Yearly Financial Report 2022

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CONSOLIDATED FINANCIAL STATEMENTS 2022

STRABAG
SOCIETAS EUROPAEA

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

CONSOLIDATED INCOME STATEMENT

T€	Notes	2022	2021
Revenue	(1)	17,025,847	15,298,536
Changes in inventories		-4,851	-118,649
Own work capitalised		15,865	8,835
Other operating income	(2)	236,760	211,260
Construction materials, consumables and services used	(3)	-10,988,654	-9,415,079
Employee benefits expense	(4)	-4,133,734	-3,843,579
Other operating expense	(5)	-1,013,283	-823,814
Share of profit or loss of equity-accounted investments	(6)	60,887	92,110
Net income from investments	(7)	58,369	36,102
EBITDA		**1,257,206**	**1,445,722**
Depreciation and amortisation expense	(8)	-550,809	-549,614
EBIT		**706,397**	**896,108**
Interest and similar income		50,742	26,962
Interest expense and similar charges		-40,066	-39,532
Net interest income	**(9)**	**10,676**	**-12,570**
EBT		**717,073**	**883,538**
Income tax expense	(10)	-236,944	-287,135
Net income		**480,129**	**596,403**
attributable to: non-controlling interests		7,675	10,697
attributable to: equity holders of the parent (consolidated profit)		472,454	585,706
Basic earnings per share (€)	**(11)**	**4.60**	**5.71**

STATEMENT OF COMPREHENSIVE INCOME

T€	Notes	2022	2021
Net income		**480,129**	**596,403**
Differences arising from currency translation		1,095	27,064
Recycling of differences arising from currency translation		673	3,637
Change in interest rate swaps		66,508	20,077
Recycling of interest rate swaps		5,297	10,585
Recycling of cost-of-hedging reserves		0	103
Recycling of currency hedging instruments		0	-1,537
Deferred tax relating to other comprehensive income	(10)	-19,468	-6,510
Share of other comprehensive income of equity-accounted investments		9,438	4,820
Total of items that will be subsequently reclassified to profit or loss ("recycled")		**63,543**	**58,239**
Change in actuarial gains/losses		34,661	34,985
Deferred tax relating to other comprehensive income	(10)	-10,707	-9,251
Share of other comprehensive income of equity-accounted investments		164	37
Total of items that will not be subsequently reclassified to profit or loss ("recycled")		**24,118**	**25,771**
Other comprehensive income		**87,661**	**84,010**
Total comprehensive income		**567,790**	**680,413**
attributable to: non-controlling interests		7,721	10,299
attributable to: equity holders of the parent		560,069	670,114

CONSOLIDATED BALANCE SHEET

T€	Notes	31.12.2022	31.12.2021
Goodwill	(13)	442,396	447,679
Rights from concession arrangements	(14)	473,155	492,829
Other intangible assets	(15)	24,847	28,395
Property, plant and equipment	(16)	2,743,463	2,533,116
Equity-accounted investments	(17)	411,172	403,163
Other investments	(18)	198,001	195,388
Receivables from concession arrangements	(21)	482,874	524,570
Other financial assets	(24)	405,653	259,971
Deferred tax	(19)	110,536	104,444
Non-current assets		**5,292,097**	**4,989,555**
Inventories	(20)	1,068,707	969,103
Receivables from concession arrangements	(21)	49,754	46,001
Contract assets	(22)	1,357,741	1,348,241
Trade receivables	(23)	1,680,994	1,447,374
Non-financial assets		193,916	143,203
Income tax receivables		85,632	52,396
Other financial assets	(24)	253,069	266,644
Cash and cash equivalents	(25)	2,701,849	2,963,251
Current assets		**7,391,662**	**7,236,213**
Assets		**12,683,759**	**12,225,768**
Share capital		102,600	102,600
Capital reserves		2,085,806	2,085,806
Retained earnings and other reserves		1,814,445	1,859,100
Non-controlling interests		22,392	24,316
Equity	**(26)**	**4,025,243**	**4,071,822**
Provisions	(27)	1,278,791	1,235,924
Financial liabilities[1]	(28)	656,332	710,610
Other financial liabilities	(30)	83,818	95,788
Deferred tax	(19)	174,821	104,063
Non-current liabilities		**2,193,762**	**2,146,385**
Provisions	(27)	1,129,106	1,097,705
Financial liabilities[2]	(28)	300,869	483,005
Contract liabilities	(22)	1,144,676	1,117,348
Trade payables	(29)	2,569,042	2,421,430
Non-financial liabilities		540,572	536,945
Income tax liabilities		58,192	51,163
Other financial liabilities	(30)	722,297	299,965
Current liabilities		**6,464,754**	**6,007,561**
Equity and liabilities		**12,683,759**	**12,225,768**

1 Thereof T€ 372,859 concerning non-recourse liabilities from concession arrangements (2021: T€ 452,402)
2 Thereof T€ 235,115 concerning non-recourse liabilities from concession arrangements (2021: T€ 200,338)

CONSOLIDATED CASH FLOW STATEMENT

T€	Notes	2022	2021
Net income		480,129	596,403
Deferred tax		35,021	106,413
Non-cash effective results from change in the consolidated group		-2,265	10,375
Non-cash income/expense attributable to equity-accounted investments		27,343	26,605
Other non-cash income/expense		-12,788	-9,679
Depreciations/reversal of impairment losses		560,571	553,165
Change in non-current provisions		48,149	-3,982
Gains/losses on disposal of non-current assets		-51,179	-62,952
Cash flow from earnings		**1,084,981**	**1,216,348**
Change in inventories		-132,452	105,797
Change in receivables from concession arrangements, contract assets and trade receivables		-292,350	-159,118
Change in non-financial assets		-50,548	-30,585
Change in income tax receivables		-33,592	-4,534
Change in other financial assets		6,930	-3,402
Change in current provisions		64,156	126,599
Change in contract liabilities and trade payables		173,358	60,870
Change in non-financial liabilities		3,668	61,197
Change in income tax liabilities		6,748	-176,670
Change in other financial liabilities		-18,042	24,059
Cash flow from operating activities	**(34)**	**812,857**	**1,220,561**
Purchase of financial assets		-26,726	-19,289
Purchase of property, plant, equipment and intangible assets		-630,523	-456,338
Proceeds from asset disposals		81,681	123,072
Change in other financing receivables		15,730	-17,819
Changes in the consolidated group		-585	-7,185
Cash flow from investing activities		**-560,423**	**-377,559**
Proceeds from bank borrowings		34,458	126,600
Repayment of bank borrowings		-97,046	-90,577
Repayment of bonds		-200,000	0
Change in lease liabilities		-62,522	-61,046
Change in other financing liabilities		-5,025	-2,072
Change in the consolidated group/due to acquisition of non-controlling interests		-151	-2,750
Distribution of dividends		-173,369	-714,061
Cash flow from financing activities	**(34)**	**-503,655**	**-743,906**
Net change in cash and cash equivalents		**-251,221**	**99,096**
Cash and cash equivalents at the beginning of the period		2,963,101	2,856,804
Effect of exchange rate changes on cash and cash equivalents		-10,181	7,201
Cash and cash equivalents at the end of the period	**(34)**	**2,701,699**	**2,963,101**

