustainable basis from 2022 onwards. The combination of numerous positive earnings effects in all segments had led to an exceptionally high EBIT margin in 2021. Net investments (cash flow from investing activities) in 2022 will likely not exceed € 550 million.

Any potential impacts from Russia's war against Ukraine on output, revenue and earnings in the 2022 financial year have not yet been taken into account, as these could not yet be quantified at the beginning of April 2022.

Events after the reporting period

The material events after the reporting period are described in the item 39 of the Notes.

Villach, 7 April 2022

The Management Board

Dr. Thomas Birtel m.p.
CEO
Responsibility Central Staff Divisions and Central Divisions BMTI, TPA as well as CML Construction Services

Mag. Christian Harder m.p.
CFO
Responsibility Central Division BRVZ

Klemens Haselsteiner m.p.
Responsibility Central Divisions STRABAG Innovation & Digitalisation as well as Zentrale Technik, Responsibility Subdivision NN Russia

Dipl.-Ing. Dr. Peter Krammer m.p.
Responsibility Segment South + East (except Subdivision NN Russia)

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

Dipl.-Ing. (FH) Alfred Watzl m.p.
Responsibility Segment North + West

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 2021, 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 2021, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with: 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 (16) and (21).

Risk for the Consolidated Financial Statements

Revenue recognized in the consolidated financial statements of STRABAG SE as of 31 December 2021 mainly consists of revenue from construction contracts, which is accounted for by reference to their 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 by reference to the stage of completion of a project (over time recognition using an output-oriented method on the basis of the work already performed).

Technically complex and demanding projects, in particular, involve the risk that estimated total cost deviate considerably from actual cost incurred. Additionally, there is also a risk that receivables from construction contracts and construction consortia are not recoverable.

Our Response

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

— 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, on the one hand, 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, and on the other hand manual controls in connection with acceptance of new projects, ongoing project management as well as project monitoring and finalization of projects.

— The tests of details primarily included the following audit procedures:

    — Systematic and detailed inquiries 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 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 the Audit Committee for the Consolidated Financial Statements

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

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either 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 18 June 2021 and were appointed by the supervisory board on 18 June 2021 to audit the financial statements of Company for the financial year ending on 31 December 2021.

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, 7 April 2022

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Gerold Stelzmüller m.p.
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the origin 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.

STATEMENT OF ALL LEGAL REPRESENTATIVES

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 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, 7 April 2022

The Management Board

Dr. Thomas Birtel m.p.
CEO
Responsibility Central Staff Divisions and
Central Divisions BMTI, CML as well as TPA

Mag. Christian Harder m.p.
CFO
Responsibility Central Division BRVZ

Klemens Haselsteiner m.p.
Responsibility Central Divisions STRABAG
Innovation & Digitalisation as well as Zentrale
Technik, Responsibility Subdivision NN Russia

Dipl.-Ing. Dr. Peter Krammer m.p.
Responsibility Segment South + East
(except Subdivision NN Russia)

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

Dipl.-Ing. (FH) Alfred Watzl m.p.
Responsibility Segment North + West

INDIVIDUAL FINANCIAL STATEMENTS 2021

INDIVIDUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

Balance sheet as at 31 December 2021

	31.12.2021	31.12.2020
Assets	**€**	**T€**
A. Non-current assets:		
I. Tangible assets:		
Other facilities, furniture and fixtures and office equipment	1,050,229.78	1,007
II. Financial assets:		
1. Investments in subsidiaries	2,529,607,341.02	2,529,105
2. Investments in participation companies	24,139,674.57	24,697
3. Loans to participation companies	83,949,578.46	85,549
4. Other loans	22,930.48	22
	2,637,719,524.53	2,639,374
	2,638,769,754.31	**2,640,381**
B. Current assets:		
I. Accounts receivable and other assets:		
1. Trade receivables	34,127.05	36
2. Receivables from subsidiaries	619,495,117.86	708,227
thereof with a remaining term more than one year	*272,642,488.00*	*276,943*
3. Receivables from participation companies	5,167,100.16	7,412
thereof with a remaining term more than one year	*0.00*	*2,014*
4. Other receivables and assets	24,869,071.45	33,436
thereof with a remaining term more than one year	*24,406,000.00*	*24,699*
	649,565,416.52	749,112
II. Cash assets, including bank accounts	4,603,671.09	880
	654,169,087.61	**749,992**
C. Accrual and deferrals	**92,545.00**	**21**
D. Deferred tax assets	**15,777,992.00**	**20,191**
Group	**3,308,809,378.92**	**3,410,585**

Equity and liabilities	**31.12.2021 €**	**31.12.2020 T€**
A. Equity:		
I. Called up and paid in nominal capital (share capital):		
Subscribed nominal capital (share capital)	102,600,000.00	110,000
less nominal value of own shares	0.00	-7,400
	102,600,000.00	102,600
II. Capital reserves (committed)	2,159,447,129.96	2,152,047
III. Retained earnings:		
1. Legally required reserves	72,672.83	73
2. Voluntary reserves	21,210,597.45	150,822
	21,283,270.28	150,895
IV. Reserves for own shares	0.00	7,400
V. Unappropriated net profit	707,940,000.00	707,940
thereof profit brought forward	*0.00*	*28,660*
	2,991,270,400.24	**3,120,882**
B. Provisions:		
1. Provisions for taxes	1,012,000.00	1,021
2. Other provisions	22,495,063.00	20,882
	23,507,063.00	**21,903**
C. Accounts payable		
1. Bonds	200,000,000.00	200,000
thereof with a remaining term up to one year	*200,000,000.00*	*0*
thereof with a remaining term more than one year	*0.00*	*200,000*
2. Trade payables	1,702,919.23	2,087
thereof with a remaining term up to one year	*1,702,919.23*	*2,087*
3. Payables to subsidiaries	87,233,906.00	60,930
thereof with a remaining term up to one year	*87,233,906.00*	*60,930*
4. Payables to participation companies	398,490.75	0
thereof with a remaining term up to one year	*398,490.75*	*0*
5. Other payables	4,696,599.70	4,782
thereof taxes	*1,269,152.27*	*1,156*
thereof social security liabilities	*25,340.20*	*23*
thereof with a remaining term up to one year	*4,696,599.70*	*4,782*
	294,031,915.68	**267,799**
thereof with a remaining term up to one year	*294,031,915.68*	*67,799*
thereof with a remaining term more than one year	*0.00*	*200,000*
Group	**3,308,809,378.92**	**3,410,585**

Income statement for the 2021 financial year

	2021	2020
	€	**T€**
1. Revenue (Sales)	70,588,736.92	68,219
2. Other operating income		
a) Income from disposal of and reversal of impairment losses of non-current assets other than financial assets	22,100.84	0
b) Miscellaneous	11,355.67	180
	33,456.51	**180**
3. Cost of materials and services:		
a) Materials	-34,151.70	-28
b) Services	-20,205,069.41	-17,612
	-20,239,221.11	**-17,640**
4. Employee benefits expense:		
a) Salaries	-9,865,480.38	-9,817
b) Social expenditure	-817,796.49	-622
thereof contributions to employee benefit plans	*-96,127.52*	*-85*
thereof social security contributions, as well as payroll-related and other mandatory contributions	*-514,065.61*	*-489*
thereof other social expenditure	*-207,603.36*	*-48*
	-10,683,276.87	**-10,439**
5. Depreciation	-21,874.97	-19
6. Other operating expenses:		
a) Taxes other than those included in item 15	-115,866.81	-59
b) Miscellaneous	-22,637,695.29	-23,805
	-22,753,562.10	**-23,864**
7. Subtotal of items 1 through 6 (operating result)	**16,924,258.38**	**16,437**
8. Income from investments	569,283,927.14	306,888
thereof from subsidiaries	*561,811,512.24*	*296,977*
9. Other interest and similar income	8,912,783.94	14,945
thereof from subsidiaries	*4,612,475.02*	*9,609*
10. Income from disposal and write-up of financial assets and marketable securities	1,437,500.00	138
11. Expenses related to financial assets:		
a) Depreciation from subsidiaries	-1,646,122.34	-42,810
b) Other expenses from subsidiaries	-4,500,000.00	-24,990
d) Other	-4,754,399.55	-900
	-10,900,521.89	**-68,699**
12. Interest and similar income	-4,577,861.76	-6,531
thereof from subsidiaries	*-728,872.46*	*-7*
13. Subtotal of item 8 through 12 (financial result)	**564,155,827.43**	**246,741**
14. Result before taxes	**581,080,085.81**	**263,178**
15. Taxes on income and gains	-2,751,429.40	6,213
thereof income tax	*-839,859.30*	*-816*
thereof tax allocation	*2,501,246.90*	*-2,364*
thereof deferred tax income	*-4,412,817.00*	*9,394*
16. Income after taxes = net income for the year	**578,328,656.41**	**269,392**
17. Reversal of retained earnings (voluntary reserves)	129,611,343.59	409,888
18. Profit for the period	**707,940,000.00**	**679,280**
19. Profit brought forward	0.00	28,660
20. Unappropirated net profit	**707,940,000.00**	**707,940**

NOTES TO THE 2021 FINANCIAL STATEMENTS OF STRABAG SE, VILLACH

I. Application of Austrian Business Enterprise Code

The Management Board of the company prepared these financial statements as of 31 December 2021 in accordance with the Austrian Business Enterprise Code (UGB).

In preparing the present financial statements, the previous method of presentation was maintained.

Where an asset or liability relates to more than one item in the balance sheet, the relationship of such asset or liability to the relevant items is disclosed in the notes.

The income statement was prepared in report form using the nature of expense method.

Additional information was provided in the notes as far as was necessary to ensure a true and fair view of the financial position, financial performance and cash flows.

The company is the topmost parent company of the companies within the scope of consolidation of STRABAG SE, Villach. The consolidated financial statements are deposited with the Landes- als Handelsgericht Klagenfurt (District and Commercial Court Klagenfurt).

The company is a large corporation (Kapitalgesellschaft) as defined by Sec 221 of the Austrian Business Enterprise Code (UGB).

II. Accounting policies

GENERAL PRINCIPLES

The financial statements were prepared in accordance with the "principles of orderly accounting" and following the general norm of presenting a true and fair view of the financial position, financial performance and cash flows.

The financial statements were prepared in conformity with the "principle of completeness".

Individual assets and liabilities were measured in accordance with the "principle of individual valuation".

The financial statements were prepared in accordance with the "principle of prudence" by only reporting profit which was realized on the balance sheet date. All recognizable risks and impending losses which occurred in 2021 or an earlier financial year were taken into consideration.

Estimates are based on a conservative assessment. If statistically measurable experiences from similar circumstances are available, these were considered when making the estimates.

The previously applied accounting policies were kept.

IMPACT OF THE COVID-19 PANDEMIC

On 11 March 2020, the World Health Organisation (WHO) officially declared Covid-19 a pandemic. STRABAG's European core markets as well as many of its international markets were to varying degrees affected in the 2021 financial year and remain so today. Construction activity, however, was able to continue largely unrestricted in most countries. The workflows were reorganised in line with the national regulations.

Due to the mostly small-scale and decentralised structures compared to other industries, the risk of simultaneous infection or quarantine of a critical portion of the workforce in the construction sector is relatively low. The Management Board of STRABAG SE has therefore been working together with the local management, the occupational safety specialists and the specialists from the service companies to continuously evaluate the risks in the individual group countries. This ensures that necessary decisions are made quickly and implemented effectively.

Risks resulting from disruptions in the supply chain due to restrictions in the movement of goods, services and people could be partially cushioned by the high level of value added in raw materials within the group. The existing construction equipment, machinery and other vehicles benefit the group in this regard as well. The construction industry in general benefitted here from a high domestic value-added factor.

Declines in the property and facility services segment, specifically in real estate management and industrial services, occurred to a lower-than-expected extent. From today's perspective, the impact of the Covid-19 pandemic in the real estate development business also appears to be manageable. The construction delays in this respect remained within acceptable limits.

Overall, the construction sector has been only slightly affected by the Covid-19 pandemic. Based on the current business development and the order backlog, there is no threat to the company as a going concern.

It is assumed that the company will continue as a going concern.

However, the uncertainties that nonetheless exist were taken into account in the medium-term planning prepared in December 2021. The cost of capital used in connection with impairment testing is increased by market risk premiums and beta factors; no growth factors were used.

Increased insolvencies can be expected in the coming years following expiration of the national support and deferral programmes.

NON-CURRENT ASSETS

Property, plant and equipment

Property, plant and equipment are valued at historical cost less accumulated depreciation. In line with the relevant tax legislation, the company takes a full year's depreciation for acquisitions during the first six months of the year and a half year's depreciation for acquisitions during the second six months of the year.

The depreciation is calculated using the straight-line method over the following useful lives:

	Years	
	from	**to**
Other facilities, furniture and fixtures and office equipment	4	15

Low-value assets (individual cost up to € 800.00) are depreciated in full in the year in which they are acquired.

Extraordinary depreciation on a lower fair value measurement at the reporting date is undertaken where the impairment is considered permanent.

Financial assets

Financial assets are valued at cost or a lesser fair value if one is attributable where the impairment is considered permanent.

In a first step, the carrying amount of the investments in affiliated companies is compared with the proportionate share in equity at the reporting date. In case the carrying amount exceeds the proportionate share in equity, an impairment test of the investment based on discounted cashflows, which significantly depend on future revenue, margin projections and discount rates, is performed. This valuation is subject to significant uncertainty.

Loans are measured at historical cost. Lower values are recognized for permanent or significant impairment losses.

Increases in non-current assets

The value of non-current assets is increased where there is no more cause for depreciation. The increase is not higher than the net carrying value calculated under consideration of the regular depreciation that would have been charged in the meantime.

CURRENT ASSETS

Accounts receivable and other assets

Trade and other receivables are reported at nominal value.

The valuation of foreign currency receivables follows the strict “lowest value principle”.

Individual value adjustments are made for recognizable risk.

Increases in current assets

Reversals of depreciation for current assets are done where there is no more cause for depreciation.

Deferred taxes

Deferred taxes are recognized in accordance with Sec 198 Para 9 and 10 UGB using the balance sheet concept without discounts using the current corporate income tax rate of 25 %. No deferred tax assets are recognized for tax loss carryforwards.

The deferred tax assets resulting from the transition effective 1 January 2016 were distributed over five years in accordance with Sec 906 Para 34 UGB (for the last time in the 2020 financial year).

PROVISIONS

All recognizable risks and impending losses were taken into account in the calculation of provisions in accordance with the legal framework.

Other provisions

Under application of the “principle of prudence”, all recognizable risks at the date of balance sheet creation as well as liabilities of uncertain timing or amount were recognized in the item "Other provisions" at the value required according to reasonable entrepreneurial assessment.

LIABILITIES

Liabilities are valued at their settlement value.

Foreign currency liabilities are measured in accordance with the strict “highest value principle”.

III. Notes to the balance sheet

NON-CURRENT ASSETS

The non-current assets are itemized and their changes in the year under report are recorded in the statement of changes in non-current assets (Appendix 1 to the Notes).

Information on investments can be found in the list of participations (Appendix 2 to the Notes).

ACCOUNTS RECEIVABLE AND OTHER ASSETS

Receivables from subsidiaries involve cash-clearing (previous year), financing, routine clearing, the calculation of intra-group and clearing of tax allocations and transfers of profits.

The item "Other receivables and assets" includes income of € 399,456.42 (previous year: T€ 768) which will be cash effective after the balance sheet date.

DEFERRED TAX ASSETS

Deferred tax assets were recognized on the reporting date for temporary differences between the tax base and the carrying amount for the following items:

	31.12.2021	31.12.2020
	€	T€
Property, plant and equipment	833.00	4
Financial assets	346,667.00	693
Remaining seventh from depreciation of participation	50,252,469.00	65,945
Provisions	10,480,000.00	11,330
Liabilities	2,031,999.00	2,791
Total	**63,111,968.00**	**80,763**
Resulting deferred taxes on 31.12. (25%)	**15,777,992.00**	**20,191**

The deferred taxes developed as follows:

	2021	2020
	€	T€
Balance on 1.1.	**20,190,809.00**	**10,797**
Distribution according to Sec 906 (34) UGB	0.00	6,828
Change in profit or loss	-4,412,817.00	2,556
Balance on 31.12.	**15,777,992.00**	**10,797**

EQUITY

The fully paid-in share capital amounts to € 110,000,000.00 and is divided into 109,999,997 no-par bearer shares and three registered shares.

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 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, in accordance with Article 9 Para 1 of the Societas Europaea Regulation (SE-VO) in conjunction with Section 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 nominal value of the own shares was reclassified from share capital to committed capital reserves.

PROVISIONS

Other provisions were made for profit sharing, investment risks and claims.

ACCOUNTS PAYABLE

Payables to subsidiaries involve liabilities from cash-clearing, routine clearing and clearing of tax allocation.

The item "Other payables" includes expenses in the amount of € 3,409,667.44 (previous year: T€ 3,613) which will be cash effective after the balance sheet date.

CONTINGENT LIABILITIES

	31.12.2021 €	31.12.2020 T€
Sureties/Guarantees	145,287,566.75	51,148
Declarations of patronage	0.00	4,351
Cash-Clearing Liabilities	1,266,505,079.20	1,239,658
Total	**1,411,792,645.95**	**1,294,156**
thereof with subsidiaries	1,341,799,789.72	1,263,602

In the 2020 financial year, the company issued an irrevocable, unconditional, unrestricted and unlimited warranty statement to secure any payment obligations of the cash pooling participants towards STRABAG BRVZ GmbH, Spittal an der Drau. The total amount of the obligations of the cash pooling participants towards STRABAG BRVZ GmbH as of 31 December 2021 is € 517,590,251.83 (previous year: T€ 620,941).

In addition, the company issued a hard, unlimited declaration of patronage in the 2020 financial year to cover all obligations of STRABAG BRVZ GmbH, Spittal an der Drau, toward the participants from cash pooling. The obligations of STRABAG BRVZ GmbH from the cash pooling as of 31 December 2021 amount to € 748,914,827.37 (previous year: T€ 617,716).

Furthermore performance bonds in the amount of € 688,244,502.61 (previous year: T€ 676,144) exist for construction projects of subsidiaries.

Due to long-term rentals, letting and leasing, the use of property, plant and equipment not shown in the balance sheet results in an obligation of € 7,467,660.72 (previous year: T€ 7,237) for the 2022 financial year. The sum of all obligations for the next five years is € 37,338,303.60 (previous year: T€ 36,187).

IV. Notes to the income statement

REVENUES (SALES)

	2021 €	2020 T€
Domestic revenue	36,007,532.50	33,783
Foreign revenue	34,581,204.42	34,436
Total	**70,588,736.92**	**68,219**

The revenue, which mostly involves the clearing of intra-group allocations as well as the pass-through of guarantee fees, insurance and rental costs, is generated domestically and abroad.

EMPLOYEE BENEFITS EXPENSE

The company employed on the average 6 employees during the year (previous year: 6 employees).

