Interessenverband
für Anleger www.iva.or.at

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QUESTIONS ON KEY ISSUES 2020

This year the Austrian investors' association IVA has again formulated 10 questions on key issues and is inviting the country's publicly listed companies to answer them. The responses are published online at www.iva.or.at.

1. In 2019 how many **employees** (excluding the Management Board) received total annual remuneration of **more than € 200,000** and how many employees received total annual remuneration of **more than € 500,000**?

   The number of employees with total annual remuneration (= fixed salary + performance-based bonus) of more than € 200,000 (gross) in the 2019 calendar year was in the lower triple digits; those with total annual remuneration of more than € 500,000 (gross) was in the low double-digit range.

2. **Employee representatives:** Number of **employee representatives** in the corporate group who are released from their work duties without loss of pay; personnel expenses and ancillary costs such as secretariat, motor vehicles; number of temporary workers as at 31 December 2019

   Employee representatives: 135
   Cost: € 12.7 million
   Temp workers: in the low three-digit range to cover peak demand

3. **Supervisory Board:** How high are the **ancillary costs**, such as costs for travel, secretariat, consulting, meetings, further education?

   The ancillary costs related to the Supervisory Board amounted to approximately € 60,000 in 2019. These are mainly travel expenses.

   How high are the unused holiday accruals of the members of the Management Board, insofar as they exceed an annual entitlement?

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Due to contractual provisions, there is no holiday carryover for the members of the Management Board at the end of the year.

4. **Persons with disabilities**

   - Compensation tax expense 2019 (only in Austria)

   Cost: € 1.5 million

   - Which measures have been taken to include persons with disabilities as employees/customers?

   Our office buildings are designed and equipped for the disabled.

5. The **effects of the low interest rate phase** and the increasing planning uncertainty on the valuation of intangible assets (goodwill and other). Which measures are being considered to improve the ratio of intangible assets to equity?

   Due to the large headroom for goodwill in the STRABAG SE Group, no significant goodwill impairment due to lower-than-expected results is currently expected. See the sensitivity analyses on p. 225 and p. 233 of the 2019 annual report.
   The ratio of intangible assets to equity in the STRABAG SE Group amounts to only 12.7 %.

6. **Investor relations activities**

   - Roadshows, nationally and abroad

     In 2019 we took part in seven (2018: seven) roadshows and investor conferences organised by Erste Group, Kepler Cheuvreux and Raiffeisen Centrobank as well as by the Vienna Stock Exchange and conducted investor talks in London, Frankfurt, Warsaw, Zurich, Vienna and New York.

   - Contact with institutional and private investors

     Last year we informed 76 capital market participants (2018: 63) in 46 (33) one-on-ones, telephone conferences and group talks.

- Expenditures for research and analyses

  No financial expenditure.

- Number of print copies of annual report and sustainability report

  3,600 (2,100 German and 1,500 English)

- Expenditures for publication of notices in *Wiener Zeitung*

  Publication of invitation and agenda for General Meeting (2020): € 6,850
  Publication of balance sheet (2019): € 39,060

7. **Consulting expenses**

- stated separately for legal/compliance,
- IT consulting/digitalisation,
- advertising, public relations,
- hiring, other
- on the topic of CO_2

Consulting expenses in the STRABAG SE-Group 2019 are as follows:
Expenses for legal advice and court costs: € 38.9 million
Expenses for central advertising including employer branding: € 9.5 million
Expenses for recruiting advertisement: € 3.4 million
Other consulting expenses: € 29.1 million
Public relations work is carried out centrally by the company's own staff, with external support from consulting firms only on a case-by-case basis.
There were no significant costs related to consulting explicitly on the topic of CO_2.
The costs for IT consulting/digitalisation are not recorded separately.

8. **Research grants and premiums** received,

   description of the **three most important research projects**

A total of € 1.2 million in research funding was received in the 2019 financial year. Of this amount, € 0.5 million relates to research premiums claimed for projects in the years 2014 to 2018.

Detailed information about our current R&E developments are given on our website innovation.strabag.com

9. **Tax payments in Austria in 2019** and in the three highest-revenue foreign markets (country, revenue, tax payment)

The actual tax expenses (without deferred taxes) of the STRABAG SE Group in Austria and the three highest-revenue foreign markets break down as follows:
Germany € 97.3 million
Poland € 26.5 million
Hungary € 11.9 million
Austria € 0.5 million

10. **Possible impact of the coronavirus crisis on**

- employment
- revenue
- customer relationships
- supply chain
- short-term/medium-term earnings
- dividend guidance?

Like all industries, the STRABAG Group has also been impacted by the COVID-19 crisis. Especially those European countries in which the STRABAG Group generates most of its operating revenue have been particularly hard hit by COVID-19 and the associated government directives to prevent and contain its spread. Every country has introduced its own measures to prevent the spread of COVID-19. These measures have included lockdowns and stay-at-home orders resulting in a restricted movement of goods, services and people between the European countries. The restrictions have had a negative impact on the business operations of STRABAG SE, **particularly on construction activity**. Construction processes must be adapted and special protective measures implemented while dealing with the limited availability of (human and material) resources. This always involves a change in the intensity of the work performed.

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The impact has differed greatly from country to country. In March 2020, for example, regular construction operations were suspended in the home market of Austria for around ten days before being gradually ramped up again. Approximately 1,000 construction sites were affected by this measure.

Risks resulting from disruptions in the STRABAG Group's supply chain can be partially cushioned by its high level of value added in raw materials. The existing inventory of construction equipment, machinery and other vehicles benefit the group in this regard as well. Precautions are also being taken as part of the business continuity management to ensure that business activity is maintained to the full extent as much as possible in the event of disruptions.

As a result of the mostly small, decentralised structures compared to other industries, the construction sector has **a lower risk of simultaneous infection** or quarantine of a critical part **of the staff**; nevertheless, the risk of infection must be further reduced with suitable measures such as avoiding in-person events, providing the workforce with hygiene information and supplies or enabling remote working where possible.

A reliable assessment of the impact of the coronavirus crisis on the business figures for 2020 is still not possible. **From today's perspective, however, the Management Board expects output to decline by 10 % compared to the previous forecast of more than € 16.0 billion, bringing the expected output volume to approx. € 14.4 billion.** It can be assumed that the EBIT, in line with the forecast decline in output, will also be at a lower level. At the same time, an **EBIT margin of at least 3.5 %** should still be possible.

Against this background, the Supervisory Board and the Management Board propose **a conditional payment of a reduced dividend in the amount of € 0.90.** Entitlement to and payment of the dividend is subject to the condition precedent that the total amount of liquid assets of the company and of all companies fully consolidated in accordance with the applicable International Accounting Standards (IFRS/IAS), plus any contractually

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agreed but unused loans, does not fall below € 1 billion as at 31 October 2020 even if the dividend is paid out.