STATEMENT OF CHANGES IN EQUITY

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves[1]	Foreign currency translation reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2021	**110,000**	**2,315,384**	**1,824,618**	**-74,647**	**-89,209**	**4,086,146**	**22,074**	**4,108,220**
Net income	**–**	**–**	**585,706**	**–**	**–**	**585,706**	**10,697**	**596,403**
Differences arising from currency translation	–	–	–	–	31,059	31,059	-358	30,701
Change in currency hedging instruments	–	–	–	-1,434	–	-1,434	0	-1,434
Change in equity-accounted investments	–	–	37	4,720	100	4,857	0	4,857
Change in actuarial gains and losses	–	–	35,038	–	–	35,038	-53	34,985
Change in interest rate swap	–	–	–	30,662	–	30,662	0	30,662
Deferred tax relating to other comprehensive income	–	–	-9,264	-6,510	–	-15,774	13	-15,761
Other comprehensive income	**–**	**–**	**25,811**	**27,438**	**31,159**	**84,408**	**-398**	**84,010**
Total comprehensive income	**–**	**–**	**611,517**	**27,438**	**31,159**	**670,114**	**10,299**	**680,413**
Transfers	–	-236,978	236,978	–	–	–	–	–
Transactions concerning non-controlling interests	–	–	-814	–	–	-814	-1,936	-2,750
Own shares	-7,400	7,400	–	–	–	–	–	–
Distribution of dividends[2]	–	–	-707,940	–	–	-707,940	-6,121	-714,061
Balance as at 31.12.2021	**102,600**	**2,085,806**	**1,964,359**	**-47,209**	**-58,050**	**4,047,506**	**24,316**	**4,071,822**

1 The hedging reserve also includes the cost of hedging, see cash flow hedges section in item (35) Financial instruments.
2 The total dividend payment of T€ 707,940 corresponds to a dividend per share of € 6.90 based on 102,600,000 shares.

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves	Foreign currency translation reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2022	**102,600**	**2,085,806**	**1,964,359**	**-47,209**	**-58,050**	**4,047,506**	**24,316**	**4,071,822**
Net income	**–**	**–**	**472,454**	**–**	**–**	**472,454**	**7,675**	**480,129**
Differences arising from currency translation	–	–	–	–	1,767	1,767	1	1,768
Change in equity-accounted investments	–	–	164	13,132	-3,694	9,602	0	9,602
Change in actuarial gains and losses	–	–	34,600	–	–	34,600	61	34,661
Change in interest rate swap	–	–	–	71,805	–	71,805	0	71,805
Deferred tax relating to other comprehensive income	–	–	-10,691	-19,468	–	-30,159	-16	-30,175
Other comprehensive income	**–**	**–**	**24,073**	**65,469**	**-1,927**	**87,615**	**46**	**87,661**
Total comprehensive income	**–**	**–**	**496,527**	**65,469**	**-1,927**	**560,069**	**7,721**	**567,790**
Transactions concerning non-controlling interests due to changes in the consolidated group	–	–	–	–	–	–	-151	-151
Buyback obligation for own shares[1]	–	–	-399,524	–	–	-399,524	–	-399,524
Distribution of dividends[2]	–	–	-205,200	–	–	-205,200	-9,494	-214,694
Balance as at 31.12.2022	**102,600**	**2,085,806**	**1,856,162**	**18,260**	**-59,977**	**4,002,851**	**22,392**	**4,025,243**

1 See also the comments under item (26) Equity.
2 The total dividend payment of T€ 205,200 corresponds to a dividend per share of € 2.00 based on 102,600,000 shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BASIC PRINCIPLES

The STRABAG SE Group is a leading European technology group for construction services. STRABAG SE has its headquarters in Triglavstraße 9, 9500 Villach, Austria. STRABAG SE is the ultimate parent company of the group. From its core markets of Austria and Germany, STRABAG is present via its numerous subsidiaries in all countries of Eastern and South-East Europe, in selected markets in North and Western Europe and the Arabian Peninsula, as well as in the project business in Africa, Asia and the Americas. STRABAG's activities span the entire construction industry (Building Construction & Civil Engineering, Transportation Infrastructures, Tunnelling, construction-related services) and cover the entire value-added chain in the field of construction.

The consolidated financial statements of STRABAG SE, at the reporting date 31 December 2022, were drawn up under application of Section 245a Paragraph 2 of the Austrian Commercial Code (UGB) in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Applied were exclusively those standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union. Further reporting requirements of Section 245a Paragraph 1 of the Austrian Commercial Code (UGB) were fulfilled as well.

In addition to a statement of total comprehensive income and the consolidated balance sheet, the financial statements include a cash flow statement in accordance with IAS 7 and a statement of changes in equity (IAS 1). The disclosures in the Notes also contain a segment reporting section in accordance with IFRS 8.

In order to improve the clarity of the representation, various items in the balance sheet and the income statement have been combined. These items have been shown separately and are explained in the Notes. The income statement has been drawn up in accordance with the nature of expense method.

There have been no changes in accounting policies during the financial year.

The preparation of the consolidated financial statements was based on the assumption that the company will continue as a going concern.

The consolidated financial statements were prepared in T€. The presentation in T€ may result in rounding differences.

CHANGES IN ACCOUNTING POLICIES

NEW AND REVISED STANDARDS AND INTERPRETATIONS THAT ARE EFFECTIVE FOR THE 2022 FINANCIAL YEAR

The IASB has made the following amendments to the existing IFRS and passed several new IFRS and IFRIC, which have also been adopted by the European Commission. Application thus became mandatory on 1 January 2022.