The salaries of the Management Board members in the 2021 financial year amounted to T€ 9,815 (previous year: T€ 9,817).

In the financial year, a member of the Management Board received an annual pension benefit of T€ 76 (previous year: T€ 0) from his previous activity in a group company.

OTHER OPERATING EXPENSES

Supervisory Board member salaries in the period under review amounted to € 270,000.00 (previous year: T€ 270). [7]

The other operating expenses reported mainly include surety fees, legal and advisory costs, travel and advertising costs, insurance costs and other general administrative expenses.

V. Additional disclosures

EVENTS AFTER THE REPORTING PERIOD

In the third reading at the Austrian National Council on 20. January 2022 a reduction in the corporate tax rate to 24% from 2023 and to 23% from 2024 was decided. This will affect the measurement of deferred taxes in subsequent years.

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 Moldova.

STRABAG has no business activities in Ukraine itself. As far as STRABAG's business in Russia is concerned – of only subordinate importance with 0.3 % of the group's output volume – the Management Board has decided to wind up the activities in that country.

Indirect repercussions – including for construction materials – can already be observed on the global markets, with price increases currently even more dynamic than in the previous year. STRABAG is closely monitoring all relevant developments. An initial assessment of these impacts varies from country to country and from division to division. The Management Board is still keeping to its target of achieving at least 4% EBIT margin on a sustainable basis from 2022 onwards.

Oleg Deripaska indirectly holds less than 50 % of the STRABAG SE shareholder MKAO "Rasperia Trading Limited" (share: 27.8 %), although he still controls Rasperia. Sanctions were imposed on numerous individuals, including Oleg Deripaska, by the United Kingdom, Canada, Australia, Switzerland and the European Union in response to the Russian invasion, in addition to the sanctions imposed on him by the United States in 2018. No sanctions have been imposed on STRABAG and doing business with STRABAG does not constitute a violation of the sanctions. STRABAG is complying with all applicable legal requirements and sanctions regulations.

On 15 March 2022, STRABAG shareholder Haselsteiner Familien-Privatstiftung informed the company that it had terminated the shareholder syndicate agreement in place with the UNIQA Group, the Raiffeisen Group and Rasperia. As a result, the agreement expires at the end of 2022, thereby ending joint control of the company.

To avert any potential harm to the company, the Management Board of STRABAG SE subsequently decided to withhold dividend payments to Rasperia as long as any risk of sanctions cannot be excluded.

On 13 April 2022, The Management Board of STRABAG SE resolved to comply with the request made by the shareholder Haselsteiner Familien-Privatstiftung pursuant to Sec 105 Para 3 of the Austrian Stock Corporation Act (AktG) to convene an Extraordinary General Meeting for 5 May 2022.

The sole item on the agenda was the resolution regarding the recall of the Supervisory Board member Dr. Hermann Melnikov, who was elected by the Annual General Meeting, and of Supervisory Board member Thomas Bull, who was delegated by the holder of registered share no. 2. Both Supervisory Board members are associated with the shareholder MKAO Rasperia Trading Ltd., which is controlled by Oleg Deripaska.

[7] The figures deviate from the values published in the previous year because the remuneration was changed at the 17th Annual General Meeting on June 18, 2021.

The Management Board thus ensures compliance with the EU sanctions imposed on Oleg Deripaska as of 8 April 2022, in particular the “asset freeze”, which blocks the exercise of all rights associated with Rasperia’s STRABAG SE shares. The move will help prevent any possible direct or indirect influence by Oleg Deripaska on STRABAG SE.

This action is also necessary to avoid adverse consequences and damages to the STRABAG SE Group as alone the (indirect) connection to Oleg Deripaska has had a partially negative impact on the group’s business activities since the start of the war against Ukraine.

Dr. Hermann Melnikov resigned from the Supervisory Board of STRABAG SE with effect from 13 April 2022. As a result of Dr. Hermann Melnikov’s resignation, the shareholder Haselsteiner Familien-Privatstiftung has submitted to the company a set of amended draft resolutions for the Extraordinary General Meeting on 5 May 2022.

APPROPRIATION OF NET INCOME

The Management Board proposes to pay out a dividend in the amount of € 2.00 per share for the 2021 financial year.

BOARD AND RELATED PARTY DISCLOSURES

The members of the Management and Supervisory Boards are listed separately (Appendix 3 to the Notes).

An agreement was concluded with STRABAG BRVZ GmbH, Spittal an der Drau, covering financial and management accounting, operating and cost accounting, payroll accounting, cash management, insurance management and facility management.

The company is a group parent under Sec 9 Para 8 of the Austrian Corporate Income Tax Act (KStG) of 1988. Tax adjustments (both positive and negative allocations) between the group parent and the company were arranged in the form of tax allocation agreements.

For the benefit of Mineral Abbau GmbH, Spittal an der Drau, there is a commitment to cover the losses, which may be terminated by giving three months’ notice to the end of the calendar year.

For the benefit of STRABAG AG, Cologne, there is a voluntary transfer of losses as outlined in Sec 302 of the German Stock Corporation Act (dAktG) for the 2021 financial year.

The expenses for the auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, for the financial year amount to T€ 799 (previous year: T€ 828), of which T€ 64 (previous year: T€ 63) are for the audit of the financial statements, T€ 682 (previous year: T€ 670) for other audit services and T€ 53 (previous year: T€ 95) for miscellaneous services.

In addition, T€ 37 (previous year: T€ 32) were calculated for miscellaneous services to subsidiaries.

Villach, 26 April 2022

The Management Board

Dr. Thomas Birtel m.p.	Mag. Christian Harder m.p.
Klemens Haselsteiner m.p.	Dipl.-Ing. Dr. Peter Krammer m.p.
Dipl.-Ing. Siegfried Wanker m.p.	Dipl.-Ing. (FH) Alfred Watzl m.p.

Appendix 1 to the Notes: Statement of changes in non-current assets
Appendix 2 to the Notes: List of participations
Appendix 3 to the Notes: Management and Supervisory Board

Statement of changes in non-current assets as of 31 December 2021

T€	Balance as at 1.1.2021	Acquisition and production costs Additions	Transfers	Disposals	Balance as at 31.12.2021
I. Tangible assets:					
Other facilities, furniture and fixtures and office equipment	1,316,774.44	65,245.97	0.00	63,915.21	1,318,105.20
	1,316,774.44	**65,245.97**	**0.00**	**63,915.21**	**1,318,105.20**
II. Financial assets:					
1. Investments in subsidiaries	2,737,978,486.44	1,648,680.01	0.00	0.00	2,739,627,166.45
2. Investments in participation companies	37,165,780.65	750,835.75	0.00	2,625,932.83	35,290,683.57
3. Loans to participation companies	85,549,298.90	3,719,348.97	0.00	5,319,069.41	83,949,578.46
4. Other loans	22,358.35	572.13	0.00	0.00	22,930.48
	2,860,715,924.34	**6,119,436.86**	**0.00**	**7,945,002.24**	**2,858,890,358.96**
Group	**2,862,032,698.78**	**6,184,682.83**	**0.00**	**8,008,917.45**	**2,860,208,464.16**

Accumulated depreciation						Carrying amounts	
Balance as at 1.1.2021	Additions	Reversal of impairment losses	Transfers	Disposals	Balance as at 31.12.2021	Carrying amount 31.12.2021	Carrying amount 31.12.2020
309,915.66	21,874.97	0.00	0.00	63,915.21	267,875.42	1,050,229.78	1,006,858.78
309,915.66	**21,874.97**	**0.00**	**0.00**	**63,915.21**	**267,875.42**	**1,050,229.78**	**1,006,858.78**
208,873,703.09	1,646,122.34	500,000.00	0.00	0.00	210,019,825.43	2,529,607,341.02	2,529,104,783.35
12,468,612.28	0.00	0.00	0.00	1,317,603.28	11,151,009.00	24,139,674.57	24,697,168.37
0.00	0.00	0.00	0.00	0.00	0.00	83,949,578.46	85,549,298.90
0.00	0.00	0.00	0.00	0.00	0.00	22,930.48	22,358.35
221,342,315.37	**1,646,122.34**	**500,000.00**	**0.00**	**1,317,603.28**	**221,170,834.43**	**2,637,719,524.53**	**2,639,373,608.97**
221,652,231.03	**1,667,997.31**	**500,000.00**	**0.00**	**1,381,518.49**	**221,438,709.85**	**2,638,769,754.31**	**2,640,380,467.75**

List of participations

(20.00 % interest minimum)	Interest	Equity/ negative equity[1]	Result of the financial year[2]
Name and residence of the company:	**%**	**T€**	**T€**
Investments in subsidiaries:			
"A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH", Spittal an der Drau	100.00	13,142	4,622
"SBS Strabag Bau Holding Service GmbH", Spittal an der Drau	100.00	304,141	20,745
"Strabag Azerbaijan" Limited Liability Company, Baku	100.00	1,218	-364
"Strabag" d.o.o. Podgorica, Podgorica	100.00	6,219	-30
Asphalt & Beton GmbH, Spittal an der Drau	100.00	9,110	1,281
Bau Holding Beteiligungs GmbH, Spittal an der Drau	65.00	1,342,383	102,437
BHG Sp. z o.o., Pruszkow	100.00	3,790	711
CML Construction Services AB, Stockholm	100.00	5	1
CML Construction Services, Antwerpen	100.00	55	7
CML Construction Services A/S, Trige	100.00	85	31
CML Construction Services d.o.o. Beograd, Belgrade	100.00	114	33
CML CONSTRUCTION SERVICES d.o.o., Zagreb	100.00	179	30
CML Construction Services EOOD, Sofia	100.00	3	0
CML Construction Services GmbH, Cologne	100.00	283	210
CML Construction Services GmbH, Schlieren	100.00	134	14
CML Construction Services GmbH, Vienna	100.00	405	182
CML CONSTRUCTION SERVICES LIMITED, London	100.00	-61	-61
CML CONSTRUCTION SERVICES Sp. z o.o., Pruszkow	100.00	475	89
CML CONSTRUCTION SERVICE S.R.L., Bologna	100.00	24	12
CML CONSTRUCTION SERVICES s. r. o., Bratislava	100.00	153	25
CML CONSTRUCTION SERVICES s.r.o., Prague	100.00	147	52
CML Construction Services Zrt., Budapest	100.00	258	35
DC1 Immo GmbH, Vienna	100.00	647	630
DRP, d.o.o., Ljubljana	100.00	-8,431	0
ERRICHTUNGSGESELLSCHAFT STRABAG SLOVENSKO s.r.o., Bratislava-Ruzinov	100.00	8,064	359
Erste Nordsee-Offshore-Holding GmbH, Vienna	51.00	3,927	4,335
KMG - KLIPLEV MOTORWAY GROUP A/S, Aarhus	100.00	2,125	363
Mazowieckie Asfalty Sp. z o.o., Pruszkow	100.00	-32 [3]	-2 [3]
Mikrobiologische Abfallbehandlungs GmbH, Schwadorf	51.00	397 [3]	217 [3]
Mineral Abbau GmbH, Spittal an der Drau	100.00	12,587	3,033
OOO "CML", Moscow	100.00	332	9
PRZEDSIEBIORSTWO ROBOT DROGOWYCH SPOLKA Z OGRANICZONA ODPOWI W LIKWIDACJI, Choszczno	100.00	[4]	[4]
SAT REABILITARE RECICLARE SRL, Cluj-Napoca	100.00	2,376	321
SAT SANIRANJE cesta d.o.o., Zagreb	100.00	412	-3
SAT SLOVENSKO s.r.o., Bratislava	100.00	2,372	290
SF Bau vier GmbH, Vienna	100.00	2,779	-5
STRABAG A/S, Aarhus	100.00	11	-53
STRABAG AG, Schlieren	100.00	-31,207	-3,932
STRABAG AG, Cologne	100.00	1,428,506	182,933
STRABAG Infrastruktur Development, Moscow	100.00	179	121
STRABAG Oy, Helsinki	100.00	44	-287
STRABAG Real Estate GmbH, Cologne	28.40	182,204	63,838
Strabag RS d.o.o., Banja Luka	100.00	-753	-25
STRABAG Sh.p.k., Tirana	100.00	[4]	[4]
STRABAG Silnice a.s., Prague	100.00	2,646	-18
TECH GATE VIENNA Wissenschafts- und Technologiepark GmbH, Vienna	94.00	6,568	2,037
TPA GmbH, Cologne	100.00	1,720	538
Zweite Nordsee-Offshore-Holding GmbH, Vienna	51.00	-9,062	-1,930

1 according to Parra 224 Sec 3 UGB
2 net income/loss of the year
3 Financial statements as of 31.12.2020
4 no statement according to Para 242 Sec 2 UGB

Name and residence of the company:	Interest %	Equity/ negative equity[1] T€	Result of the financial year[2] T€
Investments in participation companies:			
A-Lanes A15 Holding B.V., Nieuwegein	24.00	[4]	[4]
ASAMER Baustoff Holding Wien GmbH, Vienna	20.93	[4]	[4]
ASAMER Baustoff Holding Wien GmbH & Co.KG, Vienna	20.93	[4]	[4]
Klinik für Psychosomatik und psychiatrische Rehabilitation GmbH, Spittal an der Drau	30.00	[4]	[4]
Prottelith Produktionsgesellschaft mbH, Liebenfels	24.00	[4]	[4]
SHKK-Rehabilitations GmbH, Vienna	50.00	[4]	[4]
SOCIETATEA COMPANIILOR HOTELIERE GRAND SRL, Bucharest	35.31	[4]	[4]
SRK Kliniken Beteiligungs GmbH, Vienna	25.00	[4]	[4]
Straktor Bau Aktien Gesellschaft, Kifisia	50.00	[4]	[4]
Syrena Immobilien Holding Aktiengesellschaft, Spittal an der Drau	50.00	[4]	[4]

1 according to Parra 224 Sec 3 UGB
2 net income/loss of the year
3 Financial statements as of 31.12.2020
4 no statement according to Para 242 Sec 2 UGB

Management and Supervisory Board

Management Board:

Dr. Thomas B i r t e l (CEO)

Mag. Christian H a r d e r

Klemens H a s e l s t e i n e r

Dipl.-Ing. Dr. Peter K r a m m e r

Dipl.-Ing. Siegfried W a n k e r

Dipl.-Ing. (FH) Alfred W a t z l

Supervisory Board:

Dr. Alfred G u s e n b a u e r (Chairman)

Mag. Erwin H a m e s e d e r (Vice Chairman)

Dr. Andreas B r a n d s t e t t e r

Thomas B u l l

Mag. Kerstin G e l b m a n n

Dr. Hermann M e l n i k o v (from 18.6.2021 until 13.4.2022)

Ksenia M e l n i k o v a (until 18.6.2021)

Dipl.-Ing. Andreas B a t k e (works council)

Miroslav Č e r v e n ý (works council)

Magdolna P. G y u l a l n é (works council)

Georg H i n t e r s c h u s t e r (works council)

Wolfgang K r e i s (works council)

GROUP MANAGEMENT REPORT

Important events

JANUARY

STRABAG-consortium wins € 246 million infrastructure contract in Hungary

A consortium, consisting of STRABAG Építő Kft. (50.12 %) and Duna Aszfalt Zrt., will complete the 20 km gap of the Hungarian M6 motorway between Bóly und Ivándárda on the Croatian border. The project entails, among other things, the construction of three junctions, 16 bridges and a service area. The project is scheduled to be completed within 36 months.

STRABAG und JOHANN BUNTE started the year in Germany with a major new contract

The joint venture A1 Lohne Bramsche kicked off the new year with the acquisition of a large project in transportation infrastructures. The Federal Republic of Germany, represented by Die Autobahn GmbH des Bundes, commissioned a joint venture consisting of STRABAG AG (50 %) and JOHANN BUNTE Bauunternehmung GmbH & Co. KG (50 %) with the widening of the A1 motorway in Lower Saxony over a distance of around 29.5 km under a so-called function-based construction contract (FBV). The approx. € 600 million contract also includes structural maintenance over a period of 30 years. Construction started on 1 February and will be carried out under traffic. Completion of the motorway section is scheduled for mid-25.

Widening of the A1 motorway.

FEBRUARY

Germany's largest micro-apartment project in Frankfurt

STRABAG Group company Ed. Züblin AG was commissioned by client iLive Commerz Real Campus Zwei GmbH to build an eight-storey residential complex with a gross floor area of 49,500 m² in Frankfurt's Nordend district. When completed, the student housing complex, which will feature 1,158 flats and has a contract value of around € 83 million, will be the largest of its kind in Germany.

APRIL

Major motorway contract in Poland

The group's Polish subsidiary was awarded the € 153 million design-and-build contract by the country's General Directorate for National Roads and Motorways (GDDKiA). The 18.75 km section of the A2 between Siedlce West and Malinowiec is to be completed by the end of 2024.

ZÜBLIN to design and build new public administration centre for Dresden


Administration centre for Dresden.

STRABAG subsidiary Ed. Züblin AG and Dreßler Bau GmbH are working together as management contractors in a consortium to realise the new public administration headquarters in the heart of Dresden. The design-and-build contract, which will leave its mark on the Dresden cityscape, was awarded by Kommunale Immobilien Dresden GmbH & Co. KG with a fixed lump sum price of € 116 million. The project is based on a design by the architectural firms Barcode Architects (Rotterdam) and Tchoban Voss Architekten (Hamburg/ Dresden). The consortium of ZÜBLIN (66 %) and Dreßler Bau (34 %) will realise the striking 33 metre administration building at Ferdinandplatz within a period of about four years. The new public administration centre will have a gross floor area of 33,500 m² distributed over seven above-ground floors with an asymmetrical floor plan and two underground parking levels. Completion is scheduled for the end of March 2025. The project will be preceded by archaeological excavations commissioned by the city of Dresden.

MAY

Expanding subway in Canada for approx. € 500 million

The Canadian subsidiary of STRABAG was awarded the contract for the Advance Tunnel Project for the Scarborough Subway Extension (Line 2) in Toronto. The approx. € 500 million (CAD 757 million) contract is being executed under a Design Build Finance model which started in May 2021 and is expected to be completed by autumn 2024. The 7.8 km extension will run underground for its entire length. The contract includes one launch shaft, one extraction shaft, five headwalls for future stations and 14 headwalls for future emergency evacuation buildings. The tunnelling works will be performed using a tunnel boring machine with a diameter of 11.87 m.

Tunnel boring machine Diggy Scardust.

Shipbuilding facility for ThyssenKrupp Marine Systems in Kiel

On behalf of ThyssenKrupp Marine Systems GmbH the STRABAG subsidiary Züblin was commissioned to complete a new shipbuilding facility with integrated seven-storey office building in Kiel. The contract value is in the high double-digit million-euro range. Following the start of construction in May 2021, the new building is scheduled to be completed within around two years and handed over ready for use at the end of June 2023. With the new company headquarters at Kieler Förde, ThyssenKrupp Marine Systems intends to significantly expand its production capacities in submarine construction from mid- 2023. The facility is part of a site concept that envisages the implementation of further construction projects at the Kiel shipyard site.

JUNE

STRABAG building bypass road S12 in Poland

STRABAG is further consolidating its strong market position in Poland with a contract worth around € 99 million. The General Directorate for National Roads and Motorways (GDDKiA) has awarded the construction of the 13.6 km Chełm bypass road S12 east of Lublin near the border with Ukraine to STRABAG's Polish subsidiary STRABAG Sp. z o.o. The bypass will be realised as a design-and-build project comprising two carriageways, each with two lanes, as well as four on- and off-ramps and 16 civil engineering structures, including bridges over the Uherka River and the Chełm–Włodawa railroad line, over a length of 13.6 km. The works also include the construction of an expressway service station, local service roads as well as environmental protection and road safety facilities along the entire route. The construction work is expected to take around 36 months.

Last single-track section of railway along the TEN-T network is being expanded in Hungary

STRABAG was awarded the contract to upgrade a 30 km section of railway in south-eastern Hungary via its Hungarian railway construction subsidiary STRABAG Rail Kft. The contract, which is worth a total of € 364 million, will be executed in a consortium with a Hungarian partner (STRABAG share: 66 %). STRABAG is contributing the entire range of the group's services to this infrastructure project. In addition to the track construction work, the contract also includes the overhead lines, the safety and signalling systems, the modification of three stations, including park and ride facilities, as well as road construction and civil engineering works. The construction phase is scheduled for 33 months.

JULY

Motorway connection for Romanian economic centre Oradea

The Romanian subsidiary of STRABAG was awarded a large-scale contract worth around € 111 million by Romania's National Company for Road Infrastructure Administration (CNAIR). Within a construction period of 24 months, STRABAG will build the link between the city of Oradea and the A3 motorway with a length of 18.96 km.

STRABAG acquired two metro projects in Prague

A consortium consisting of STRABAG a.s. and AŽD Praha s.r.o. was awarded the contract for the modernisation of the Jiřího z Poděbrad metro station in the centre of Prague. The order value is € 50 million (STRABAG share 65%). An international consortium with the participation of the two group companies STRABAG a.s. and Ed. Züblin AG (share: 25 %) started work on the first section of the Prague Metro's new Line D at the end of 2021. The geological conditions and the execution of tunnelling works in the densely built urban area pose the greatest challenge. STRABAG had already been involved in the preliminary geological explorations.

AUGUST

Contract for large-scale project A8 motorway Enz Valley crossing

Large-scale project Enz Valley crossing

Germany's federal motorway company, Die Autobahn GmbH des Bundes, awarded to STRABAG the contract for the six-lane expansion of the A8 motorway in the Enz Valley near Pforzheim, Germany. The contract for the complex infrastructure project on the main corridor between Karlsruhe and Stuttgart is worth more than € 100 million. In addition to the widening of a 4.8 km long section of motorway between the Pforzheim-Nord and Pforzheim-Süd interchanges, the project also includes the construction of a total of six bridges and underpasses as well as the realisation of extensive noise protection measures. Lead contractor STRABAG GmbH is supported in its work by teams from Ed. Züblin AG and Züblin Spezialtiefbau GmbH. The entire project is expected to be completed by the end of 2026 after about five years of work.

STRABAG modernising technically challenging railway section in the north of the Czech Republic

The Czech subsidiary STRABAG Rail a.s. was awarded the contract as consortium leader (89 %) for the modernisation of the 1.3 km long section of the railway between Děčín východ and Prostřední Žleb stations in Děčín in the north of the Czech Republic near the German border. The contract is worth around € 41.5 million. Construction will be carried out in a consortium with local partner DT Mostárna a.s.

SEPTEMBER

Expansion of Hungarian 67 expressway for € 77 million

The Hungarian subsidiary of STRABAG acquired another infrastructure contract. The existing section of the Látrány bypass on the 67 expressway will be widened to two lanes in each direction and upgraded to a maximum speed of 110 km/h. As a result, the 67 expressway will have four lanes along its entire section from Kaposvár to its junction with the M7 motorway. The contract has a value of approximately € 77 million.

New venue for young artists of the Vienna State Opera

STRABAG was awarded the contract to convert the French Hall of the Vienna Künstlerhaus, Austria, into a new opera venue with up to 279 seats. The Vienna State Opera's new stage for performances and rehearsals is intended especially for young audiences and emerging talents. The project is being carried out under a public-private partnership arrangement. The project partners of the Vienna State Opera are Künstlerhausbesitz und -betriebs GmbH (KBBG), STRABAG SE Haselsteiner Familien-Privatstiftung and the Austrian Federal Ministry of Arts and Culture, Civil Service and Sport. According to the current planning, the total project costs come to € 20.5 million.

Of this amount, the federal ministry is contributing € 5 million in the form of a grant, € 10 million is being provided by STRABAG through sponsoring, while the remaining € 5.5 million is being financed by the Haselsteiner Familien-Privatstiftung.

OCTOBER

STRABAG Camp[us] Ybbs: Austria's most modern apprenticeship training

STRABAG opened its new training centre in Ybbs after just one year of construction. It will provide training to around 250 apprentices from all over Austria every year. STRABAG invested a total of around € 10 million in the new facility.

STRABAG Camp[us] Ybbs

Antitrust fine imposed on STRABAG Group companies

As expected, the Austrian Cartel Court imposed a fine of € 45.37 million on two STRABAG Group companies, confirming the amount requested by the Federal Competition Authority (BWB). In July 2021, STRABAG SE announced that group companies STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG had issued an acknowledgement as part of a settlement in the antitrust proceedings against them, upon which the BWB filed an application with the Cartel Court for a fine. The acknowledgement and the full co-operation with the BWB had a correspondingly positive effect on the amount of the fine.

S19 expressway in the Podlaskie Voivodeship of northern Poland

The local STRABAG subsidiary signed the contract with the Polish General Directorate for National Roads and Motorways (GDDKiA) for the design and construction of a 12 km section of the S19 expressway. The new section of the S19 will run from Bielsk Podlaski West to Boćki. In September 2021, STRABAG also signed a contract for the design and construction of the subsequent section from Boćki to Malewice. The company will therefore be realising a total of 28 km of the S19. The contract has a value of approximately € 67.5 million (PLN 309.350 million). Construction is scheduled to be completed in the second quarter of 2025.

Austria's first building using 3D printing technology

STRABAG, together with PERI, the formwork and scaffolding manufacturer and a pioneer in 3D concrete printing, realised a roughly 125 m² office building next to its asphalt mixing plant in Hausleiten, Austria. The special dry mortar for the construction 3D printing project, with long workability and good pumpability, was supplied by Lafarge. Construction 3D printing offers several advantages where its use makes technical and financial sense. The COBOD BOD2 gantry printer used in Hausleiten can print concrete at up to one metre per second, which significantly shortens the construction time. The structural works for the building in Hausleiten was completed in around 45 hours of pure printing time. Construction 3D printing also offers significantly more design freedom compared to classic concrete construction, with the possibility of easily creating architecturally complex rounded designs.

Pioneer in concrete printing.

NOVEMBER

STRABAG-subsidiary leads construction of Central Business Tower for Helaba in Frankfurt

Ed. Züblin AG, in a consortium with Dobler Metallbau GmbH, was commissioned to build a prominent 205 m tall office tower for Landesbank Hessen-Thüringen (Helaba) in Frankfurt, Germany. The contract for the turnkey construction of the new building, to be called Central Business Tower, has a volume in the mid three-digit million-euro range. The complex large-scale project designed by KSP Engel is being implemented jointly and in partnership with Helaba using the proven ZÜBLIN teamconcept® partnering approach. The ZÜBLIN teams involved in the project had already provided advice and support to Helaba in the preconstruction design (teamconcept® preconstruction phase) starting in July 2020. Construction of the Central Business Tower, with 52 floors above and five below ground, including a five-storey base building with historic façade, is scheduled to last about six years. The entire project should be completed by early 2028.

Central Business Tower

DECEMBER

Major contract for drinking water treatment plant in Ghana

STRABAG was awarded a contract by Ghana Water Company Limited for the construction of a drinking water treatment plant for the twin cities of Sekondi-Takoradi. The design-and-build contract has a value of approximately € 70 million and a term of 40 months. STRABAG will then operate and maintain the plant and train the local staff during the warranty period. The new drinking water treatment plant, which replaces the old plant that has been in operation since 1961, is based on a robust and efficient state-of-the-art process technology that STRABAG has already successfully implemented several times before. The plant will be able to feed 100,000 m³ of drinking water per day into the existing network. The project is being handled via export financing. The combined export guarantee protects against economic and political risks.

Vienna office building Square One verified according to EU taxonomy

The Austrian Sustainable Building Council (ÖGNI) verified the Vienna office building Square One, a development of STRABAG Real Estate (SRE), as EU taxonomy-compliant. It is the crowning achievement for the property, which was completed in 2017 and has already been certified with ÖGNI/DGNB Platinum, and proof of an ambitious sustainability strategy. The EU Taxonomy regulations for Sustainable Activities, which has been in force since July 2020, aims to define environmentally sustainable activities as a means of promoting sustainable investments. The fact that the verification of the building developed by SRE occurs four years after completion is due to the nature of the procedure. Also existing buildings can meet or exceed the sustainability criteria of the "climate change mitigation" and "adaptation" categories.

Country report

DIVERSIFYING THE COUNTRY RISK

STRABAG sees itself as a European construction company with a strong focus on Central and Eastern Europe. A dense network of numerous subsidiaries in many European countries and on other continents is helping to expand 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. 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 SE Group recorded a 4 % higher output of € 16,128.92 million in the 2021 financial year. This is mainly due to a 10 % upturn in the home market of Austria following the negative business development in the same period of the previous year as a result of the temporary suspension of construction work in the wake of the coronavirus crisis. Growth was also recorded, among other places, in Germany, the Czech Republic and, due to ongoing megaprojects, in the UK.

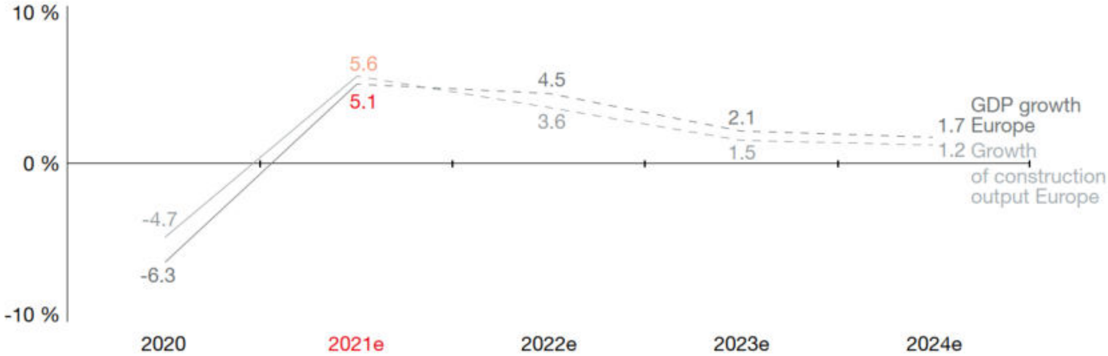
OUTPUT VOLUME BY COUNTRY

€ mln.	2021	% of total output volume 2021[1]	2020	% of total output volume 2020[1]	▲ %	▲ absolute
Germany	7,462	46	7,323	47	2	139
Austria	2,694	17	2,460	16	10	234
Poland	1,152	7	1,183	8	-3	-31
Czech Republic	948	6	826	5	15	122
Hungary	652	4	671	4	-3	-19
Americas	482	3	494	3	-2	-12
United Kingdom	390	2	226	1	73	164
Slovakia	289	2	297	2	-3	-8
Romania	264	2	250	2	6	14
Benelux	233	1	262	2	-11	-29
Middle East	203	1	119	1	71	84
Switzerland	192	1	220	1	-13	-28
Croatia	177	1	172	1	3	5
Serbia	155	1	158	1	-2	-3
Asia	145	1	117	1	24	28
Rest of Europe	136	1	159	1	-14	-23
Sweden	121	1	160	1	-24	-39
Denmark	109	1	76	0	43	33
Slovenia	104	1	59	0	76	45
Bulgaria	82	1	65	0	26	17
Italy	58	0	52	0	12	6
Russia	46	0	52	0	-12	-6
Africa	35	0	46	0	-24	-11
Total	**16,129**	**100**	**15,447**	**100**	**4**	**682**

1 Rounding differences are possible.

GLOBAL ECONOMY SHOWS RESILIENCE[1]

GROWTH COMPARISON CONSTRUCTION VS. GDP EUROPE



Following the pandemic-related slump in 2020, the global economy entered a remarkable recovery phase in 2021 with a momentum that is likely to continue into 2022 to some extent. On the one hand, inflationary pressures are proving to be much stronger and more persistent than previously expected. Labour shortages, rising energy and raw materials prices, as well as disrupted supply chains and bottlenecks for key production inputs are also hampering growth and increasing cost pressures. On the other hand, central bank interventions and public-sector stimulus packages are supporting the recovery. Nevertheless, novel covid variants and the general unwillingness among the industrialised nations to engage in a coordinated global vaccination effort could weaken this momentum. In the event that pandemic-related government aid is slowly scaled back, it will remain important to continue to support the economy through public spending. The composition of this spending must adapt to create room for long-term investment, however, as this is the only way to enable the far-reaching economic transformation that will be necessary to achieve the energy transition.

The OECD expects the global economy to grow by 5.6 % in 2021 and by 4.5 % in 2022. A slight slowdown to 3.2 % is expected in 2023, which roughly corresponds to the pace of growth before the pandemic.

For the EU, the OECD forecasts only slightly lower growth of 5.2 % in 2021, with a plus of 4.3 % expected in 2022. The gross domestic product of the 19 Euroconstruct countries reached a plus of 5.1 % in 2021. The national rates vary greatly, with growth ranging from 2.5 % to 15.6 %. In 2022, economic growth in the EC-19-region is expected to again reach 4.5 %.

Any potential impacts from Russia's war against Ukraine on output, revenue and earnings in the 2022 financial year have not yet been taken into account, as these could not yet be quantified at the beginning of April 2022.

CLEAR RECOVERY IN THE CONSTRUCTION SECTOR

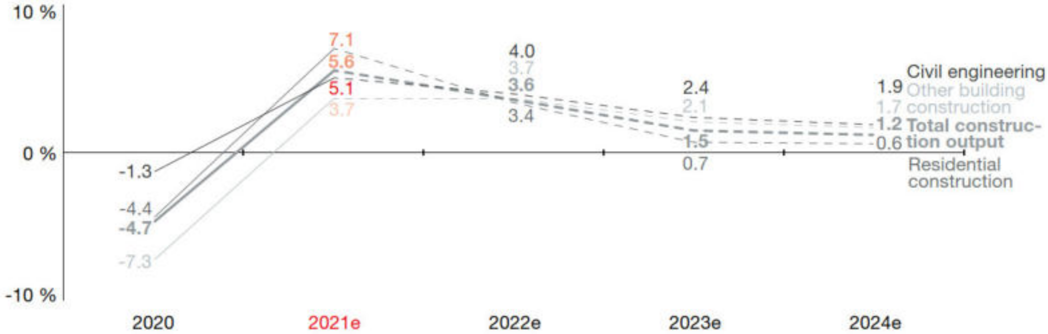
The construction industry in the 19 Euroconstruct countries was able to make up for the crisis-related decline in 2020 (-4.7 %) with growth of 5.6 % in 2021. The national economies recovered from the crisis more quickly than expected, with the construction sector playing a not insignificant role in this process. Additional infrastructure financing and aggressive stimulus packages for residential construction proved effective and boosted construction investments in the European markets. The recovery was reflected in all sectors of the construction industry, most strongly in residential construction with +7.1 %, followed by civil engineering with +5.1 % and other building construction with +3.7 %. Of the "big five" countries, Italy recorded the strongest growth with a plus of 15.1 %. The German construction sector proved to be relatively stable: Despite the negative growth of 0.7 % in 2021, the sector was able to continue its stagnant – and not downward – trend from 2020. Denmark, Sweden, Finland and Portugal even managed to grow in both of the crisis years. Slovakia suffered the greatest slump if the two years are taken together. The development of the total construction output of the 19 Euroconstruct countries from 2019 to 2022 corresponds to a V-shaped

[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 2021 reports. The indicated market share data are based on the data from the year 2020.

curve, with 2020 forming the lowest point and a recovery starting in 2021 of +5.6 %. Depending on the still uncertain development of the Covid-19 pandemic, construction output is expected to be +3.6 % in 2022 before returning to pre-crisis levels in 2023 and 2024 with +1.5 % and +1.2 %, respectively.

RESIDENTIAL CONSTRUCTION AS DRIVING SECTOR AHEAD OF CIVIL ENGINEERING AND OTHER BUILDING CONSTRUCTION

GROWTH COMPARISON CONSTRUCTION SECTOR EUROPE

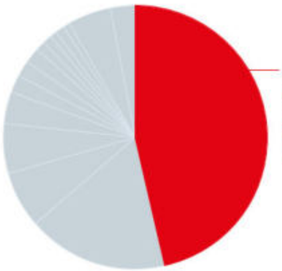


Residential construction, which accounts for almost half of the total European construction output, grew by 7.1 % to € 839.5 billion in 2021. In absolute terms, Germany and France were again in the lead, followed by the UK and Italy. Forecasts, which involve some uncertainty due to the impact of the Covid-19 pandemic, predict growth averaging 3.4 % in 2022. In 2023, investment in residential construction is expected to grow by only 0.7 %.

Other building construction, responsible for almost one third of the European construction volume in 2021, increased by 3.7 % with construction output of € 523.3 billion. On a country-by-country basis, Germany was the largest market for other building construction, followed by the UK, France and Italy. The strongest growth in 2021 was seen in Belgium, Italy, Hungary and Austria, while the biggest downturn was in Slovakia. Euroconstruct again forecasts growth of 3.7 % for this sector in 2022, with +2.1 % and +1.7 % for the following years.

Civil engineering generated a construction output of € 377.6 billion in 2021, 5.1 % above the previous year's value. This sector accounts for around 20 % of the European construction volume. In 2021, the situation was once again highly heterogeneous. While the UK, Norway, Italy and Belgium saw strong investment growth of between 8 % and 17.5 %, other countries were still far from reaching their pre-crisis levels. The forecast for the sector predicts a growth rate of 4.0 % for 2022, 2.4 % for 2023 and 1.9 % for 2024. Almost half of the construction output in civil engineering currently flows into road and railway networks. Increasing importance is attached to the energy sector, which exceeded investments in railway networks for the first time in 2021.

GERMANY



Overall construction volume: € 396.6 billion
GDP growth: 2021e: 2.5 %/2022e: 4.5 %
Construction growth: 2021e: -0.7 %/2022e: 1.1 %

The German economy has weathered the Covid-19 crisis quite well. A multitude of state aid measures for companies helped to stabilise the situation. At the same time, however, the strong increase in energy prices strained the private households and led to an increased inflation rate, which in turn resulted in above-average wage increases in individual sectors. Euroconstruct expects GDP growth of around 2.5 % in 2021. Catch-up effects in investment and private consumption are expected to lead to a strong increase of 4.5 % in 2022. In the medium term, growth should then level off again at between 1.0 % and 1.5 % annually.