	Application for financial years which begin on or after (according to IASB)	Application for financial years which begin on or after (according to EU endorsement)
Annual Improvements to IFRS 2018–2020	1.1.2022	1.1.2022
Amendments to IFRS 3 – References to Conceptual Framework	1.1.2022	1.1.2022
Amendments to IAS 16 – Proceeds before Intended Use	1.1.2022	1.1.2022
Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract	1.1.2022	1.1.2022

Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract

Provisions for pending losses from construction contracts are recognised according to IAS 37.

The amendment to IAS 37 stipulates that, for the purpose of assessing whether a contract is onerous, all costs that relate directly to a contract must be included in estimating the cost of fulfilling that contract (full cost approach). Before this clarification, a marginal cost approach was also possible with regard to the definition of unavoidable costs, in which only the incremental costs for fulfilling the contract were to be taken into account.

When determining the provisions for pending losses from construction contracts, the group has always considered all costs directly attributable to the contract.

Therefore, clarification of "costs to fulfil a contract" results in no need to adjust the method for assessing provisions.

The first-time adoption of the other IFRS standards had no impact on the consolidated financial statements as at 31 December 2022.

FUTURE CHANGES OF FINANCIAL REPORTING STANDARDS

The IASB and the IFRIC approved further standards and interpretations. However, these were neither required to be applied in the 2022 financial year nor adopted by the European Commission. The amendments affect the following standards and interpretations:

	Application for financial years which begin on or after (according to IASB)	Application for financial years which begin on or after (according to EU endorsement)	Impact on the consolidated financial statements
IFRS 17 Insurance Contracts	1.1.2023	1.1.2023	no
IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1.1.2023	1.1.2023	no
Amendments to IAS 1 – Disclosure of Accounting Policies	1.1.2023	1.1.2023	minor
Amendments to IAS 8 – Definition of Accounting Estimates	1.1.2023	1.1.2023	minor
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1.1.2023	1.1.2023	minor
Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current – Defferal of Effective Date and Non-Current Liabilities with Covenants	1.1.2024	n. a.[1]	is being analysed
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	1.1.2024	n. a.[1]	is being analysed

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

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

CONSOLIDATION

The financial statements of the domestic and foreign companies included in the consolidated group are drawn up in accordance with uniform methods of accounting and valuation. The annual financial statements of the domestic and foreign group companies are adapted accordingly.

SUBSIDIARIES

Entities whose financial and operating policies are controlled by the group constitute subsidiaries.

The consolidated financial statements include the financial statements of the parent and entities (including structured entities) over which the group has control. An entity is considered to be under control if the following criteria are met:

- The parent has power over the investee.
- The parent is exposed to variable returns on the investment.
- The parent has the ability to affect the returns from the investment through its power over the investee.

Control over an entity is reassessed if facts and circumstances indicate that there are changes to one or more of the three elements of control discussed above.

Owning a majority of the voting rights is not always necessary to have power and control over an investee. Control can be achieved through other rights or contractual agreements which give the parent the possibility to affect the returns of the investee.

A subsidiary is included in the consolidated financial statements from the date on which the parent acquired control. Conversely, the entity is deconsolidated when control ends.

Capital consolidation is performed in accordance with IFRS 3 using the acquisition method. The acquisition costs of the subsidiary are measured as the sum of the fair values of assets given, equity instruments issued and liabilities assumed. Contingent considerations are also measured at their fair value from the date of the business combination. Later deviations from this value are recognised in profit or loss. Transaction costs are also recognised immediately in profit or loss.

Non-controlling interests are recognised based on their proportional interest in the net assets of the acquired entity (partial goodwill method). The option of recognising non-controlling interests at fair value is not used.

In business combinations achieved in stages (step acquisitions), the existing equity interest of the entity is remeasured at fair value from the date of acquisition. The resulting profit or loss is recognised in the income statement.

The acquisition costs, contingent considerations, existing equity interests and non-controlling interests are to be compared with all identifiable assets and liabilities of the subsidiary measured at fair value. Any remaining difference on the assets side is classified as goodwill. Differences arising from the capital consolidation on the liabilities side are recognised immediately in profit or loss following another review. Goodwill is subjected to impairment testing in accordance with IAS 36 at least once a year.

In the 2022 financial year, T€ 0 (2021: T€ 0) in goodwill arising from capital consolidation was recognised as assets. Impairment losses on goodwill in the amount of T€ 6,700 (2021: T€ 5,667) were recognised.

TRANSACTIONS WITH NON-CONTROLLING INTERESTS THAT DO NOT RESULT IN LOSS OF CONTROL

Differences arising from the acquisition or disposal of investments in affiliated entities without acquisition or loss of control are recognised in full in equity outside profit or loss.

DISPOSAL OF SUBSIDIARIES

When control over a subsidiary is lost, any remaining investment is remeasured at fair value. The difference to the existing carrying amounts is recognised in profit or loss. Associates, joint arrangements or financial assets are initially recognised at this fair value. All previous amounts recognised to date in other income are accounted for as if the assets and liabilities of the affected entities had been sold directly.

STRUCTURED ENTITIES

Structured entities are entities that are not controlled by voting rights, but mainly through contractual arrangements for a specific business purpose. The business purpose is usually restricted to a narrow field of activity. Structured entities typically have little equity capital and rely on owner financing.

ASSOCIATES

Entities in which the group exercises significant influence constitute associates. This is generally the case with a holding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and recognised in the item equity-accounted investments. The acquired investment is initially measured at cost. Any differences that arise are treated according to the principles of consolidation. In subsequent years, the carrying amount of the investment increases or decreases in proportion to the share of profit or loss and/or the investee's other income. Distributions reduce the carrying amount of the investment. As soon as the group's share of losses equals or exceeds the interest in the associate, no further losses are recognised unless the group is liable for the associate's losses.

At the end of every accounting period, the group determines whether there are any indications for an impairment of the investment in the associate. If there are, then the difference between the carrying amount and the recoverable amount is recognised as an impairment expense in the income statement.

In the year under review, as in the previous year, the initial equity measurement of newly acquired entities did not result in any goodwill, which is reported under equity-accounted investments.

JOINT ARRANGEMENTS

Joint ventures are entities over which the group exercises joint control together with a third entity. Joint control exists when the determination of the financial and operating policies requires the unanimous consent of all parties to the joint control. STRABAG accounts for joint ventures using the equity method and these are recognised in the item equity-accounted investments.