With a decline in construction output of only 0.7 %, the German construction industry has also come through the crisis well so far. From the second quarter onwards, the sector was confronted not only with a shortage of skilled workers but also with unexpected supply bottlenecks for building materials and associated price increases. For all sectors of the construction industry, an end to real growth is only expected in the medium term, regardless of the short-term ups and downs triggered by the Covid-19 crisis.

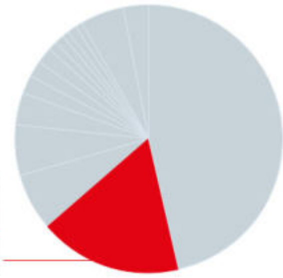
In residential construction, the volume increased only slightly by 0.5 %. The sector is currently still benefitting from low interest rates and the lack of investment alternatives. For the entire construction sector, Euroconstruct still expects a slight increase of 1.1 % and 0.2 % in 2022 and 2023, respectively, and a decline of 0.1 % in 2024.

Other building construction, which contracted by 2.7 % in 2021, increasingly suffered from economic uncertainty and investment restraint on the part of private enterprises and the public sector. In this segment, too, investment caution was exacerbated by price increases for building materials due to temporary supply bottlenecks. Euroconstruct therefore sees only a slight plus of 0.7 % and 0.9 % for the sector in 2022 and 2023, respectively, and a plus of just 0.1 % for 2024.

The civil engineering sector recorded a slight decline of 1.5 % in 2021. This development was essentially still supported by the long-term state investment programmes in railway and road infrastructure. The energy sector experienced new tailwind from investments in power plants based on renewable energies. A slight increase of 0.2 % is expected for 2022 with a plus of 1.2 % and 0.3 % in the following years.

The STRABAG Group has a market share of 1.8 % of the total construction market in Germany. Its 15.0 % share of the German road construction sector is significantly higher than that of the market as a whole. With € 7,461.73 million, around 46 % of STRABAG's total group output volume was generated in Germany in 2021 (2020: 47 %). 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:	€ 45.8 billion
GDP growth:	2021e: 4.4 % / 2022e: 4.8 %
Construction growth:	2021e: 5.4 % / 2022e: 2.6 %

Following the sharp decline in 2020 due to the Covid-19 crisis, the Austrian economy experienced a significant recovery in 2021 with a plus of 4.4 %. This development was primarily driven by exports and by public and private consumption. The rapid recovery of the service sector during the summer months also contributed to growth. The positive trend was further reflected in the labour market. The momentum was curbed by increased energy prices and a higher rate of inflation. For 2022, Euroconstruct predicts another strong plus of 4.8 % for the Austrian economy due to further catch-up effects, with +2.3 % and +1.9 % expected for 2023 and 2024, respectively.

The Austrian construction industry recovered quickly from the crisis. The decline of 2020 (-3.7 %) was not only offset but significantly overcompensated by a plus of 5.4 % in 2021. This is remarkable insofar as construction output in Austria was strongly affected by material and supply bottlenecks. In total, construction output is expected to grow by 2.6 % in 2022, then by just under 2.0 % in 2023 and 2024.

The main growth driver in recent years has been residential construction, supported by favourable financing costs. The unabated demand for residential property led to a solid plus of 3.2 % in this sector in 2021. As the continued positive trend in building permits shows, the lack of investment alternatives and the uncertainty during the Covid-19 crisis are likely to have triggered additional demand. Euroconstruct forecasts continued growth of 2.2 % for 2022, 1.7 % for 2023 and 1.5 % for 2024.

In other building construction, the dynamic growth of 8.0 % almost completely compensated for the strong decline of 8.6 % in the previous year. The sharpest declines during the crisis were recorded in industrial and commercial buildings, and most recently also in the hotel and tourism sectors. The expansion in the volume of educational buildings was somewhat dampened but is expected to maintain the same level in the coming years. Overall, the solid growth in construction output in other building construction should continue in 2022 with a plus of 3.5 %. Euroconstruct then expects to see +2.7 % for 2023 and +2.2 % for 2024.

Relatively unimpressed by the Covid-19 context, civil engineering, which had primarily benefitted from public sector investments in transport infrastructure in the past years, grew with a plus of 5.9 %. The further expansion of the road and especially the rail networks will remain a fixed item in the Austrian budget in the coming years. Investments in a nationwide broadband network as well as construction projects in the energy sector and for environmental protection are gaining in importance. The growth is expected to level off at 1.8 % in 2022, with +0.8 % in 2023 and +1.7 % in 2024.

The STRABAG Group generated 17 % of the total group output volume in its home market of Austria in 2021 (2020: 16 %). Austria thus continues to be one of the group's top three markets along with Germany and Poland. The output reached a volume of € 2,694.31 million in 2021. This gives STRABAG a 5.4 % share of the construction volume in the overall market in Austria. In road construction, the market share stands at 35.9 %.

POLAND

Overall construction volume:	€ 54.9 billion
GDP growth:	2021e: 4.9 % / 2022e: 5.1 %
Construction growth:	2021e: 3.0 % / 2022e: 4.1 %

Poland's economy also recovered relatively quickly from the economic slump caused by the Covid-19 pandemic, recording strong growth of 4.9 % in 2021 thanks to selective measures taken by the government. Supported by the low interest rate policy of Poland's central bank, the development was mainly driven by private consumption and private investments. Moreover, additional funds from the Next Generation EU recovery package have been flowing into the Polish economy since 2021. Due to the strong momentum, Euroconstruct's growth forecasts of +5.1 % for 2022 and +4.3 % for 2023 are also significantly above the average for the EU member states and the eurozone.

The Polish construction industry benefitted from the growth momentum and achieved a solid plus of 3.0 % in 2021. The only sector to decline was other building construction, which fell slightly by 0.8 %. This was offset, however, by a booming residential construction sector and solid development in civil engineering. The good economic data and the rapid implementation of the Next Generation EU package should provide additional stimulus for the growth of the Polish construction industry. At the same time, however, the dispute between the Polish government and the EU regarding the Polish legal system could have a limiting effect on the positive development. Euroconstruct still forecasts strong growth of 4.1 % and 3.8 % for the Polish construction sector in 2022 and 2023, respectively, with a slight slowdown in growth to 1.6 % expected in 2024.

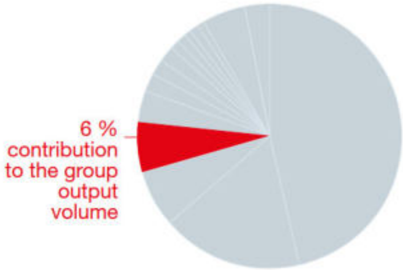
The residential construction sector in Poland boomed in 2021 due to rising incomes, historically low interest rates and a government programme specifically geared towards social housing. The volume of residential construction grew by 7.6 % in the reporting year. Euroconstruct expects a plus of 4.3 % in 2022 and 2.6 % in 2023 before a downward trend with a minus of 1.8 % starts in 2024.

Other building construction was hit hardest by the Covid-19 crisis. Demand for commercial buildings, restaurants and hotels, as well as for tourism and transport services, decreased noticeably. On the other hand, increased demand for warehouses is expected due to flourishing online trade. Expenditure in the healthcare sector is also expected to increase. After a significant decline in construction output in the previous year (-6.7 %), Euroconstruct expects a slight minus of 0.8 % for 2021 before a return to solid growth rates between 3.3 % and 4.6 % in the following years.

The Polish civil engineering sector also grew by 3.3 % in 2021. Significant increases could be seen in bridge construction and tunnelling, and the construction of long-distance pipelines and railway networks also exhibited above-average growth. Increasing public spending on infrastructure projects, especially multi-year government programmes for the construction and modernisation of transport infrastructure, are driving the development of the civil engineering segment in Poland. Euroconstruct therefore forecasts growth of 4.6 % and 4.1 % for 2022 and 2023, respectively, which is expected to weaken slightly to 2.7 % in the following year.

As the number two in the construction sector in Poland, STRABAG realised a construction volume of € 1,152.13 million here in 2021, representing 7 % of the group's total output volume (2020: 8 %). Poland thus represents the third-largest market of the STRABAG Group. Its market share in the entire Polish construction market was 2.2 % and its share of road construction was 12.2 %.

CZECH REPUBLIC



Overall construction volume: € 23.7 billion
GDP growth: 2021e: 3.2 % / 2022e: 4.2 %
Construction growth: 2021e: 0.6 % / 2022e: 1.9 %

The Czech economy recovered from the effects of the pandemic in 2021 with GDP growth of 3.2 % but continues to suffer from post-Covid-19 syndrome. Increased inflation and rising public debt were accompanied by higher energy prices and production declines in industry due to material shortages. Provided the epidemiological situation stabilises, the coming years should bring a return to stable growth. Euroconstruct expects a plus of 4.2 % for 2022, 2.4 % for 2023 and 2.0 % for 2024.

The Czech construction industry recorded a modest increase of 0.6 % in 2021. Following the massive slump in all construction sectors in the previous year, other building construction was the only segment to decline in the year under report. The biggest challenges facing the Czech construction industry, however, lie in structural problems such as the long duration of approval processes and the glaring shortage of labour. In addition, the country, which is almost exclusively dependent on imports for building materials, experienced price increases reminiscent of the communist era. A planned easing of building permits will not be felt until 2023 at the earliest. Euroconstruct forecasts a plus of 1.9 % for the Czech construction industry in 2022, with 2.2 % and 2.0 % for the following years.

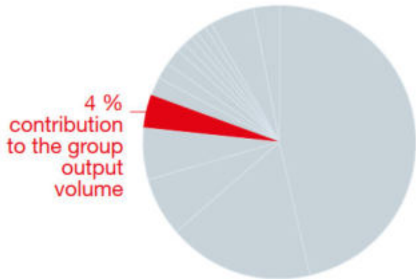
Residential construction, which continued to be characterised by high demand, grew by 1.6 % in 2021. Despite the pandemic, the banking sector registered record levels of real estate lending, as home ownership has a very high social value in the country. On the other hand, there was a shortage of supply in the central areas as well as sluggish construction procedures and further rising prices. In Prague, existing brownfield sites are now to be used specifically for the development of residential and office districts in the coming years. Against this backdrop, Euroconstruct predicts a slight increase of 1.0 % in residential construction for 2022, with growth of 2.5 % and 2.1 % for 2023 and 2024, respectively.

Other building construction was most affected by the Covid-19 crisis. The retail and services sectors were severely restricted by government measures. Government and businesses tried to maintain industrial production, but various private construction projects were postponed until the coming years. Overall, other building construction declined by 2.9 % in 2021. However, the number and volume of building permits issued in 2021 give hope for a rapid recovery. Accordingly, Euroconstruct expects a slight increase of 1.1 % for 2022, with growth of 3.8 % and 3.9 % in the following years.

Despite the pandemic and all other adversities, the Czech civil engineering sector was the most stable in 2021 with growth of 2.8 %. The government, as the largest investor, is trying to strengthen the weakened economy by investing in transport infrastructure and increasing the funds earmarked for this purpose with the help of EU subsidies. As transport construction accounts for about two-thirds of the total civil engineering volume, Euroconstruct expects growth of 3.8 % in 2022, with a slowdown to 0.4 % in 2023 and stagnation at zero growth in 2024.

STRABAG is the number two on the market in the Czech Republic. With an output volume of € 948.02 million in 2021, around 6 % of the group's total output (2020: 5 %) was generated in the country. The market share in the entire construction market is 3.5 % and in road construction amounts to 18.6 %.

HUNGARY



Overall construction volume:	€ 15.9 billion
GDP growth:	2021e: 6.8 % / 2022e: 5.5 %
Construction growth:	2021e: 3.3 % / 2022e: 7.2 %

With a plus of 6.8 %, the growth momentum of the Hungarian economy in 2021 was well above the European average. As the government had failed to agree on national investment programmes for future EU funds, however, Hungary entered the election year without national programmes for the EU reconstruction plan or for the multi-annual EU financial framework for the years 2021–2027. In order to pre-finance EU projects, the government therefore issued bonds of around € 4.5 billion in September. Based on the assumption of unchanged political parameters, Euroconstruct expects GDP growth of 5.5 % in 2022, 3.5 % in 2023 and 3.3 % in 2024.

The Hungarian construction industry recorded a solid plus of 3.3 % in 2021. The positive development was supported by the above-average momentum in other building construction as a result of government spending. Residential construction was also boosted by government measures, including a reduced VAT on home purchases from 27 % to 5 %. The government also established a new green housing loan model, which for the first time correlates the amount of the loan interest with the positive energy balance of the building project. Euroconstruct expects EU funds to start flowing again after the election and therefore forecasts strong growth rates of 7.2 % and 7.1 % for the entire construction sector for 2022 and 2023, respectively. In 2024, this value should be at around +3.4 %.

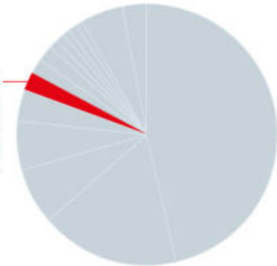
Supported by numerous government measures, residential construction stabilised again in 2021 with a slight plus of 0.7 %. The number of building permits in residential construction increased by 31 % in the reporting year, while construction prices rose by 11 %. Euroconstruct expects positive effects from measures at the EU level, where an energy-saving renovation wave is to be implemented with the recovery plan for Europe in the next ten years. On this basis, the sector is forecast to grow strongly by 11.5 % in 2022, with 2023 and 2024 showing values of +5.9 % and +3.8 %, respectively.

Stimulated by additional impulses from foreign producers settling in Hungary due to government incentives, other building construction increased by a strong 9.5 % despite the crisis. Several construction projects also got underway in the education and health sectors. In addition, the government increased funding from the EU agricultural fund to strengthen rural areas with the equivalent of € 11 billion. For 2022 and 2023, the experts from Euroconstruct predict more moderate growth of 2.9 % and 2.2 %, respectively, with a plus of 1.7 % in 2024.

Civil engineering continued to decline with a minus of 2.5 %. In the medium term, Euroconstruct expects a recovery here as well, provided that the conflict with the European Commission is resolved. Several megaprojects, two of which are financed by a Chinese and a Russian loan each, are nearing implementation. Based on this scenario, Euroconstruct expects very strong growth of 9.8 % and 14.7 % in 2022 and 2023, respectively, followed by a solid plus of 5.1 % in 2024.

The STRABAG Group generated € 651.55 million, or 4 % of its output, in Hungary in 2021 (2020: 4 %). This puts STRABAG in second place in the Hungarian construction market. Its share of the total market reached 4.2 %, that in road construction 16.3 %.

UNITED KINGDOM



Overall construction volume: € 197.7 billion
GDP growth: 2021e: 6.6 % / 2022e: 5.4 %
Construction growth: 2021e: 13.4 % / 2022e: 5.9 %

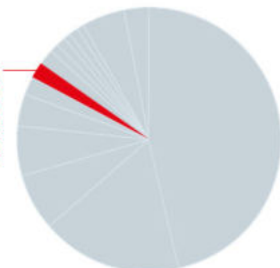
With GDP growth of 6.6 %, the UK economy was not yet able to compensate for the Covid-19-related slump. Supply bottlenecks due to stricter immigration rules following Brexit as well as the reintroduction of tariffs and more bureaucracy exacerbated the situation in the country. Against the backdrop of massive government programmes to boost the economy, Euroconstruct forecasts the UK economy to return to pre-crisis levels in 2022 with growth of 5.4 % before levelling off at 1.8 % in 2023.

Supported by massive government initiatives, the UK construction sector made up for the 2020 decline with a strong increase of 13.4 % in 2021. Residential construction registered record growth of 16.7 % thanks to expected public subsidies in social housing. Euroconstruct predicts an increase of 5.8 % for this segment in 2022, followed by +3.4 % and +2.7 % in 2023 and 2024, respectively.

Other building construction also grew significantly in 2021 with a plus of 7.7 %, though it will not return to pre-crisis levels until the end of 2022 (+7.3 %). The health and warehouse sectors performed particularly well. A plus of 3.4 % and 4.0 % is expected for other building construction in 2023 and 2024, respectively. In part spurred on by the High Speed 2 railway project, being built with the participation of STRABAG, construction output in the country's civil engineering sector reached a record growth of 17.5 %. Euroconstruct forecasts moderate growth of 3.7 % for the segment again in 2022. For 2023 and 2024, a plus of 2.3 % and 3.1 %, respectively, is expected.

The output volume of the STRABAG Group in the UK amounted to € 390.03 million in 2021.

SLOVAKIA



Overall construction volume: € 4.9 billion
GDP growth: 2021e: 3.7 % / 2022e: 4.2 %
Construction growth: 2021e: -6.3 % / 2022e: 5.1 %

Die Slovakia's export-dependent economy recorded a growth of 3.7 % in 2021. The development continued to be driven by private consumption and high net exports as well as the good order situation among the car manufacturers based in the country. However, rising energy prices and increased demand for goods also boosted inflation. Momentum for the labour market and for businesses came mainly from public-sector investments on the basis of EU funding programmes. For 2022 and 2023, a further recovery and growth of 4.2 % and 5.0 %, respectively, are expected. In 2024, growth is likely to level off at 0.7 %.

The Slovak construction industry, which had already grown at a significantly lower rate in previous years, fell by a further 6.3 % in 2021. Reasons for this development included the lack of foreign workers, problems with material procurement and quarantine regulations, but also restraint on the part of private and public clients. For 2022 and 2023, Euroconstruct expects a recovery of +5.1 % and +4.8 %, respectively, before the trend turns down again in 2024 with a minus of 0.5 %.

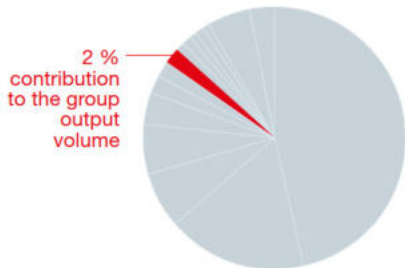
Residential construction, which had suffered a massive slump of 14.5 % in the first year of the pandemic, managed a slight increase of 1.4 % in 2021. For 2022, Euroconstruct expects a somewhat stronger recovery of +4.8 %, with increases of 2.8 % and 1.5 % forecast respectively for 2023 and 2024.

Other building construction was also strongly impacted by the Covid-19 situation. Private investors, as the most important client group, were hit hard by the restrictions, while the public sector re-examined already planned investments in the education and healthcare sectors. Construction and completion delays were the result, so that production in other building construction again fell by 8.5 %. Euroconstruct expects a return to growth of 4.3 % in 2022. For 2023, the sector is predicted to grow strongly by 6.7 % before the growth rate levels off at 3.0 % in 2024.

With a 9.8 % decline in construction output, civil engineering suffered painful losses for the third year in a row in 2021. State funds were not sufficient to finance the existing demand for transport infrastructure, while at the same time long decision-making processes and non-transparent tendering procedures led to delays in the start of construction. In 2022 and 2023, large transport projects in particular should lead to positive growth rates of 6.3 % and 4.5 %, while a decline of 6.4 % is again expected for 2024.

With a market share of 6.1 % and an output volume of € 289.14 million in 2021, STRABAG is the leader in Slovakia. In road construction, STRABAG's share is 13.7 %. In 2021, Slovakia contributed 2 % to the group's total output volume (2020: 2 %).

ROMANIA



Overall construction volume:	€ 23.4 billion
GDP growth:	2021e: 7.0 % / 2022e: 4.6 %
Construction growth:	2021e: -0.3 % / 2022e: 2.4 %

The Romanian economy recovered significantly from the impact of the Covid-19 pandemic in 2021, resulting in a GDP increase of 7.0 %. EEC-FA also forecasts economic growth of 4.6 % and 5.3 % for 2022 and 2023, respectively. While public debt and the national budget deficit will continue to increase, this will be offset by the continuous increase in industrial production and private consumption.

After three years of growth, the construction industry in Romania stagnated at a minus of 0.3 % in 2021. Residential construction stands out especially, as it has been the strongest contributor to the growth of the construction industry for several years due to high demand in this area. This trend could be continued in 2021 with a plus of 4.3 % thanks to historically low interest rates and the recovery on the labour market. Demand has been further bolstered due to concerns over rising inflation and increasing property prices. In the first three quarters of 2021 alone, 28 % more residential building permits were issued than the year before, with a focus on Bucharest. For 2022, EECFA expects a further increase of 3.2 % before the market starts to shrink slightly in 2023 (-1.5 %).

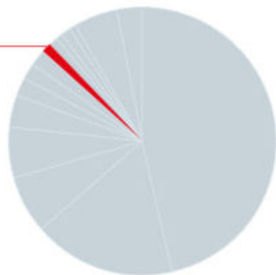
Output in other building construction fell significantly by 7.2 % in 2021. Severe losses were seen in the office segment in particular. Here, the decline in 2021 was as much as 15.9 %. Because of the pandemic, it became increasingly popular for companies to allow their employees to work from home, with a resulting decrease in the demand for office space. Hotel construction was hit even harder. In contrast, the trend is clearly on the up again for commercial and industrial buildings as well as in the area of healthcare and education facilities. EECFA expects output in the segment as a whole to increase by 2.1 % and 2.9 % in 2022 and 2023, respectively.

The civil engineering sector in Romania stagnated at -0.5 % in 2021, although according to EECFA it will recover slightly starting in 2022 with a plus of

1.7 % before growing more significantly in 2023 by +6.9 %. Road construction in particular, the largest and most important sector, is making rapid progress, supported by EU funding programmes. The national reconstruction plan approved by the EU in 2021 alone provides for about € 3 billion for transport infrastructure construction, including 429 km of motorways. The energy sector also has great potential in the next few years, especially because of the phasing out of coal production. According to EECFA, Romania's total construction output is expected to grow by 2.4 % in 2022 and by 2.2 % in 2023.

With an output of € 264.18 million in 2021 the STRABAG Group holds a 1.1 % share of the entire Romanian construction market. In Romanian road construction, the share of the market stands at 4.4 %.

BENELUX (BELGIUM AND NETHERLANDS)



BELGIUM

Overall construction volume: € 45.7 billion
GDP growth: 2021e: 5.7 % / 2022e: 3.0 %
Construction growth: 2021e: 10.3 % / 2022e: 3.6 %

NETHERLANDS

Overall construction volume: € 89.3 billion
GDP growth: 2021e: 3.9 % / 2022e: 3.5 %
Construction growth: 2021e: 0.8 % / 2022e: 4.9 %

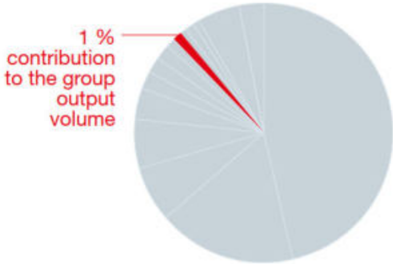
The economies of Belgium and the Netherlands experienced a strong economic recovery. Belgium achieved GDP growth of 5.7 % in 2021, while growth in the Netherlands came to 3.9 %. In both countries, government measures were able to mitigate the negative economic impact of the crisis. Economic growth is also forecast for 2022 in both countries (Belgium: +3.0 %, Netherlands +3.5 %). In the following years, annual growth in both countries is expected to settle between 1.3 % and 1.5 %.

The **Belgian construction industry** was able to more than compensate for the previous economic slump with growth of 10.3 % in the reporting period. The strongest growth was in other building construction with a plus of 12.8 %, followed by residential construction with +9.5 % and civil engineering with +8.0 %. The main drivers of this development were investments by private enterprises and a stable situation on the labour market. Public investments in energy efficiency and renovation programmes, such as the Walloon social housing renovation programme, reinforced the momentum. Additional public spending for reconstruction resulted from the flood disaster in the summer. The civil engineering segment is expected to again grow significantly in 2022 at +5.2 %, driven mainly by large infrastructure projects such as the expansion of the regional rapid transit network, with reduced growth of 1.4 % and 2.6 % in 2023 and 2024, respectively. Other building construction benefits from the renovation of Walloon hospitals and the reconstruction after the flood disaster and should still grow by 2.3 % in 2022, followed by growth of less than 1 % thereafter. For the sector as a whole, Euroconstruct forecasts growth of 3.6 % in 2022, 0.3 % in 2023 and 0.8 % in 2024.

The **Dutch construction industry** also emerged relatively unscathed from the pandemic. After a decline of 1.7 % in the first year of the crisis, the construction sector achieved a plus of 0.8 % in 2021. For 2022, Euroconstruct continues to expect clearly positive effects on the construction industry, resulting in strong growth of 4.9 %. This trend is likely to continue in 2023 and 2024, albeit at a somewhat slower pace of +3.6 % and + 2.0 %, respectively. Government measures, combined with payment deferrals by banks and tax authorities, have kept household incomes stable. A restrictive law passed by the Dutch government to limit nitrogen emissions in environmentally sensitive regions of the densely populated country had a dampening effect on the development of construction output. A lack of building permits and spatial planning concepts had a greater impact on the Dutch construction sector than the Covid-19 crisis. For 2021, Euroconstruct expects a plus of only 2.3 % for residential construction due to the large discrepancy between supply and demand, with a strong plus of 7.4 % forecast for the sector in 2022 due to catch-up effects. Other building construction showed a similar development with a plus of 1.5 %. A stronger plus of 3.6 % is also predicted in this area for 2022. Civil engineering declined for the first time in many years with a minus of 2.7 %. Many civil engineering projects were no longer in line with the strict environmental regulations or with the societal development with regard to sustainability. For the following years, growth rates between 2.0 % and 2.5 % are predicted for the sector.

STRABAG achieved an output volume of € 232.31 million in the Benelux countries in 2021. This corresponds to a 1 % share of the group output volume (2020: 2 %).

SWITZERLAND



Overall construction volume:	€ 65.3 billion
GDP growth:	2021e: 3.2 % / 2022e: 3.6 %
Construction growth:	2021e: 1.5 % / 2022e: 0.7 %

The Swiss economy showed robust performance in the period under review. GDP growth was 3.2 % in 2021, with +3.6 % expected for 2022. The main drivers of the recovery were the rapid opening of the tourism and services sectors as well as the catch-up effect in private consumption. The highly export-oriented pharmaceutical industry proved to be a particularly stable pillar of the Swiss economy. In addition, the inflation rate was very low in a European comparison, at 0.5 %, with low inflation of +0.6 % and 0.4 % expected for the Swiss economy in 2022 and 2023.

The Swiss construction industry recovered from the impact of the Covid-19 crisis in 2021 with growth of 1.5 %. The development was essentially driven by the temporary upswing in the residential construction sector. In the following years, construction investments are expected to increase only slightly (2022: +0.7 %, 2023: +0.4 %, 2024: +0.4 %). The weakening demand in residential construction is likely to be offset by increased demand from Swiss industry in other building construction. Civil engineering declined slightly for the first time after several years in 2021 with a minus of 0.3 %.

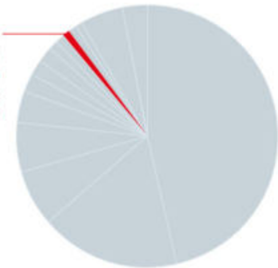
The housing market in Switzerland was already largely saturated before the outbreak of the pandemic. During the crisis, however, stable household incomes as well as attractive financing conditions and the rapid issuing of building permits led to a plus of 2.9 % in 2021. For 2022, Euroconstruct still expects a slight plus of 0.2 % before the figure turns to -1.0 % in 2023 and stagnates in 2024.

Other building construction recorded a slight increase of 0.9 %. Large-scale construction projects in industry and the biopharmaceutical sector, as well as in the healthcare and education sectors, should continue to result in positive growth rates in subsequent years. Several large projects are in the final phase. Euroconstruct therefore forecasts other building construction to grow by 1.6 % in 2022, 2.2 % in 2023 and 0.8 % in 2024.

Civil engineering is proving to be quite resilient. After a decline of 0.3 % in the reporting year, slight increases of 0.5 %, 0.4 % and 0.7 % are expected for the following years. The two infrastructure funds of the Swiss government – for the railway and the road network – are an important stabiliser.

In 2021, Switzerland contributed € 191.71 million, or 1 % (2020: 1 %), to the total output volume of the STRABAG Group.

SWEDEN



Overall construction volume: € 51.1 billion
GDP growth: 2021e: 4.7 %/2022e: 3.9 %
Construction growth: 2021e: 8.3 %/2022e: -1.1 %

In 2021, the Swedish economy returned to the growth momentum of the pre-pandemic years with GDP growth of 4.7 %. Selective government measures and public sector investments helped businesses and households to successfully weather the crisis. Industry recovered relatively quickly, although the rise in unemployment to 8.9 % could still have a negative impact on the overall economy in the following years. The Swedish central bank is attempting to limit the rate of inflation to a value of 2 % in the long term through a controlled monetary policy. Euroconstruct expects GDP growth of 3.9 % in 2022. In 2023 and 2024, growth should then settle at 1.4 % and 1.5 %.

The pandemic impacted the Swedish construction industry to varying degrees. Due to the less rigid restrictions compared to other European countries, construction companies recorded a strong increase in production rates. Residential construction, which had previously stagnated, experienced a veritable upswing, and other building construction grew by 4.5 %. The increasing digitalisation in consumer behaviour through e-commerce was particularly noticeable with the significant growth in the logistics sector, while the market for office buildings declined. Civil engineering also increased significantly with a plus of 6.7 %. According to Euroconstruct, the total output of the Swedish construction industry will remain at a high level in the following years, albeit with slightly declining rates (2022: -1.1 %, 2023: -1.3 %, 2024: -0.3 %).

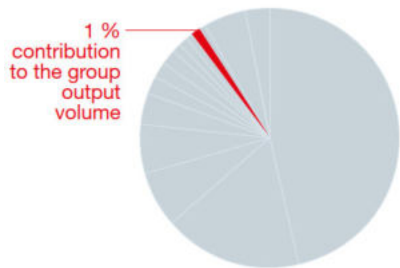
Residential construction experienced a real boom in 2021 with an increase of 13.0 %. This development was triggered by monetary measures of the Swedish central bank, selective measures by the government and the existing supply shortage. For 2022, Euroconstruct expects a decrease of 2.0 %, with -1.5 % and -2.4 % in the two following years.

Government measures also boosted other building construction in the year under review with an increase of 4.5 %. The highest growth rates were recorded in logistics buildings and healthcare. Euroconstruct forecasts declining rates of -2.0 % and -0.4 % for the sector in 2022 and 2023, respectively, before the sector turns positive again in 2024 with +0.7 %.

The Swedish civil engineering segment grew strongly again with a plus of 6.7 %. The development was driven by investments due to the demographic development and increasing urbanisation, favourable financing conditions and projects to reduce greenhouse gas emissions. Public investments in rail infrastructure and public transport as well as in wind and hydropower projects provided important momentum here. After the high growth rates of this subsector in previous years, Euroconstruct therefore expects the level to be maintained at +0.4 % in 2022, before the trend turns negative with -1.9 % in 2023. Growth in 2024 is again expected to be positive at +1.0 %.

The output volume of the STRABAG Group in Sweden amounted to € 121.26 million in 2021.

CROATIA



Overall construction volume:	€ 5.1 billion
GDP growth:	2021e: 8.1 % / 2022e: 5.6 %
Construction growth:	2021e: 10.0 % / 2022e: 5.8 %

The Croatian economy was hit hard by the pandemic in 2020, but it recovered quickly in 2021. The main driver for the GDP growth of 8.1 % was the excellent development in the tourism sector with a 70 % increase in visitors in the first three quarters of 2021 compared to the previous year. But industrial production, private consumption and retail sales also increased significantly. International programmes made a significant contribution to easing the strain on the budget caused by Covid-19. These include the EU's recovery plan for Europe and the current EU programme as well as far-reaching aid for the damage after the severe earthquakes of 2020 in Zagreb and Sisak-Moslavina County. Against this backdrop, EECFA expects the Croatian economy to continue to grow by 5.6 % and 3.4 % in 2022 and 2023, respectively.

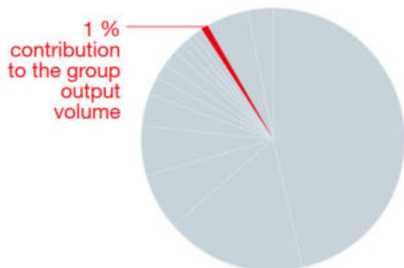
The Croatian construction industry developed even slightly better than the GDP in 2021, with a plus of 10.0 %. Demand remains strong in residential construction despite Covid-19, with sufficient financial resources to provide an adequate supply. The segment therefore grew by 9.9 % in 2021. However, rapidly rising housing prices and construction costs could worsen the situation. EECFA predicts growth of 8.4 % and 4.9 % for this segment in 2022 and 2023, respectively.

Development in other building construction has been comparatively subdued, with low growth rates for office, commercial and hotel buildings. The construction of healthcare and education facilities is not expected to pick up until 2022. The industrial and warehousing sector is growing moderately. Following growth of 2.3 % in 2021, EECFA expects other building construction to grow by 2.9 % and 1.4 %, respectively, in the following two years.

The Croatian civil engineering segment has shown extraordinarily positive growth. Hydropower projects and the expansion of pipelines as well as communication and power grids are contributing to this development, driven by the promotion of "green" energy. Complex construction projects in the industrial sector and the expansion of marina and cable car facilities are further stimulating the segment. In 2021, civil engineering recorded an increase of 16.3 %, while EECFA forecasts growth of 5.0 % and 3.6 % in 2022 and 2023, respectively. Overall, the Croatian construction industry is expected to grow by 5.8 % in 2022 and by 3.6 % in 2023.

The STRABAG Group generated € 177.38 million in the Croatian market in 2021.

SERBIA



Overall construction volume:	€ 4.3 billion
GDP growth:	2021e: 7.2 % / 2022e: 5.5 %
Construction growth:	2021e: 12.3 % / 2022e: -3.4 %

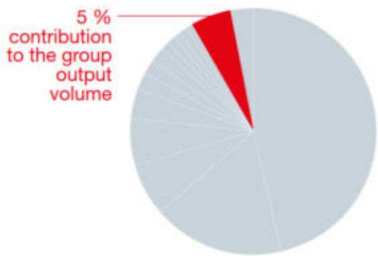
Serbia has come through the Covid-19 crisis better than other countries in the region, with economic growth of 7.2 % in 2021. Tourism does not play a major role in the overall economy. At the same time, however, the country is experiencing record employment and substantial growth in real wages in a low-interest environment. Comprehensive and rapid government aid packages are also helping to sustain purchasing power. For 2022 and 2023, EECFA expects GDP growth of 5.5 % and 5.0 %, respectively.

The construction industry is one of the most important sectors of the country's economy, achieving an impressive plus of 12.3 % in 2021. In residential construction, which grew by 7.4 % in the same year, the construction of single-family homes boomed in particular. According to EEC-FA, rising material and labour costs will lead to lower or even negative growth rates in 2022 and 2023 (+ 4.0 % and -1.8 %, respectively). In other building construction, 2021 saw growth of 10.2 % in industrial and office buildings in particular but also with projects in the healthcare, education and transport sectors. For 2022, however, EECFA expects a decline of the same magnitude (-10.2 %) with a minus of 3.6 % in 2023.

Serbia's civil engineering sector proved to be the strongest in 2021 with a plus of 15.0 %. This was mainly due to extensive state investments in the areas of energy and transport infrastructure. For 2022, EECFA predicts a slight decline of 2.3 % for this segment, with a return to growth of 3.3 % in 2023. Overall, Serbia's construction industry will suffer a slight dip of -3.4 % in 2022. In 2023, construction output will remain roughly the same at +0.7 %.

The STRABAG Group generated an output volume on the Serbian market of € 154.60 million in 2021.

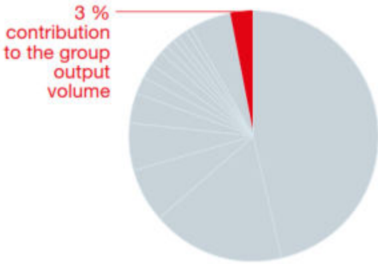
MIDDLE EAST, AMERICAS, AFRICA, ASIA



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 2021, the STRABAG Group generated a total € 864.88 million, or 5 % of its total output outside Europe (2020: 5 %). The activities in non-European countries are – with a few exceptions – assigned to the International + Special Divisions segment.

DENMARK, BULGARIA, SLOVENIA, ITALY, RUSSIA AND REST OF EUROPE



DENMARK

Overall construction volume:	€ 40.9 billion
GDP growth:	2021e: 3.7 % / 2022e: 3.2 %
Construction growth:	2021e: 5.1 % / 2022e: 2.1 %

BULGARIA

Overall construction volume:	€ 8.1 billion
GDP growth:	2021e: 4.0 % / 2022e: 3.3 %
Construction growth:	2021e: 6.5 % / 2022e: 16.5 %

SLOVENIA

Overall construction volume:	€ 3.5 billion
GDP growth:	2021e: 6.1 % / 2022e: 4.7 %
Construction growth:	2021e: 5.0 % / 2022e: 6.0 %

ITALY

Overall construction volume:	€ 171.4 billion
GDP growth:	2021e: 6.7 % / 2022e: 4.2 %
Construction growth:	2021e: 15.1 % / 2022e: 5.6 %

RUSSIA

Overall construction volume:	€ 125.0 billion
GDP growth:	2021e: 4.2 %
Construction growth:	2021e: 3.2 %

Denmark

The fundamentally stable and robust Danish economy has so far been spared severe impacts from the Covid-19 pandemic. Thanks to the low public debt, the government's aid measures to cushion the fallout should not be a problem. Uncertainties aside from the pandemic include Brexit, as the UK is the country's most important trading partner. Denmark's GDP grew by 3.7 % in 2021, with growth of 3.2 % expected in 2022, 2.4 % in 2023 and 2.2 % in 2024.