Consortia are quite common in the construction industry in Austria and Germany. According to the Institute of Public Auditors in Germany (IDW) and a statement by the Austrian Financial Reporting and Auditing Committee (AFRAC), the typical German and Austrian construction consortium meets the requirements to be classified as a joint venture. Earnings from construction consortia are presented proportionately under share of profit or loss of equity-accounted investments. The receivables from and payables to construction consortia include mainly in- and outflows of cash, charges resulting from services as well as proportional contract results and are recorded under trade receivables and trade payables.

Joint arrangements for the execution of construction work in the remaining countries are accounted for either as joint ventures or as joint operations depending on the substance of the arrangement.

OTHER INVESTMENTS

In accordance with IFRS 9, investments which do not constitute subsidiaries, joint ventures or associates are recognised at fair value through profit or loss and are stated under other investments.

Subsidiaries, joint ventures and associates which, being immaterial, are not consolidated or accounted for using the equity method are measured at amortised cost and reported under other investments.

CONSOLIDATION PROCEDURES

As part of the consolidation of intercompany balances, any trade receivables, loans and other receivables existing within the group are set off against the corresponding liabilities and provisions of the subsidiaries included in the consolidated financial statements.

Expenses and revenues from intra-group transactions are eliminated. Results incurred from intra-group transactions that are recognised in the non-current and current assets are eliminated if they are material. Non-controlling interests are taken into consideration during the elimination of intra-group profits or losses.

Unrealised profits from transactions between group entities and associates are eliminated in proportion to the group’s share in the associate.

Non-controlling interests in equity and profits of companies controlled by the parent are shown separately in the consolidated financial statements.

The necessary tax deferrals are made for consolidation procedures.

THE CONSOLIDATED GROUP

The consolidated financial statements as at 31 December 2022 include STRABAG SE as well as all major domestic and foreign subsidiaries over which STRABAG SE either directly or indirectly has control. Associates and joint ventures are reported in the balance sheet using the equity method (equity-accounted investments).

Group companies which are of minor importance for the purpose of giving a true and fair view of the financial position, financial performance and cash flows of the group are not consolidated. The decision to include an entity in the consolidated group is based on quantitative and qualitative considerations.

Subsidiaries and equity-accounted investments included in the 2022 consolidated financial statements are given in the list of investments.

The financial year for all consolidated and associated companies, with the exception of the following companies that are included in the consolidated group on the basis of an interim report effective 31 December 2022, is identical with the calendar year.

Companies	Reporting date	Method of inclusion
EFKON INDIA Pvt. Ltd., Mumbai	31.3.	consolidation
Thüringer Straßenwartungs- und Instandhaltungsgesellschaft mbH & Co. KG, Apfelstädt	30.9.	equity-accounted investment

The number of consolidated companies changed in the 2021 and 2022 financial years as follows:

	Consolidation	Equity method
Number as at 31.12.2020	**280**	**24**
First-time inclusions in the reporting period	5	0
First-time inclusions in the reporting period due to merger/accrual of assets	3	0
Merger/Accrual of assets in the reporting period	-4	0
Exclusions in the reporting period	-18	-2
Number as at 31.12.2021	**266**	**22**
First-time inclusions in the reporting period	10	0
First-time inclusions in the reporting period due to merger/accrual of assets	3	0
Merger/Accrual of assets in the reporting period	-4	0
Exclusions in the reporting period	-9	0
Number as at 31.12.2022	**266**	**22**

ADDITIONS TO THE CONSOLIDATED GROUP

The following companies formed part of the consolidated group for the first time in the reporting period:

Consolidation	**Direct stake %**	**Date of acquisition or foundation**	
CENTRUM BUCHAREST DEVELOPMENT SRL, Bucharest	100.00	1.1.2022	1
Leystraße 122–126 Komplementär GmbH, Vienna	100.00	1.1.2022	1
Leystraße 122–126 Projektentwicklung GmbH & Co KG, Vienna	100.00	1.1.2022	1
Meischlgasse 28–32 Komplementär GmbH, Vienna	100.00	1.1.2022	1
Meischlgasse 28–32 Projektentwicklung GmbH & Co KG, Vienna	100.00	1.1.2022	1
SRE Real Estate Luxembourg S.à r.l., Belvaux	100.00	1.1.2022	1
STRABAG Beteiligungen GmbH, Spittal an der Drau	100.00	1.1.2022	1
STRABAG PS s.r.o., Bratislava	100.00	1.1.2022	1
STRABAG Real Estate s.r.o., Bratislava	100.00	26.4.2022	
STRABAG-EDILMAC Desarrollos Verticales SpA, Santiago de Chile	80.00	1.1.2022	1
Merger/Accrual of assets			
Cottbuser Frischbeton GmbH, Wiesengrund	100.00	18.8.2022	2
I-PAY CLEARING SERVICES Pvt. Ltd., Mumbai	100.00	15.3.2022	2
Mikrobiologische Abfallbehandlungs GmbH, Schwadorf	100.00	30.9.2022	2

1 Due to its increased business volumes, the company was included in the consolidated group for the first time effective 1 January. The foundation/acquisition of the company occurred before 1 January 2022.
2 The companies listed under Merger/Accrual of assets were merged with/accrued on already consolidated companies and as such are simultaneously represented as additions to and removals from the consolidated group.

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

Additions to assets and liabilities from first-time consolidations are comprised as follows:

T€	First-time consolidations
Assets and liabilities acquired	
Other non-current assets	2,840
Current assets	7,861
Non-current liabilities	-477
Current liabilities	-2,794
Profit from first-time consolidations recognised in profit or loss	-1,513
Consideration (purchase price)	**5,917**
Non-cash effective purchase price component	-5,917
Cash and cash equivalents acquired	715
Net cash inflow from acquisition	**715**

All companies which were consolidated for the first time in 2022 contributed T€ 17,469 (2021: T€ 77,117) to revenue and with a profit of T€ 4,121 (2021: loss of T€ 1,629) to net income after minorities.

Assuming a theoretical first-time consolidation on 1 January 2022 for all new acquisitions, consolidated revenue and net income would not change in the financial year.

Acquisitions after the reporting period

STRABAG acquired 100% of Slabihoud GmbH and Hans Lohr GmbH. With this acquisition, STRABAG is expanding its M&E (mechanical and electrical) competencies in Austria to include further business areas. Technical building equipment (including heating and cooling systems as well as all electrical installations) is an important factor for ensuring sustainable building operations. The companies generated revenues of approximately € 17 million in 2022 with 133 employees. The closing of the transaction was subject to the condition precedent of regulatory approval, which was obtained in January 2023.

In December 2022, STRABAG signed the purchase agreement for the acquisition of 100% of northern German cleaning service provider Bockholdt GmbH & Co. KG. The acquisition of the Bockholdt Group is intended to strengthen the services in infrastructural facility management in northern Germany. In addition to maintenance cleaning, the portfolio of the acquired companies also includes innovative services in the field of industrial cleaning, robot-assisted cleaning of ventilation systems, as well as the environmentally friendly cleaning of solar and wind power plants, which is carried out by the company’s own industrial climbers. Professional pest control as well as operating room and hospital cleaning are also among the special features of the service portfolio. With 3,600 employees at 13 locations, the companies generate an annual output volume of around € 85 million. The closing was subject to regulatory approval. Antitrust clearance was obtained in January 2023.

DISPOSALS FROM THE CONSOLIDATED GROUP

As at 31 December 2022, the following companies were no longer included in the consolidated group:

Disposals from the consolidated group	
Campus Eggenberg Immobilienprojekt GmbH, Graz	Fell below material level
DCO d.o.o., Ljubljana	Sale
EVOLUTION THREE Sp. z o.o., Warsaw	Liquidation
InfoSys Informationssysteme GmbH, Spittal an der Drau	Fell below material level
SILO II LBG 57 - 59 Liegenschaftsverwertung GmbH & Co KG, Vienna	Sale
SILO ZWEI Beteiligungsverwaltungs GmbH & Co KG, Vienna	Fell below material level
STRABAG Industries (Thailand) Co., Ltd., Bangkok	Fell below material level
"VITOSHA VIEW" EOOD, Sofia	Fell below material level
Züblin Egypt LLC, Cairo	Fell below material level
Merger/Accrual of assets[1]	
Cottbuser Frischbeton GmbH, Wiesengrund	Merger
I-PAY CLEARING SERVICES Pvt. Ltd., Mumbai	Merger
ITC Engineering AG & Co. KG, Stuttgart	Accrual of assets
Mikrobiologische Abfallbehandlungs GmbH, Schwadorf	Merger

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

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

T€	**Disposals from the consolidated group**
Assets and liabilities disposed of	
Current assets	3,201
Non-current liabilities	-154
Current liabilities	-2,256
Profit on deconsolidations recognised in profit or loss	777
Consideration received (purchase price)	**1,568**
Non-cash effective purchase price component	-1,568
Cash and cash equivalents disposed of	-1,300
Net cash outflow from deconsolidation	**-1,300**

Resulting profit in the amount of T€ 1,111 (2021: T€ 1,107) and losses in the amount of T€ 334 (2021: T€ 7,576) are recognised in profit or loss under other operating income or other operating expense.

One of the STRABAG SE Group's business fields is real estate project development. When project developments are sold as share deals, the disposal profit is not presented as a deconsolidation gain from an economic point of view; instead, the revenues from project developments in the amount of T€ 52,253 (2021: T€ 136,235) and the corresponding expenses in the amount of T€ 40,673 (2021: T€ 104,183) are recognised gross.

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

NON-CONTROLLING INTERESTS

As at 31 December 2022, the amount of the non-controlling interests stood at T€ 22,392 (2021: T€ 24,316) in the STRABAG SE Group and is thus immaterial. The non-controlling interests comprise numerous subsidiaries and mainly affect the project development companies.

Besides the above-mentioned investments, the ownership interests in other subsidiaries in the financial year changed only insignificantly or had insignificant impact. The changes are represented in the list of investments.

CURRENCY TRANSLATION

The items contained in the financial statements of each group entity are measured on the basis of the currency corresponding to the currency of the primary economic environment in which the entity operates (functional currency).

The functional currency of STRABAG's subsidiaries is the respective local currency, with the exception of the following companies, whose functional currency is the euro:

- AKA Zrt., Budapest
- AMFI HOLDING Kft., Budapest
- BHK KRAKÓW JOINT VENTURE Sp. z o.o., Warsaw
- EVOLUTION TWO Sp. z o.o., Warsaw
- EXP HOLDING Kft., Budapest
- Ranita OOO, Moscow

The consolidated financial statements are prepared in euro, STRABAG's reporting currency.

Foreign currency transactions are translated into the functional currency at the foreign exchange rate on the day of the transaction. On the reporting date, monetary items are translated at the closing rate, while non-monetary items are translated at the rate on the day of the transaction. Exchange differences are recognised in profit or loss.

Assets and liabilities of group entities whose functional currency is not the euro are translated from the respective local currency into euro at the average exchange rate on the reporting date. As well as the corresponding profit for the period, the income statements of foreign group entities whose functional currency is not the euro are translated at the average exchange rate for the reporting period. The differences resulting from the use of both rates are reported outside profit or loss.

Monetary items in form of receivables or payables which settlement is neither planned nor likely to occur in the foreseeable future are, in substance, a part of an entity's net investment in a foreign operation. Currency translation differences arising on such monetary items are initially recognised in other comprehensive income and reclassified from equity to profit and loss on disposal of the net investment.

The most important currencies, including their average exchange rates, are listed under item (35) Financial instruments. Currency translation differences of T€ 1,768 (2021: T€ 30,701) were recognised directly in equity in the financial year. Forward exchange operations (hedging), excluding deferred tax, in the amount of T€ 0 (2021: T€ -1,434) were recognised directly in equity.

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

ACCOUNTING POLICIES

GOODWILL

Goodwill from a business combination is initially measured at cost. This is calculated as the excess of the consideration transferred over the identifiable assets acquired and liabilities assumed. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised, rather, it is subjected to annual impairment testing in accordance with IAS 36. The group conducts its annual test for goodwill impairment at year's end. Testing is also performed if events or circumstances indicate that the figure could be impaired. For the purpose of the impairment testing, goodwill is assigned to one or more of the group's cash-generating units that should benefit from the synergy effects of the combination. The recoverability of goodwill is determined by comparing the carrying amount of the respective cash-generating unit (CGU) or units with the recoverable amount. If the goodwill is impaired, an impairment loss is recognised. A reversal of impairment losses once the reasons for the impairment no longer apply is not foreseen for goodwill.

RIGHTS FROM CONCESSION ARRANGEMENTS

Service concession arrangements between the STRABAG SE Group and the public sector to build, operate, maintain and finance infrastructure facilities are treated in accordance with the requirements of IFRIC 12.