With a plus of 5.1 %, the construction industry weathered the consequences of the Covid-19 crisis even better than the economy as a whole. Some construction projects were delayed or stopped, while a number of public projects were accelerated. Euroconstruct forecasts growth of 2.1 % for 2022, with a plus of 1.7 % for each of the following two years. Residential construction recorded another peak year in the reporting period with a strong increase of 7.8 %. Moderate growth of 2.3 % is expected for 2022, followed by +1.4 % in both 2023 and 2024. Other building construction grew by 2.1 %. Private investment declined and expected "green" investments did not boom to the extent that had been hoped. In the following years, the segment is forecast to remain stable with annual growth rates between 1.8 % and 1.9 %. The civil engineering sector grew at a solid 3.0 % in 2021. As the government's energy and climate protection measures as well as an infrastructure investment plan are only slowly getting underway, Euroconstruct expects moderate growth of 2.1 % in 2022 and in the following two years.

The output volume of the STRABAG Group in Denmark amounted to € 109.05 million in 2021.

Bulgaria

After the pandemic-related economic slump in 2020, the Bulgarian economy returned to growth of 4.0 % in 2021, primarily due to private consumption and higher disposable incomes. The fourth wave of the pandemic will slow down this growth, however. For 2022 and 2023, EECFA predicts a GDP increase of 3.3 % and 1.6 %, respectively.

With a plus of 6.5 %, the Bulgarian construction industry outperformed the national economy in 2021. Residential construction proved to be very strong and robust in 2021 with an increase of 16.6 %. This is mainly due to the low interest rates and the appeal of residential real estate as a safe investment. The massive increase in demand, especially in the larger cities, continues to fuel prices. EECFA predicts a plus of 7.0 % for residential construction in 2022, with a slight decline of 1.7 % expected for 2023. Output in other building construction fell by a further 1.5 % in 2021 after a sharp drop the year before. Office buildings were particularly affected. For 2022, EECFA expects a plus of 2.4 % in this segment, followed by a minus of 2.9 % in 2023.

The Bulgarian civil engineering sector grew by 5.5 % in 2021, with a focus on energy and water supply projects. For 2022, EECFA forecasts a massive increase of 29.5 % for civil engineering, although the output is expected to slump by 45.4 % in 2023 due to the lack of preparation for the new EU programme period and the national recovery plan. In line with these developments, EECFA expects the Bulgarian construction industry to return to strong growth in 2022 (+16.5 %), before shrinking by almost a quarter in 2023 (-24.9 %).

The STRABAG Group generated € 81.42 million on the Bulgarian market in 2021.

Slovenia

After a significant slump in 2020 due to the Covid-19 pandemic, the Slovenian economy recovered more quickly than expected in 2021 with a plus of 6.1 %. Growth was driven by foreign trade, fixed-asset investments on the part of businesses, and private consumption. For 2022 and 2023, EECFA expects GDP to increase by 4.7 % and 3.3 %, respectively.

The Slovenian construction industry also performed better than forecast in 2021. Construction output increased by 5.0 % despite rising construction costs and supply bottlenecks. The lion's share of this output was accounted for by residential construction, with a focus on the Ljubljana region. Real estate as an alternative to bank savings, as well as the poor condition of many flats, boosted demand for residential property, which was reflected in double-digit growth of 14.6 %. EECFA expects this segment to continue to grow by 5.8 % in 2022 and by 3.9 % in 2023. In contrast, other building construction recorded a slight decline of 2.1 % in 2021. However, as numerous projects have already been planned, growth of 3.9 % and 2.1 % is expected for 2022 and 2023, respectively. The situation in civil engineering is similar, with a slightly positive balance of +1.9 % in 2021. Significant growth of 7.6 % is expected for 2022, however, due among other things to an extensive list of projects in road and railway construction. For 2023, EECFA forecasts a plus of 3.6 % for civil engineering. The Slovenian construction industry as a whole should grow by 6.0 % in 2022 and by 3.3 % in 2023.

The STRABAG Group achieved an output volume of € 104.30 million in Slovenia in 2021.

Italy

The Italian economy was hit hard by the rapid spread of the Covid-19 virus in 2020 but recovered just as quickly in 2021. The GDP slump in the first year of the crisis (-8.9 %) was compensated for to a large extent in 2021 with a plus of 6.7 %. Restrictive health policy measures combined with investment-stimulating measures by the public sector, EU-financed investments and the continuation of the expansionary monetary policy to stabilise the financial markets had a positive effect. Euroconstruct forecasts that the Italian economy will grow by 4.2 % in 2022, higher than pre-crisis levels, with +1.8 % in 2023 and +1.4 % in 2024.

After the slump in the first year of the crisis (-4.9 %), the Italian construction sector experienced a small upswing in 2021 with a plus of 15.1 %. The construction industry acted as an important strategic driver of the Italian economy in the reporting year. This development is expected to continue at a slower pace in 2022, with growth of 5.6 %, before the trend turns negative with a contraction of -0.5 % in both 2023 and 2024. Residential construction grew particularly strongly, with a plus of 19.5 %, especially in the area of maintenance and renovation. A tax "super bonus" for energy-saving measures contributed significantly to this development. Similar to the sector as a whole, Euroconstruct also forecasts a significant increase of 4.6 % for the residential construction sector in 2022 before the trend turns negative in 2023 and 2024 with -4.8 % and -3.5 %, respectively.

Other building construction also prospered in the year under review with an above-average increase of 11.0 % (2020: -7.4 %). Construction output is expected to increase by a moderate 4.9 % in 2022, followed by 1.9 % and 1.4 % in the following two years. Drivers of this growth include substantial public financing guarantees and favourable refinancing conditions from the European Central Bank.

Even in times of crisis, the Italian civil engineering segment proved to be very robust, growing by a strong 11.0 % in 2021 with a continued focus on rail and road infrastructure. Euroconstruct predicts another strong increase of 8.7 % for civil engineering in 2022, followed by +5.9 % and +2.9 % in the following years.

The output volume of the STRABAG Group in Italy amounted to € 58.35 million in 2021.

Russia

The Russian economy experienced a stable upward trend in 2021 as the impact of the Covid-19 pandemic abated. Contributing factors to the 4.2 % increase in GDP included high gas and oil prices and government aid measures for the economy.

The Russian construction industry, which grew by 3.2 % in 2021, is suffering above all from lower purchasing power as well as from rising consumer prices and capital costs. This is particularly evident in residential construction. This segment still flourished in the first half of 2021 thanks to state-supported loans, which was also reflected in a plus of 3.8 % for the year as a whole. In other building construction, the completion of deferred projects in 2021 was mainly responsible for the 4.1 % increase. In civil engineering, state guarantees ensured growth in almost all segments, especially in motorway and bridge construction. In 2021, the increase in this segment was 2.4 %.

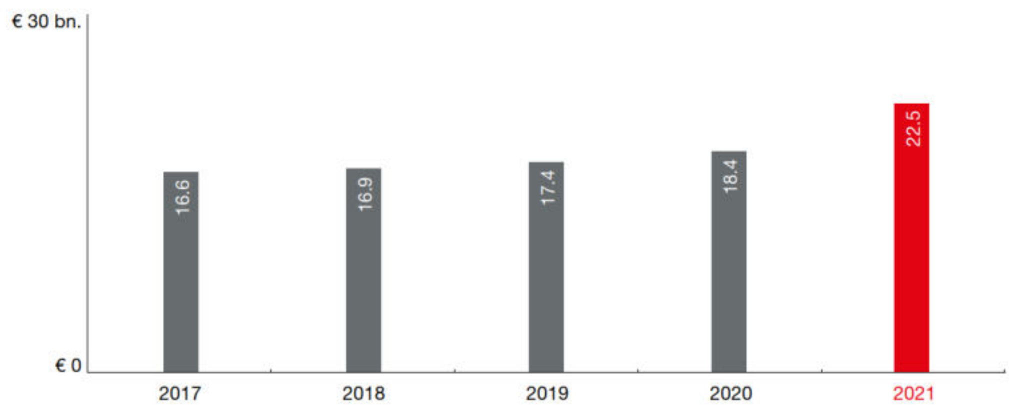
The STRABAG Group generated an output volume of € 46.33 million in Russia in 2021. In the region, STRABAG was almost exclusively active in building and industrial construction. In March 2022, the Management Board of STRABAG SE made the decision to wind up all activities in this country.

Order backlog

ORDER BACKLOG BY SEGMENT AS AT 31 DECEMBER 2021

€ mln.	Total 2021	North + West	South + East	Inter-national + Special Divisions	Other	Total 2020	▲ total %	▲ total absolute
Germany	10,724	9,439	216	1,063	6	8,217	31	2,507
Austria	2,663	57	2,266	340	0	1,809	47	854
United Kingdom	2,209	47	0	2,162	0	2,053	8	156
Poland	1,628	1,587	6	35	0	1,296	26	332
Czech Republic	930	0	909	20	1	846	10	84
Americas	815	0	0	815	0	598	36	217
Hungary	711	5	696	10	0	435	63	276
Middle East	368	0	13	355	0	383	-4	-15
Slovakia	290	0	279	10	1	322	-10	-32
Asia	272	0	11	261	0	281	-3	-9
Romania	248	4	241	3	0	230	8	18
Croatia	242	0	242	0	0	174	39	68
Benelux	232	211	0	21	0	368	-37	-136
Bulgaria	178	0	123	55	0	198	-10	-20
Rest of Europe	173	21	149	3	0	171	1	2
Denmark	158	156	0	2	0	229	-31	-71
Russia	122	0	122	0	0	115	6	7
Sweden	119	101	0	18	0	115	3	4
Africa	107	0	69	38	0	76	41	31
Switzerland	102	0	101	1	0	150	-32	-48
Serbia	93	0	93	0	0	124	-25	-31
Italy	61	0	9	52	0	73	-16	-12
Slovenia	56	0	52	4	0	106	-47	-50
Total	**22,501**	**11,628**	**5,597**	**5,268**	**8**	**18,369**	**22**	**4,132**

DEVELOPMENT OF ORDER BACKLOG



At € 22,500.85 million, the order backlog was 22 % higher than in the previous year – another record level. The order backlog increased especially in the home markets of Germany and Austria, but also in core markets such as Poland and Hungary, thanks to numerous new projects in a wide range of sectors. In Germany, these projects include an office tower complex for Helaba in Frankfurt, a shipbuilding facility for ThyssenKrupp Marine Systems in Kiel and the six-lane expansion of the A8 motorway near Pforzheim along a length of 4.8 km. New orders in Poland comprise, among other things, two design-and-build projects for a 12 km section of the S19 expressway and the S12 bypass road for the city of Chełm. In Hungary, the order books were filled in part by projects for a two-lane expansion of the 67 expressway over a length of 10 km, the expansion of a railway section of the TEN-T network and the gap closure of the M6 motorway to the Croatian border.

CONSTRUCTION SITES INCLUDED IN THE ORDER BACKLOG AS AT 31 DECEMBER 2021

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.)	8,725	77	1,780	8
Medium-sized orders (€ 1–15 mln.)	2,216	19	4,203	19
Large orders (€ 15 –50 mln.)	321	3	4,784	21
Very large orders (>€ 50 mln.)	137	1	11,734	52
Total	**11,399**	**100**	**22,501**	**100**

Part of the risk management

The total order backlog is comprised of 11,399 individual projects. 8,700 of these, or 77 %, involve small orders with a volume of up to € 1 million each; the much smaller remaining proportion of 23 % covers medium-sized to very large orders with contract volumes of € 1 million and up. A total of merely 137 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 2021 added up to 22 % of the order backlog.

THE TEN LARGEST PROJECTS IN THE ORDER BACKLOG AS AT 31 DECEMBER 2021

Country	Project	Order backlog € mln.[1]	as % of total order backlog
United Kingdom	HS2 high-speed rail line	1,367	6.1
United Kingdom	Woodsmith Project	799	3.6
Germany	US hospital, Weilerbach	645	2.9
Germany	Central Business Tower	462	2.1
Canada	Scarborough Subway Extension Line 2	457	2.0
Germany	PPP A49 motorway	318	1.4
Germany	Stuttgart 21, underground railway station	238	1.1
Hungary	Railway line Békéscsaba—Lökösháza	228	1.0
Austria	U2 underground line, sections 17–21	213	1.0
Germany	EDGE East Side	212	0.9
Total		**4,939**	**22.0**

Financial performance

The consolidated **group revenue** for the 2021 financial year amounted to € 15,298.54 million. As with the output volume, this corresponds to a slight plus of 4 %. The ratio of revenue to output remained at the previous year's level of 95 %. The operating segments North + West contributed 48 %, South + East 32 % and International + Special Divisions 20 % to the revenue.

The **changes in inventories** involve mainly real estate project developments. The business continued to be actively pursued, but the sale of two large projects exceeded the volume of new project developments. The **own work capitalised** increased slightly from a low level due to the realisation of several corporate locations. The total of **expenses for construction materials, consumables and services used** and the **employee benefits expenses**, expressed in relation to the revenue, fell from 88 % to 87 %.

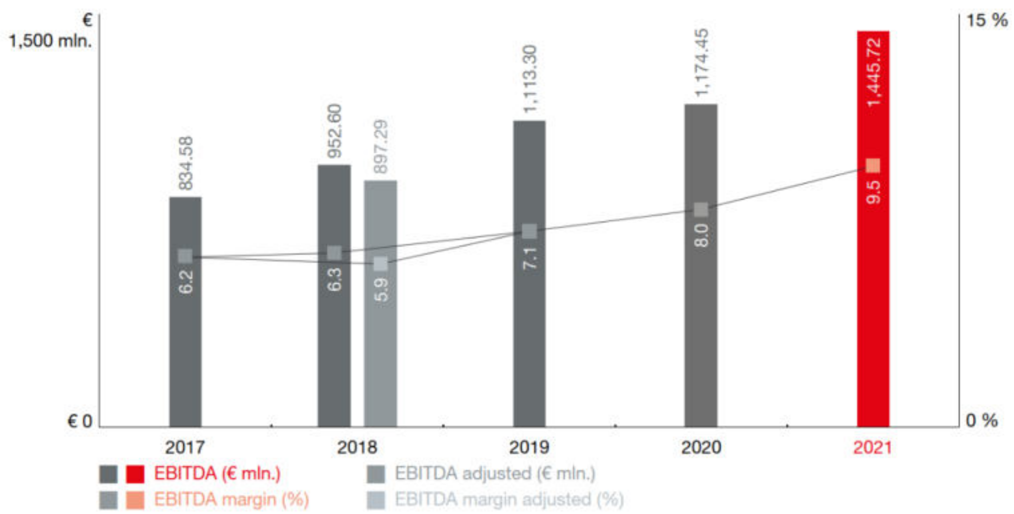
1 Rounding differences are possible.

EXPENSES

€ mln.	2021	2020	▲ %
Construction materials, consumables and services used	9,415.08	9,304.35	1
Employee benefits expenses	3,843.58	3,713.07	4
Other operating expenses	823.82	910.52	-10
Depreciation and amortisation expense	549.61	543.80	1

The **earnings from equity-accounted investments**, which also includes earnings from joint ventures, rose to € 92.11 million in the reporting **period**. **The net income from** investments, which is composed of the dividends and expenses of many smaller companies or financial investments, fell in comparison to the previous year.

DEVELOPMENT OF EBITDA AND EBITDA MARGIN[1]



Effective tax rate: 32.5 %

Earnings per share: € 5.71

In total, the **earnings before interest, taxes, depreciation and amortisation** (EBITDA) increased by 23 % to € 1,445.72 million, significantly topping the € 1.0 billion mark for the third year in a row. The EBITDA margin grew from 8.0 % to 9.5 %. **The depreciation and amortisation expense** increased minimally by € 5.81 million to € 549.61 million compared to the previous year.

The **earnings before interest and taxes** (EBIT) rose by 42 % to € 896.11 million as a result of numerous positive earnings effects in all segments. This corresponds to an EBIT margin of 5.9 % after 4.3 % in 2020.

The **net interest income** improved by € 8.03 million to € -12.57 million due to the absence of interest expenses. The negative exchange rate result of € -3.88 million was slightly lower than in the previous year (2020: € -5.35 million).

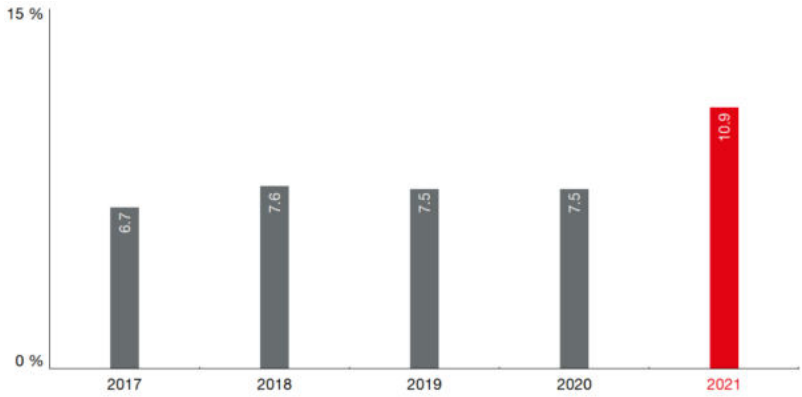
On balance, the **earnings before taxes** stood at € 883.54 million. The income tax rate, at 32.5 %, was slightly lower than in the previous year. The **net income** amounted to € 596.40 million, which corresponds to an increase of € 197.34 million compared to 2020.

The earnings owed to minority shareholders amounted to € 10.69 million after € 3.84 million in the previous year. The **net income after minorities** for 2021 thus stood at **€ 585.71 million** – an increase of 48 %. The earnings per share amounted to € 5.71 (2020: € 3.85).

The **return on capital employed** (ROCE)[2] rose from 7.5 % in the previous year to 10.9 %, the highest value in the history of STRABAG SE.

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.	31.12.2021	% of balance sheet total[1]	31.12.2020	% of balance sheet total[1]
Non-current assets	4,989.56	41	5,135.35	42
Current assets	7,236.21	59	6,981.09	58
Equity	4,071.82	33	4,108.22	34
Non-current liabilities	2,146.39	18	2,382.85	20
Current liabilities	6,007.56	49	5,643.37	46
Total	**12,225.77**	**100**	**12,134.44**	**100**

The total of assets and liabilities, at € 12.2 billion, remained almost unchanged compared to the previous year. Worth mentioning is the increase in cash and cash equivalents by € 106.30 million to € 2,963.25 million despite the distribution of the higher dividend totalling € 707.94 million for the year 2020. The nominal capital decreased as a result of the withdrawal of treasury shares. Non-current financial liabilities decreased in favour of current financial liabilities due to the last tranche of the bond in the amount of € 200 million. Equity decreased slightly to € 4,071.82 million yet remained above the € 4 billion mark as in the previous year. This was reflected in a decline in the **equity ratio** from 33.9 % to 33.3 %.