A right from a concession arrangement is recognised if the consideration does not represent an enforceable right to payment, but instead a right to charge a usage fee is granted.

The right from the concession arrangement is accounted for at the fair value of the consideration and subsequently recognised less depreciation over the period of the concession and impairment losses. If the reasons for the previously recognised impairment loss no longer apply, these assets are written back through profit or loss. The amount may not exceed the carrying amount that would have resulted if no impairment loss had been recognised in previous periods.

OTHER INTANGIBLE ASSETS

Acquired intangible assets are recognised at their initial costs less amortisation and impairment losses if applicable.

Development costs for an internally generated intangible asset are capitalised if the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for internal use or sale and if it can demonstrate the intent to complete the intangible asset and use or sell it. The group must also demonstrate that the intangible asset will generate probable future economic benefits, that it has adequate resources to complete the asset and that it is able to reliably measure the expense attributable to the asset during its development. The construction costs for these assets comprise all construction costs directly attributable to the construction process as well as production-related overheads. Borrowing costs are capitalised for qualified assets. Research costs which do not fulfil these criteria are recognised as an expense in the period in which they are incurred. Costs that have already been recognised as an expense are not capitalised in a subsequent period.

The subsequent measurement of intangible assets with definite useful lives is performed at cost less accumulated amortisation and impairment losses. Within the group, there are no intangible assets with indefinite useful lives.

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

Intangible assets	**Useful life in years**
Property rights, utilisation rights and other rights	3–50
Software	2–5
Patents and licences	3–10

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially recognised at cost. STRABAG performs subsequent measurements using the cost model – cost less accumulated depreciation and impairment losses. If the reasons for a previously recognised impairment loss no longer apply, these assets are written back through profit or loss. The amount may not exceed the carrying amount that would have resulted if no impairment loss had been recognised in the previous periods.

Subsequent acquisition costs are capitalised if it is probable that future economic benefits will flow to the group and if the costs can be reliably determined. Repair and maintenance costs which do not constitute significant maintenance expense is recognised as expenses in the period in which they are incurred.

Depreciable property, plant and equipment is depreciated using the straight-line method over the expected useful life. If there is an indication that an asset may be impaired and if the present values of the future cash inflow surpluses are below the carrying amounts, the amount is revalued to the lower recoverable amount in accordance with IAS 36.

The following useful lives were assumed for property, plant and equipment:

Property, plant and equipment	Useful life in years
Buildings	10–50
Investments in third-party buildings	5–40
Machinery	3–15
Office equipment/furniture and fixtures	3–10
Vehicles	4–9

INVESTMENT PROPERTY

Investment property is property held to earn rental income or for the purpose of capital gains. Investment property is initially measured at cost. STRABAG uses the cost model for subsequent measurements, i.e. the measurement is performed at cost less accumulated depreciation and impairment losses. If the present values of the future cash inflow surpluses are below the carrying amounts, the amount is revalued to the lower recoverable amount in accordance with IAS 36. The recoverable amount of this investment property is disclosed separately. The fair value is determined using recognised methods such as derivation from the current market price of comparable properties or the discounted cash flow method.

The useful life of investment property varies between 10 and 35 years. Investment property is depreciated using the straight-line method.

The presentation in the balance sheet is under property, plant and equipment.

LEASES

A lease is a contractual arrangement in which the lessor (owner) grants the lessee (user) the right to control an identified asset for a specified period of time in exchange for a consideration.

The STRABAG SE Group is a **lessee** of real estate properties (offices, storage spaces, etc.). A large number of the contracts are stand-alone contracts with comparatively low annual rental payments, of both limited and unlimited duration and with ordinary termination rights.

Leases are to be presented as a right-of-use asset and a corresponding lease liability in the balance sheet. The lease payments are split into a financing and a principal component. The finance costs are recognised in profit or loss over the term of the lease, resulting in a constant periodic interest rate on the remaining amount of the liability for each period. The right-of-use asset is amortised on a straight-line basis over the shorter of the two periods of useful life or term of lease.

Lease payments are made at the group's incremental borrowing rate, i.e. the rate of interest that the group would have to pay to borrow the funds necessary to obtain an asset of a similar value and at similar terms in a similar economic environment.

Payments for short-term leases and leases for which the underlying asset is of low value are recognised as an expense. Short-term leases are leases with a term of up to twelve months.

To a minor extent, the group also acts as a **lessor**. This essentially involves office space, in particular the TECH GATE VIENNA in Vienna. These leases are to be classified as operating leases. Rental income from these leases is shown in other operating income.

GOVERNMENT GRANTS

Government subsidies and investment grants are offset against the cost of the assets and amortised in proportion to their useful lives. A government grant is recognised when there is reasonable assurance that the grant will be received, and the group complies with the necessary conditions for receiving the grant.

The response to the Covid-19 pandemic included various subsidy programmes to support businesses affected by the crisis. STRABAG made use of these measures in Austria. Specifically, the following were recognised in profit or loss in the income statement: In 2022, the loss compensation subsidy (“Verlustersatz”) in the amount of T€ 870; in 2021, the revenue shortfall bonus (“Ausfallsbonus”) in the amount of T€ 917, the fixed cost subsidy (“Fixkostenzuschuss II”) / loss compensation subsidy (“Verlustersatz II”) in the amount of T€ 4,316 as well as other subsidies to a lesser extent.

A total of T€ 2,297 (2021: T€ 2,091) of the investment promotion bonus (“Investitionsförderungprämie”) was utilised in 2022, of which T€ 1,280 (2021: T€ 2,091) still remains outstanding as at the reporting date.

BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are recognised as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time (over six months) to get ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to depreciation or amortisation, as well as other investments and associates, are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may no longer be recoverable. Assets that have an indefinite useful life, such as goodwill or intangible assets not yet available for use, are tested for impairment annually as such assets are not subject to depreciation or amortisation.

To identify the need for an impairment loss, the recoverable amount is determined. The recoverable amount is the higher of fair value of the asset less costs to sell and value in use. If it is not possible to determine the recoverable amount for an individual asset, then the recoverable amount is determined for the smallest identifiable group of assets (cash-generating unit) to which the asset in question can be assigned.

Considering that, as a rule, market prices are not available for individual units, the present value of net cash inflows is used to determine the fair value less costs to sell. The forecast of the cash flows is based on STRABAG’s latest planning, with a planning horizon of at least four years. The last detailed planning year forms the basis for calculating the perpetuity if applicable legislation and legal requirements do not limit the usability of the cash-generating unit to a shorter period of time.

For the purpose of determining the fair value less costs to sell, the cash-generating unit is measured from the viewpoint of an independent market participant. In calculating the value in use of an asset, on the other hand, the cash flows are considered based on the previous use. For the net cash inflows beyond the detailed planning period, individual growth rates derived from market information are determined based on long-term business expectations in both methods of calculation.

Net cash inflows are discounted at the cost of capital, which is calculated as the weighted average cost of equity and debt. Consideration is given to the different yield and risk profiles of STRABAG’s various areas of expertise by determining the individual costs of capital using comparison companies. The cost of equity corresponds to the required rate of return for investors, while the cost of debt is based on the long-term financing conditions available to comparison companies. Both components are derived from capital market information.

The following table shows the parameters growth rate and cost of capital for impairment testing:

%	2022	2021
Growth rate	0.0–0.5	0.0–0.5
Cost of capital (after tax)	7.6–12.2	5.7–8.3
Cost of capital (before tax)	10.5–14.6	6.9–11.4

The Management Board has calculated the budgeted gross margin based on past developments and on expectations for future market development.

If the recoverable amount of an asset is lower than the carrying amount, an impairment loss is recognised immediately in profit or loss. In the case of impairment losses related to cash-generating units which contain goodwill, existing goodwill is initially reduced. If the impairment loss exceeds the carrying amount of the goodwill, the difference is generally apportioned proportionally over the remaining non-current assets of the cash-generating unit.

With the exception of goodwill, non-financial assets for which an impairment loss was charged in the past are reviewed at every balance sheet date to determine whether the impairment loss should be reversed.

FINANCIAL ASSETS

Financial assets are recognised in the consolidated balance sheet if STRABAG has a contractual right to receive cash or other financial assets from another party. Regular way purchases and sales of financial assets are recognised using settlement date; the trade date is used for derivatives.

Financial assets that are not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs which are directly attributable to the acquisition.

Transaction costs which arise upon the acquisition of financial assets measured at fair value through profit or loss are immediately recognised as an expense.

Receivables bearing no interest or interest below the market rate are initially recognised at the present value of the expected future cash flows.

For purposes of subsequent measurement, financial assets are classified in one of the following categories in accordance with IFRS 9, with each category having its own measurement requirements. The classification is determined at initial recognition.

For measurement and accounting purposes, financial assets are to be assigned to one of the following categories:

- Financial assets measured at amortised cost (AC)
- Financial assets measured at fair value through profit or loss
- Financial assets, classified as equity instruments under IAS 32, measured at fair value through other comprehensive income (FVOCI-equity)
- Financial assets, classified as debt instruments under IAS 32, measured at fair value through other comprehensive income (FVOCI-debt)

Financial assets measured at amortised cost

Financial assets in this category are measured at amortised cost if the objective of the business model is to hold the financial asset to collect the contractual cash flows, and the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. These are classified as current financial assets if they mature within twelve months after the reporting date or within the usual business cycle. Otherwise they are classified as non-current financial assets. As part of the subsequent measurement, financial assets measured at amortised cost are valued using the effective interest method. When applying the effective interest method, all directly attributable fees, fees paid or received, transaction costs and other premiums or discounts included in the calculation of the effective interest rate are amortised over the expected life of the financial instrument. Interest income from the application of the effective interest method is recognised through profit or loss under interest income from financial instruments.

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

Trade receivables

Trade receivables also include receivables from consortia and advances paid to subcontractors.

Trade receivables and receivables from consortia are recognised in the consolidated balance sheet if STRABAG has a contractual right to receive cash or other financial assets from another party. Recognition is made on the settlement date.

Receivables bearing no interest or interest below the market rate are initially recognised at the present value of the expected future cash flows.

Subsequent measurement of trade receivables and receivables from consortia is at amortised cost less impairment losses for expected credit losses (see the section “Impairment of financial assets and contract assets”).

These are classified as current financial assets if they mature within twelve months after the reporting date or within the usual business cycle. Otherwise, they are classified as non-current financial assets.

Financial assets measured at fair value through profit or loss

A financial asset that is to be classified as a debt instrument under IAS 32 is measured at fair value through profit or loss if it is held for trading purposes, the cash flow criteria are not met, or it is designated as at FVPL at initial recognition. A financial asset at STRABAG is assigned to this category if it was principally acquired with an intention to sell in the short term. Derivatives also belong to this category if they do not qualify as hedging instruments. Assets in this category are recognised as current assets if the asset is expected to be realised within twelve months. All other assets are classified as non-current. Value changes of financial assets measured at fair value through profit or loss are recognised through profit or loss.

This category includes securities reported under non-current financial assets and securities reported under cash and cash equivalents.

The fair value option may be elected for financial assets which, based on the underlying business model and the contractual cash flows, are classified as measured at amortised cost if doing so eliminates or significantly reduces a measurement or recognition inconsistency. The fair value option is not elected at STRABAG.

Financial assets which represent equity instruments under IAS 32 are also measured at fair value through profit or loss. Value changes are recognised through profit or loss in the income statement.

This category contains mainly investments below 20% that are held under other investments.

Without exception, equity instruments are measured at fair value. If an equity instrument is not held for trading purposes, there exists an irrevocable option at initial recognition to measure value changes not in the income statement but in the other comprehensive income. Equity investments recognised in the other comprehensive income may not be later reclassified to the income statement. The option is not exercised at STRABAG.

IMPAIRMENT OF FINANCIAL ASSETS AND CONTRACT ASSETS

For the recognition of impairment losses, STRABAG allows for expected credit losses under IFRS 9. The expected loss impairment model is used for debt instruments for which subsequent measurement is made at amortised cost. The impairment requirements under IFRS 9 are also applied to non-financial contract assets.

Equity instruments measured at fair value through profit or loss or through other comprehensive income are not within the scope of the IFRS 9 impairment requirements.

IFRS 9 outlines a three-stage model to determine the scope of the risk provision, requiring expected credit losses to be measured from initial recognition at an amount equal to the twelve-month expected credit losses or, if the credit risk has worsened significantly, the full expected credit losses over the remaining life of the financial instrument. The general impairment model (general approach) is used for receivables from concession arrangements and for current and non-current other financial assets in the group. Besides the general impairment model, the simplified impairment model (simplified approach) is used for trade receivables and for contract assets under IFRS 15. The simplified impairment model requires a risk provision equal to the expected losses over the full remaining life of the financial instrument to be recognised for trade receivables or contract assets regardless of the respective credit quality.