KEY BALANCE SHEET FIGURES

	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021
Equity ratio (%)	30.7	31.6	31.5	33.9	33.3
Net debt (€ mln.)	-1,335.04	-1,218.28	-1,143.53	-1,747.23	-1,937.18
Gearing ratio (%)	-39.3	-33.3	-29.7	-42.5	-47.6
Capital employed (€ mln.)	5,242.91	5,552.09	5,838.71	5,815.14	5,750.63

Net cash position up to € 1.9 billion

A net cash position was reported as usual on 31 December 2021. This figure was up to € 1.9 billion in the face of the lower severance and pension provisions and the increased cash and cash equivalents.

[1] Rounding differences are possible.

CALCULATION OF NET DEBT[1]

€ mln.	**31.12.2017**	**31.12.2018**	**31.12.2019**	**31.12.2020**	**31.12.2021**
Financial liabilities	1,293.98	1,363.33	1,422.21	1,156.01	1,193.62
Severance provisions	111.10	114.68	124.68	122.55	108.36
Pension provisions	440.11	420.31	435.92	428.36	376.83
Non-recourse debt	-389.78	-730.77	-665.53	-597.20	-652.74
Cash and cash equivalents	-2,790.45	-2,385.83	-2,460.81	-2,856.95	-2,963.25
Total	**-1,335.04**	**-1,218.28**	**-1,143.53**	**-1,747.23**	**-1,937.18**

The **cash flow from operating activities** fell from € 1,279.66 million to € 1,220.56 million, despite the increased cash flow from earnings. The main reason for this development was a less pronounced reduction in working capital compared to the previous year. The expectation of a significant reduction in advance payments in 2021 and a concomitant increase in working capital to familiar levels failed to materialise. The **cash flow from investing activities** was again slightly more negative following the lower investments in intangible assets and property, plant and equipment in 2020 due to Covid-19. The **cash flow from financing activities** showed a value of € -743.90 million after € -495.89 million in the previous year, which is mainly due to the dividend payment.

REPORT ON OWN SHARES

The 17th Annual General Meeting on 18 June 2021 passed a resolution for a simplified reduction of the share capital by € 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), Para 4 of the Austrian Stock Corporation Act (AktG) through the withdrawal of 7,400,000 own treasury shares with a proportionate amount of the share capital of € 7,400,000.00. The meeting also approved an amendment of the Articles of Association in Sec 4 Para 1 for the purpose of withdrawing all of STRABAG SE's own shares. The capital reduction became effective with registration resolution at the Regional Court of Klagenfurt on 16 July 2021. As of 31 December 2021, STRABAG SE therefore no longer holds any own treasury shares.

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.

Capital expenditures

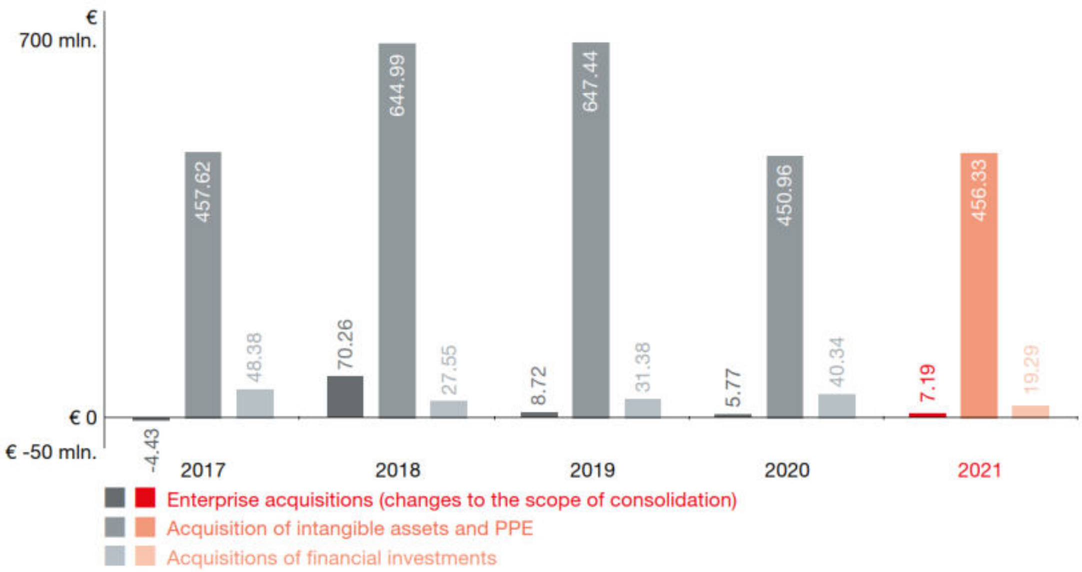
STRABAG had forecast net investments (cash flow from investing activities) of up to € 450 million for the 2021 financial year. In the end, they amounted to € 377.56 million.

The gross investments (CAPEX) before subtraction of proceeds from asset disposals stood at € 482.81 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 € 456.33 million, the **purchase of financial assets** in the amount of € 19.29 million and € 7.19 million from changes to the scope of consolidation.

Particularly significant investments include the maintenance expenditures at our permanent establishments in the booming core markets of Germany and Austria – for example, in the corporate training centre in Ybbs – and the additional investments in the building materials business in various countries. In addition, a substantial investment was made in a tunnel boring machine as part of a major project in Toronto, Canada.

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 € 549.61 million. At € 5.67 million, goodwill impairment was higher than in the previous year.

COMPOSITION OF CAPEX



Financing/treasury

KEY FIGURES TREASURY

	2017	2018	2019	2020	2021
Interest and other income (€ mln.)	46.90	38.62	30.97	27.89	26.96
Interest and other expense (€ mln.)	-74.05	-66.05	-56.32	-48.49	-39.53
EBIT/net interest income (x)	-16.5	-20.4	-23.8	-30.6	-71.3
Net debt/EBITDA (x)	-1.6	-1.3	-1.0	-1.5	-1.3

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, pre-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**. 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 still on the market at the end of the year 2021.

The existing liquidity of € 3.0 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 December 2021. 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 OBLIGATION

€ mln.	**Book value 31.12.2021**	**Book value 31.12.2020**
Bonds	200.00	200.00
Bank borrowings	687.76	651.74
Lease liabilities	305.85	304.27
Total	**1,193.61**	**1,156.01**

MANAGEMENT REPORT

Report on the financial performance, financial position and cash flows of STRABAG SE (Individual Financial Statement)

FINANCIAL PERFORMANCE

The company's revenue increased by € 2.37 million compared with the previous year, from € 68.22 million to € 70.59 million. This development is attributable to an increase in intra-group allocations.

	2021	2020
Revenue in T€ (sales)	70,589	68,219
Earnings before interest and taxes in T€ (EBIT)	576,745	254,764
Return on sales in % (ROS)1	>100.0	>100.0
Return on equity in % (ROE)2	19.0	8.7
Return on investment in % (ROI)3	17.2	7.4

The earnings before interest and taxes (EBIT) increased significantly by € 321.99 million compared to the previous year, growing from € 254.76 million to € 576.75 million, driven by a strong increase in investment income.

The operating earnings for the 2021 financial year amount to € 16.92 million, up slightly by € 0.48 million on the previous year's level (€ 16.44 million). As in the previous year, this figure was not affected by any extraordinary expenses or income.

The considerable increase in the financial earnings, which grew by € 317.42 million from € 246.74 million to € 564.16 million, was achieved through significantly higher profit and loss transfers from subsidiaries. Another positive impact on earnings resulted from the lower expenses for financial assets compared to the previous year. In the previous year, write-downs of investments had had a negative impact on earnings.

Net interest income showed a positive interest balance of € 4.33 million (2020: € 8.41 million). This figure is calculated from the interest income for financing provided to subsidiaries and from the financing costs for interest-bearing borrowings.

Overall, the company therefore generated a net profit of € 578.33 million for the 2021 financial year (2020: € 269.39 million).

The improved earnings are also positively reflected in the profitability indicators.

FINANCIAL POSITION AND CASH FLOWS

The total assets of STRABAG SE decreased slightly to € 3.3 billion in 2021 compared with the previous year (€ 3.4 billion). A significant change was recorded in only one balance sheet item. The decrease in receivables from subsidiaries relates to receivables from cash clearing and is mainly due to the higher dividend payment for the 2020 financial year.

1 ROS = EBIT / revenue
2 ROE = EBT / avg. equity
3 ROI = EBIT / avg. total capital

	2021	2020
Net debt/cash in T€[1]	267,736	-129,129
Working capital in T€[2]	307,411	27,525
Equity ratio in %	90.4	91.5
Gearing ratio in %[3]	9.0	n.a.

The net debt as at 31 December 2021 amounts to € 267.74 million and results from the increase in interest-bearing borrowings and the decrease in cash and cash equivalents due to the dividend payment mentioned above.

The working capital increased significantly by € 279.88 million in the 2021 reporting year, up from € 27.53 million in 2020 to € 307.41 million. This growth was based on an increase of receivables from profit and loss transfers.

Due to the decrease in equity, the equity ratio of 90.4 % was down slightly versus the previous year (91.5 %), although it continues to be at a very high level.

T€	**2021**	**2020**
Cash flow from operating activities	308,476	422,553
Cash flow from investing activities	2,599	-39,600
Cash flow from financing activities	-682,253	-299,769

The cash flow from operating activities of € 308.48 million was largely attributable to the cash flow from earnings. The increase of the working capital had a negative impact.

The cash flow from investing activities saw a total inflow of € 5.07 million in cash and cash equivalents in the reporting year, of which € 3.73 million resulted from the reduction of financing receivables and € 1.34 million from the disposal of financial assets. This was offset by cash used for additions to financial assets amounting to € 2.47 million. In total, a positive cash flow from investing activities of € 2.60 million remains.

The build-up of receivables from cash clearing resulted in a cash inflow of € 72.34 million in the cash flow from financing activities. After payment of the dividend for the 2020 financial year in the amount of € 707.94 million and the reduction of the group financing in the amount of € 46.65 million, the result was a total cash outflow of € 682.25 million in the cash flow from financing activities in 2021.

[1] Net debt = interest-bearing liabilities + non-current provisions - cash and cash equivalents
[2] Working capital = current assets - cash and cash equivalents - current non-interest-bearing liabilities
[3] Gearing ratio = net debt / equity

Segment report

OVERVIEW OF THE FOUR SEGMENTS WITHIN THE GROUP

The business of STRABAG SE was divided into four segments in 2021, 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 2021, the segments were comprised as follows[1]:

NORTH + WEST
Management Board responsibility: Alfred Watzl
Germany, Poland, Benelux, Scandinavia, Ground Engineering

SOUTH + EAST
M. B. responsibility: Peter Krammer
Austria, Czech Republic, Slovakia, Hungary, South-East Europe, Switzerland, Environmental Technology

M. B. responsibility: Klemens Haselsteiner
Russia

INTERNATIONAL + SPECIAL DIVISIONS
M. B. responsibility: Siegfried Wanker
International, Tunnelling, Services, Real Estate Development, Infrastructure Development, Construction Materials

OTHER
M. B. responsibility: 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.

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			✓

[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.

SEGMENT NORTH + WEST: CRISIS-PROOF THANKS TO STABLE CORE MARKETS

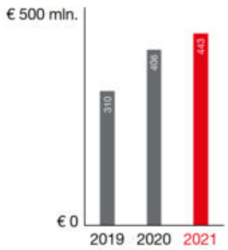
The North + West segment executes construction services of nearly any kind and size with a focus on Germany, Poland, the Benelux countries and Scandinavia. Ground engineering can also be found in this segment.

€ mln.	2021	2020	▲ 2020-2021 %	▲ 2020-2021 absolute
Output volume	7,902.46	7,862.65	1	40
Revenue	7,317.95	7,461.87	-2	-144
Order backlog	11,628.13	9,158.18	27	2,470
EBIT	443.03	406.43	9	37
EBIT margin (% of revenue)	6.1	5.4		
Employees (FTE)	25,430	25,801	-1	-371

OUTPUT VOLUME NORTH + WEST

€ mln.	2021	2020	▲ 2020-2021 %	▲ 2020-2021 absolute
Germany	6,360	6,227	2	133
Poland	1,036	1,098	-6	-62
Benelux	218	247	-12	-29
Sweden	101	135	-25	-34
Denmark	90	71	27	19
United Kingdom	26	3	767	23
Austria	24	20	20	4
Romania	21	19	11	2
Rest of Europe	15	18	-17	-3
Hungary	9	0	n. a.	9
Switzerland	1	22	-95	-21
Middle East	1	0	n. a.	1
Americas	0	2	-100	-2
Africa	0	1	-100	-1
Total	**7,902**	**7,863**	**1**	**39**

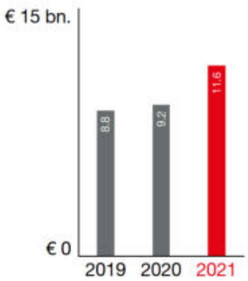
EBIT



Significant earnings increase

The North + West segment recorded a stable output volume of € 7,902.46 million (+1 %) in 2021. This is attributable in particular to the home market of Germany and, to a lesser extent, to the market in Denmark. By contrast, construction output in other markets such as Poland, Benelux and Sweden showed a slight decline. Revenue declined slightly by 2 % to € 7,317.95 million. The earnings before interest and taxes (EBIT) rose by 9 % to € 443.03 million. While the transportation infrastructures business in Germany consistently makes positive contributions to earnings, improvements could be achieved in the German building construction and civil engineering business as well as in Poland. The EBIT margin thus exceeded even the extraordinarily high level of the previous year, coming in at 6.1 %.

ORDER BACKLOG



Order backlog again with strong growth

The order backlog increased by 27 % to € 11,628.13 million as at 31 December 2021, mainly due to the development in Germany. The new orders registered in German building construction in the year as a whole covered a wide range from apartment buildings for developers to industrial buildings to new orders from public-sector clients. Acquisitions include the new administrative centre in Dresden as well as contracts for the construction of the US largest hospital outside the United States and of the 205-metre office tower for Landesbank Hessen-Thüringen (Helaba). Growth of the order backlog was also recorded in Poland where STRABAG was commissioned to design and build a new section of the A2 motorway and the S12 bypass road for the city of Chełm east of Lublin.

Slight decrease in number of employees

The number of employees declined by 1 % to 25,430 in the entire segment. This decrease is mainly due to developments in the Benelux countries, Poland and Denmark.

Outlook[1]: Germany remains stable core market

The high order backlog suggests a slightly higher output volume for the North + West segment in the 2022 financial year. As a result of the Covid-19 pandemic, some business segments in the **German building construction** sector, such as hotels, remain behind the trend; overall, however, demand for construction services is up again, enabling us to start the new year with an even larger order backlog than at the same time last year despite the price increases in the construction sector.

The **transportation infrastructures** sector in **Germany** is still reporting restrained tendering activity on the part of the public sector. This reduced activity on the markets, which are characterised by an extremely high capacity utilisation, provides an opportunity to work off the high order backlog and to be selective in bidding for projects.

The markets in the **Benelux** countries and in **Scandinavia** are experiencing intense cut-throat competition. Activities here are primarily concentrated on small and medium-sized construction projects. The focus is on stabilisation and consolidation as well as working off large projects.

In **Poland**, the focus is on managing the enormous price increases for raw materials and building materials. Following double-digit growth rates in the first six months, prices for steel, fuels, asphalt and plastics settled at a high level towards the end of the year. Public infrastructure programmes have kept demand in transportation infrastructures high for several years, and the building construction business has also seen a positive trend in output and earnings. Meanwhile, forecasts indicate a continued decline in investments in shopping centres and office building developments on the one hand, with an upturn in production facilities, residential construction, public sector construction, for example schools and hospitals, and in the energy sector, on the other hand. The high inflation rates, which had already become apparent at the end of the year, could weaken the willingness to make further investments, especially in the private sector.

SELECTED PROJECTS NORTH + WEST

Country	Project	Order backlog € mln.	as % of total group order backlog
Germany	US hospital, Weilerbach	645	2.9
Germany	PPP A49 motorway	314	1.4
Germany	Stuttgart 21, underground railway station	238	1.1
Germany	East Side Tower	212	0.9
Germany	A1 motorway Lohne—Bramsche	207	0.9

[1] The impacts from Russia's war against Ukraine are not included in this outlook.

SEGMENT SOUTH + EAST: EXPECTS RETURN TO PRE-CRISIS LEVEL

The geographic focus of the South + East segment is on Austria, the Czech Republic, Slovakia, Hungary, South-East Europe, Russia and Switzerland. The environmental technology activities are also handled within this segment.

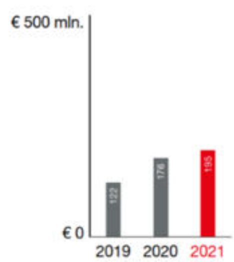
€ mln.	**2021**	**2020**	**▲ 2020-2021 %**	**▲ 2020 -2021 absolute**
Output volume	4,930.38	4,632.60	6	298
Revenue	4,924.60	4,602.83	7	322
Order backlog	5,596.97	4,441.14	26	1,156
EBIT	194.93	176.35	11	19
EBIT margin (% of revenue)	4.0	3.8		
Employees (FTE)	20,685	20,512	1	173

GROUP MANAGEMENT REPORT

OUTPUT VOLUME SOUTH + EAST

€ mln.	**2021**	**2020**	**▲ 2020-2021 %**	**▲ 2020-2021 absolut**
Austria	2,206	1,989	11	217
Czech Republic	782	687	14	95
Hungary	503	533	-6	-30
Slovakia	243	254	-4	-11
Romania	202	194	4	8
Switzerland	186	189	-2	-3
Croatia	162	160	1	2
Germany	152	164	-7	-12
Serbia	150	156	-4	-6
Rest of Europe	110	136	-19	-26
Slovenia	94	47	100	47
Bulgaria	68	58	17	10
Russia	43	50	-14	-7
Asia	8	2	300	6
Africa	7	1	600	6
Italy	6	5	20	1
Middle East	4	6	-33	-2
Poland	3	0	n. a.	3
Benelux	1	2	-50	-1
Total	**4,930**	**4,633**	**6**	**297**

EBIT

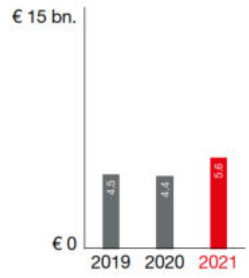


Output up due to relaxation of Covid-19 restrictions

The output volume in the South + East segment in the home market of Austria grew by 6 % to € 4,930.38 million in the 2021 financial year, primarily due to the end of the temporary Covid-19-related suspension of construction work. Business in the Central and Eastern European countries, on the other hand, was mixed. Especially noteworthy is the decline in Hungary, resulting from the after-effects of the Covid-19 pandemic and the winding-up of several projects in the previous year. In contrast, an increase was recorded in the Czech Republic and Slovenia.

The segment also showed a 7 % higher revenue of € 4,924.60 million. The EBIT increased by 11 % to € 194.93 million due to improvements in almost all countries in this segment. This results in an EBIT margin of 4.0 %.

ORDER BACKLOG



Order backlog: Significant growth in Austria and Hungary

At € 5,596.97 million, the order backlog as at 31 December 2021 was 26 % higher than on the previous year's reporting date. This is due especially to the record level in Austria: Large orders in building construction and civil engineering, especially in residential construction, as well as stable, albeit regionally heterogeneous new orders in transport infrastructures, played a decisive role in this development. Hungary caught up significantly as well. New orders here included a contract awarded to a consortium involving STRABAG for the construction of a 20 km section of the M6 motorway between Bóly and Ivándárda and the expansion of the railway section of the TEN-T network. The other markets of Southern and Eastern Europe showed very divergent trends.

Slight increase in the number of employees

The number of employees increased slightly by 1 % to 20,685. In line with the output volume, staff numbers were reinforced in Austria and the Czech Republic, while very different trends were registered in the markets of Central and Eastern Europe: The number of employees increased significantly in Croatia and Bulgaria, but declined in Serbia, Russia, Romania and Slovakia.

Outlook[1]: Home market of Austria back at pre-crisis levels

The trend in the output volume shown in 2021 is expected to continue in 2022. After the Covid-19-related restrictions, a higher output volume is expected in **Austria**, with levels comparable to the record year of 2019. Uncertainties exist due to the strong increase in raw material prices, e.g. for wood, construction steel and insulation materials, and because of the associated price volatilities. From today's perspective, however, no supply bottlenecks are expected that could cause delays in project execution.

The construction sector in **Hungary** was unable to fully recover in 2021. Significant, higher-than-expected price increases for raw materials, building materials and labour costs had to be accepted here as well. Due to the general economic recovery, higher output is expected in 2022 in transport infrastructures as well as in building construction and civil engineering.

In road and railway construction in the **Czech Republic**, projects are being continuously put out to tender, allowing the market to slowly move towards a realistic price level. The group sees itself in a very good position in the building construction sector here as well, despite the fact that the bidding processes are becoming increasingly protracted.

The development in **Slovakia** is cause for concern. The few projects in public transportation infrastructures tend to be small, highly competitive and, accordingly, priced too low. STRABAG is therefore primarily interested in cooperating with private investors, for example in the construction of production and logistics halls. But here, too, the lack of materials is a burden that could lead to delays in the completion of construction projects. As a result, there is a trend among private clients to move the start of projects back in time.

The markets of **South-East Europe**, like almost all of the group's core markets, are also struggling with massive price increases and a shortage of skilled labour. With the exception of the Croatian market, the building construction entities are suffering from high competitive pressure and declining order backlogs. In the infrastructure sector, meanwhile, demand continues unabated. At the same time, this business segment is exposed to pressure from international, especially Chinese, competition, which is why the focus in Serbia, Montenegro and North Macedonia, for example, is on the road maintenance business.

In **Switzerland**, strategic and organisational changes were made some time ago. The group is positioning itself as a quality provider in the country, for example through its BIM expertise and greater consideration of sustainability aspects as well as its own building materials testing laboratory.

In **Russia**, STRABAG had specialised in residential and industrial construction. The output volume had been declining steadily in recent years, however, accounting for only 0.3 % of the group output in 2021. In response to Russia's attack on Ukraine, the Management Board in March 2022 decided to wind down its Russian business.

[1] The impacts from Russia's war against Ukraine are not included in this outlook.

SELECTED PROJECTS SOUTH + EAST

Country	Project	Order backlog in € mln.	as % of total group order backlog
Hungary	Railway line Békéscsaba–Lőkösháza	228	1.0
Austria	Grünblick (Viertel 2) residential project	108	0.5
Romania	Connecting road Oradea with A3	103	0.5
Hungary	M6 section Bóly–Ivánvárda	92	0.4
Slovakia	Modernisation of Žilina railway junction	77	0.3

SEGMENT INTERNATIONAL + SPECIAL DIVISIONS: IMPROVEMENTS IN ALL MAJOR BUSINESS AREAS

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.

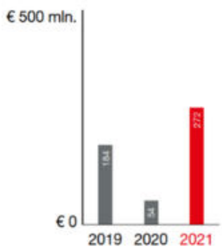
€ mln.	2021	2020	▲ 2020-2021 %	▲ 2020-2021 absolute
Output volume	3,161.46	2,811.86	12	349
Revenue	3,039.14	2,670.21	14	369
Order backlog	5,268.22	4,763.26	11	505
EBIT	272.08	54.04	403	218
EBIT margin (% of revenue)	9.0	2.0		
Employees (FTE)	20,610	21,339	-3	-729

OUTPUT VOLUME INTERNATIONAL + SPECIAL DIVISIONS

€ mln.	2021	2020	▲ 2020-2021 %	▲ 2020-2021 absolute
Germany	906	885	2	21
Americas	479	470	2	9
Austria	435	426	2	9
United Kingdom	364	222	64	142
Middle East	198	113	75	85
Czech Republic	159	132	20	27
Asia	137	115	19	22
Hungary	120	126	-5	-6
Poland	107	79	35	28
Italy	52	47	11	5
Slovakia	42	41	2	1
Romania	40	36	11	4
Africa	28	44	-36	-16
Sweden	18	24	-25	-6
Denmark	18	4	350	14
Benelux	13	12	8	1
Croatia	13	11	18	2
Slovenia	10	9	11	1
Rest of Europe	9	6	50	3
Bulgaria	6	6	0	0
Serbia	3	1	200	2
Switzerland	2	2	0	0
Russia	2	1	100	1
Total	**3,161**	**2,812**	**12**	**349**

Extraordinary increase in EBIT

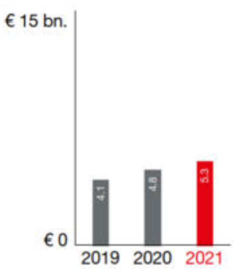
EBIT



In 2021, the International + Special Divisions segment generated an output volume of € 3,161.46 million, 12 % higher than in the previous year, despite the more difficult conditions caused by the Covid-19 pandemic. The increased output is mainly due to the continuous execution of large orders in the international business – above all in Chile, the United Kingdom and the Middle East.

The revenue grew at a slightly higher rate than the output, gaining 14 % to € 3,039.14 million. The negative impact of the Covid-19 pandemic, especially in the international business, decreased, while diversification of the facility management portfolio made further positive contribution to the earnings. The real estate development business continues to be very successful as well. Extraordinarily strong growth of the EBIT to € 272.08 million was recorded in the reporting year. As a result, the EBIT margin increased from 2.0 % in the previous year to 9.0 % in 2021.

ORDER BACKLOG



Austria and Americas driving order backlog

The order backlog increased by 11 % to € 5,268.22 million compared to the same period of the previous year. Growth was recorded in Austria and in the Americas – attributable, for example, to the new orders for the extension of the Vienna U2 metro line and Line 2 in Toronto, Canada. The United Kingdom and Germany also contributed to this development.

Staff reduced for project in Chile and increased in the UK

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, employee levels fell by 3 % to 20,610. This decrease is particularly related to the foreseeable completion of the tunnelling works for the Alto Maipo hydropower megaproject in Chile. In the United Kingdom, on the other hand, staff numbers were increased due to the realisation of the HS2 high-speed rail line and the Woodsmith Project.

Outlook[1]: Impacts from Covid-19 under control

The output volume for the full year 2022 is expected to be higher than in the previous year. This development is being driven by nearly all entities, first and foremost by the internationally active **tunnelling** business. So far it has been possible to keep the adverse effects of the Covid-19 pandemic in 2021 as well as the cost increases for construction materials in check through contractual agreements.

Several megaprojects are currently being carried out in the **international business**, for example in Chile and the UK. In general, the Covid-19-related investment backlog in infrastructure projects is beginning to clear, as the public sector is funding many such projects in order to stimulate the economy. At the same time, the recovery of the oil price is also supporting a renewed demand for construction services in the Middle East. In Canada, too, demand for infrastructure remains high. Despite strong international competition, the Canadian market is being observed with interest.

The future is also looking bright for **property and facility services**, where ongoing digitalisation and efficiency measures are having a significant impact and Covid-19 lockdowns no longer led to output declines in 2021. For the reasons mentioned, the company also expects to see sustainable growth and earnings improvement in all of the division's business areas in 2022. As a result of the legally compliant low-carbon operation of increasingly complex buildings and increasing sustainability demands, the property and facility services division is increasingly shifting towards integrated, digital and sustainable services.

From today's perspective, the impact of the Covid-19 pandemic on **infrastructure development** also appears to be manageable. The construction delays here have remained within acceptable limits and the business field can be described as stable overall.

The **real estate development** business in particular is benefitting from unbroken high demand in the residential segment. For ongoing project developments, it has been possible to achieve attractive sales prices, while the commercial segment has recorded additional leases of office properties as well as sales of commercial properties in the portfolio. The outlook for 2022 as a whole is therefore quite friendly here as well – even if the continuing price increases for properties, materials and subcontractor services requires careful management. Similarly, rising inflation with possible implications for the interest rate level requires timely reactions. Simultaneously with these issues concerning the day-to-day business, work is underway on strategic innovation, sustainability and digitalisation projects, for example in the areas of mobility, generative design, low-tech buildings and CO_2 optimisation.

The **construction materials business** also showed a satisfactory trend overall. The sales volume of aggregates in 2021 was around 7 % higher than the previous year. In the concrete business, this figure was slightly lower due to the completion of several large-scale projects. Among the cement holdings, however, significantly higher CO_2 and energy costs have had a negative impact on the additional income from the increased sales. The country-by-country statistics show a very consistent picture overall, especially in the main markets of Central and Eastern Europe. Meanwhile, an upward trend is evident in the countries of Southern Europe and the Balkans. The dense network of building materials operations, including materials-based services, remains an important basis for self-supply within the group and thus for greater competitiveness.

[1] The impacts from Russia's war against Ukraine are not included in this outlook.

SELECTED PROJECTS INTERNATIONAL + SPECIAL DIVISION

Country	**Project**	**Order backlog in € mln.**	**as % of total group order backlog**
United Kingdom	HS2 high-speed rail line	1,348	6.0
United Kingdom	Woodsmith Project	799	3.6
Canada	Scarborough Subway Extension Line 2	457	2.0
Chile	El Teniente main access tunnel	118	0.5
Austria	U2 underground line, sections 17–21	70	0.3

SEGMENT OTHER (SERVICE COMPANIES AND CENTRAL STAFF DIVISIONS)

This segment encompasses the group's internal central divisions and central staff divisions.

€ mln.	**2021**	**2020**	**▲ 2020-2021%**	**▲ 2020 -2021 absolute**
Output volume	134.62	139.50	-3	-5
Revenue	16.85	14.83	14	2
Order backlog	7.53	6.44	17	1
EBIT	0.69	0.90	-23	0
EBIT margin (% of revenue)	4.1	6.1		
Employees (FTE)	6,881	6,688	3	193

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 the 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/Organisational 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 groups:

- 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 group-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 RISKS: 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 treasury. Detailed information can be found in the Notes under item 34 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 combatting these problems. The rules for proper business behaviour are conveyed by the **STRABAG ethics and business compliance system**. These have group-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 attractiveness 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 company 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 RISKS: 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 WORK SAFETY AND HEALTH IN PLACE

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 group-wide work safety standards are followed. In 2020, 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 COMPONENT OF THE INTEGRATED MANAGEMENT

In accordance with its vision and values, it is the company's aim to realise **construction projects on schedule, to the highest 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 GROUP 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 company-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

Internal audit report in the Consolidated Corporate Governance Report

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.

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 organizational 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. 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 new 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 2021 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 are 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 cars 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 300 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 group-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 around 1,000 people at 130 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).

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.

The STRABAG Group spent about € 17 million on research, development and innovation activities during the 2021 financial year (2020: about € 17 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 5.

2. The 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), as shareholder groups of STRABAG SE, have signed a syndicate agreement governing (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 have the right to nominate two members of the Supervisory Board. The syndicate agreement also requires the syndicate partners to exercise their voting rights from syndicated shares unanimously at the Annual General Meeting of STRABAG SE. The syndicate agreement further foresees restrictions on the transfer of shares in the form of mutual pre-emptive rights as well as a minimum shareholding on the part of the syndicate partners.

3. 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 2021:

   – Haselsteiner Group ………………… 28.3 %
   – Raiffeisen Group …………………..... 14.2 %
   – UNIQA Group ……………………..... 15.3 %
   – MKAO “Rasperia Trading Limited”… 27.8 %

4. The remaining shares of STRABAG SE, amounting to about 14.4 % of the share capital, are in free float. 7,400,000 no-par value treasury shares of STRABAG SE were withdrawn in the 2021 fiscal year through a simplified capital reduction in accordance with Sec 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). As a result, the company itself no longer holds any own shares as of 31 December 2021.

5. Three shares are – as mentioned under item 1 – registered shares entered in the shareholder register. Registered shares No.1 and No. 2 allow their bearers to nominate a member each to the Supervisory Board of STRABAG SE and require the consent of the Supervisory Board for their full or partial sale and pledging. Registered share No. 1 is held by Klemens Peter Haselsteiner. Registered share No. 2 is held by MKAO “Rasperia Trading Limited”.

6. No employee stock option programmes exist.

7. No further regulations exist beyond items 2 and 5 regarding the nomination and recall of members of the Management and Supervisory Boards or regarding changes to the Articles of Association which do not result directly from relevant law and legislation. No other powers of the members of the Management Board exist, in particular with regard to the possibility of issuing or repurchasing shares.

8. 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 ownership in STRABAG SE following a takeover offer.

9. 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 36 of the Notes.

Outlook

Based on the new record order backlog of around € 22.5 billion at the end of 2021, the Management Board is confident that it will also be able to match the record output volume of € 16.6 billion from 2019. Growth is expected in all three operating segments, but especially in South + East.

In terms of the EBIT margin (EBIT/revenue), the company is sticking to its target of achieving at least 4 % on a sustainable basis from 2022 onwards. The combination of numerous positive earnings effects in all segments had led to an exceptionally high EBIT margin in 2021. Net investments (cash flow from investing activities) in 2022 will likely not exceed € 550 million.

An initial assessment of the impacts from Russia's war against Ukraine on output, revenue and earnings in the 2022 financial year, which vary from country to country and from division to division, has already been taken into account.

Events after the reporting period

The material events after the reporting period are described in the item V. of the Notes.

Villach, 26 April 2022

The Management Board

Dr. Thomas Birtel m.p.
CEO
Responsibility Central Staff Divisions and Central Divisions BMTI, TPA as well as CML Construction Services

Mag. Christian Harder m.p.
CFO
Responsibility Central Division BRVZ

Klemens Haselsteiner m.p.
Responsibility Central Divisions STRABAG Innovation & Digitalisation as well as Zentrale Technik, Responsibility Subdivision NN Russia

Dipl.-Ing. Dr. Peter Krammer m.p.
Responsibility Segment South + East (except Subdivision NN Russia)

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

Dipl.-Ing. (FH) Alfred Watzl m.p.
Responsibility Segment North + West

AUDITOR'S REPORT

REPORT ON THE FINANCIAL STATEMENTS

Audit Opinion

We have the audited financial statements of

STRABAG SE,
Villach, Austria,

which comprise the Balance Sheet as at 31 December 2021, the Income Statement for the year then ended, and the Notes.

In our opinion, the financial statements comply with the legal requirements and present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance for the year then ended, in accordance with Austrian Generally Accepted Accounting Principles.

Basis for our Opinion

We conducted our audit in accordance with Regulation (EU) 537/2014 ("AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the Company, in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained 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 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, however, we do not provide a separate opinion thereon.

Valuation of investments in affiliated companies and receivables from affiliated companies

Refer to note Annex I/5f.

Risk for the Financial Statements

Investments (TEUR 2,529,607) in and receivables (TEUR 619,495) from affiliated companies represent a major portion of the assets (TEUR 3,308,809) reported in the annual financial statements of STRABAG SE as of 31 December 2021.

Investments in and receivables from affiliated companies are tested for impairment annually and whenever there is an indication that the assets may be impaired. In a first step, the carrying amount of the investments in affiliated companies is compared with the proportionate share in equity at the reporting date. In case the carrying amount exceeds the proportionate share in equity, a valuation of the investment based on discounted cashflows, which significantly depend on future revenue and margin projections, and on discount rates, is performed in a further step. This valuation is subject to significant uncertainty.

Our Response

— We have evaluated the valuation of investments in affiliated companies as well as the receivables from affiliated companies as follows:

— We have re-performed the company's analysis of the indications of a significantly reduced fair value (including the coverage of the carrying amount by the proportionate share in equity) for the investments in affiliated companies. In addition, we discussed with the Management Board whether there were any other indications of a significant decrease in the fair value of the investments in and receivables from affiliated companies.

— In those cases where the analysis revealed indications of a significantly reduced fair value, the following extended considerations were made:

 — We involved our valuation specialist, who reviewed the method for calculating the impairment test and for determining the cost of capital and assessed whether they corresponded to the relevant standards. We assessed the appropriateness of the assumptions used to determine the cost of capital by comparing them with market and industry-specific values an checked the mathematical accuracy of the calculation scheme.

 — We have reconciled the basis of the calculations applied for the valuation of the investments in and receivables from affiliated companies to the multi-year plan of the Group, taken note of by the Supervisory Board.

 — In order to assess the accuracy of the planned figures, we have gained an understanding of the planning process and discussed the planning process with the Management Board and representatives of the respective company divisions. We assessed the accuracy of the planning figures by comparing the planned figures made in prior periods with the actual values for that period.

— In the case of receivables from affiliated companies that were not already covered by the valuation of investments in affiliated companies, we used the available multi-year plan to check whether there is a need for an impairment write off. We also took into consideration the financial situation of the affiliated companies.

— Finally, we assessed the accuracy and completeness of the Company's disclosures and explanations in the notes relating to investments in and receivables from affiliated companies.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the financial statements, the management report and the auditor’s report.

Our opinion on the 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 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 the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor´s Responsibilities

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

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

Moreover:

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL REQUIREMENTS

Management Report

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

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

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

Opinion

In our opinion, the management report is consistent with the financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB are appropriate.

Statement

We were elected as auditors at the Annual General Meeting on 18 June 2021 and were appointed by the supervisory board on 18 June 2021 to audit the financial statements of Company for the financial year ending on 31 December 2021.

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 financial statements at 31 March 1999.

We declare that our opinion expressed in the "Report on the Financial Statements" section of our report is consistent with our additional report to the audit committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Company.

ENGAGEMENT PARTNER

The engagement partner is Mr. Mag. Gerold Stelzmüller.

Linz, 26 April 2022

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Gerold Stelzmüller m.p.
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

The financial statements, together with our auditor's opinion, may only be published if the financial statements and the management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

STATEMENT OF ALL LEGAL REPRESENTATIVES

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the individual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Villach, 26 April 2022

The Management Board

Dr. Thomas Birtel m.p.
CEO
Responsibility Central Staff Divisions and
Central Divisions BMTI, CML as well as TPA

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