Application of the 30-days-past-due criterion is not useful in the construction sector, on the one hand because of incomplete performance recognition, and on the other hand because contracts are often fulfilled for public-sector clients, whose internal processes to release payment may be lengthy but usually result in full and complete payment.

To determine the expected credit losses, trade receivables and contract assets are grouped into different portfolios with similar risk characteristics. In establishing the portfolios, STRABAG also considers the underlying country risk and the creditworthiness.

During the initial recognition of financial assets, STRABAG takes into consideration the probability of defaults and continually monitors the development of the credit risk in each reporting period, taking into account all reasonable and supportable information and forecasts. This includes especially the following indicators:

- internal estimate of creditworthiness by the client
- external information on creditworthiness based on the corresponding country risk

Macroeconomic information (such as market interest rates) and other forecasts are included in the assessment of the credit risk.

Besides the application of the general and the simplified impairment approach, financial assets are considered impaired if there is objective evidence of credit default indicators. STRABAG recognises such impairments if the debtor has significant financial difficulty; if there is a high probability that insolvency proceedings will be commenced against the debtor; if a breach of contract and payment default has occurred; or if the issuer's technological, economic, legal and market environment changes substantially.

Impairment losses lower the carrying amount of the financial assets. The impairment losses or reversals of impairment losses resulting from the application of the impairment requirements is recognised through profit or loss in the other operating expense or income.

A financial asset defaults if bankruptcy proceedings have been started or it is highly probable that there is no reasonable expectation for repayment. These financial assets are then derecognised. When derecognising financial assets, STRABAG continues to undertake enforcement measures to attempt to recover the receivables that are due.

During the reporting period, there were no changes with regard to the impairment approaches and criteria that were applied.

DERECOGNITION OF A FINANCIAL ASSET

Financial assets are derecognised when the contractual rights to receive payment from the financial assets no longer exist or if the financial assets are transferred along with all substantial risks and rewards. An asset is also derecognised if the substantial risks and rewards of ownership of the asset are neither transferred nor retained but control is relinquished. If control is retained, such transferred financial assets are recognised to the extent of the continuing involvement.

OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognised amounts and the settlement is on a net basis. This concerns, to a minor extent, the settlement of trade receivables and payables.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

Derivative financial instruments are employed exclusively to mitigate risks arising from movements in currency exchange rates and interest rates. The utilisation of financial derivatives is subject to internal guidelines and controls.

Derivative financial instruments are classified as financial assets measured at fair value through profit and loss or as derivatives used for hedging purposes at the date of contract conclusion. Derivative financial instruments are initially recognised at cost and measured at fair value in subsequent periods. Unrealised gains or losses on the measurement are recognised in the income statement if the conditions for hedge accounting under IFRS 9 are not met. Derivative financial instruments are stated under other financial assets or other financial liabilities.

Derivative financial instruments are measured based on observable market data (interest and exchange rates) and non-observable market data (the counterparty's credit rating). The fair value is determined using generally accepted methods of mathematical finance.

On application of the hedge accounting requirements, the group designates derivative financial instruments as hedging instruments to either:

- hedge the exposure to changes in the fair value of a recognised asset or liability (fair value hedge), or to
- hedge the exposure to variability in cash flows (cash flow hedge).

In the case of fair value hedge accounting, the change in the fair value of the hedged item that is attributable to the hedged risk and the change in the fair value of the hedging derivative are recognised in the income statement. Fair value hedging is not used in the STRABAG SE Group.

If, however, a derivative financial instrument is used as a hedging instrument in a cash flow hedge, the effective unrealised gains or losses from the hedging instrument are initially accounted for under other comprehensive income. They are reclassified to profit or loss when the hedged item affects profit or loss. Any changes resulting from the ineffectiveness of these financial instruments are recognised immediately in profit or loss in the income statement.

When concluding a hedging transaction, STRABAG documents the clear hedging relationship between the hedging instrument and the hedged item, the objective of its risk management, and the underlying strategy. It is also established that there exists an economic relationship between the hedged item and the hedging instrument and that credit risk does not dominate the resulting value changes. The hedging relationship's hedging ratio reflects the ratio between the designated nominal amount of the hedged item actually used by STRABAG and the designated nominal amount actually designated by STRABAG to hedge the nominal amount of the hedged item. An assessment is made at the beginning of the hedging relationship, with documentation provided continually thereafter, of whether the derivatives used in the hedge are effective or not in offsetting the changes in fair value or cash flow of the hedged item. Hedging relationships are adjusted when there are changes in the hedged item.

The critical term match method is used to determine the prospective hedge effectiveness. The retrospective determination of hedge ineffectiveness is made on the basis of the dollar offset method.

RECEIVABLES FROM CONCESSION ARRANGEMENTS

Service concession arrangements between the STRABAG SE Group and the public sector to build, operate, maintain and finance infrastructure facilities are treated in accordance with the requirements of IFRIC 12.

Service concession agreements which provide an absolute contractual right to receive payment are recognised as financial assets. All receivables from concession arrangements are accounted for under the special balance sheet item receivables from concession arrangements. The receivables are carried at the present value of the payments to be made. The accumulation amount calculated annually using the effective interest method is recognised in revenue. Impairment allowances are made for expected credit losses.

CURRENT AND DEFERRED INCOME TAXES

The income tax payables and receivables contain mainly rights and obligations regarding domestic and foreign income taxes. These comprise the rights and obligations from the current year as well as possible rights and obligations from previous years. The receivables/payables are calculated based on the tax regulations in the respective countries.

Deferred tax is measured using the balance sheet liability method for all temporary differences between the valuation of the balance sheet items in the IFRS financial statements and the existing tax value at the individual companies. Furthermore, any realisable tax advantage from existing losses carried forward will be included in the calculation. Exceptions to this comprehensive tax deferral are balances from non-tax-deductible goodwill.

Deferred tax assets may only be recognised if the associated tax advantage is likely to be realisable. The calculation of the tax deferral is based on the usual income tax rate in the respective country at the point of the predicted reversal.

Recognition is made of deferred tax liabilities arising from temporary differences in relation to investments in subsidiaries and associates unless the timing of the reversal of the temporary differences in the group can be determined and the temporary differences are unlikely to reverse in response to this influence in the foreseeable future.

INVENTORIES

Inventory costs include cost of purchase and production and are required to be stated at the lower of cost and net realisable value.

Production costs include all direct costs as well as appropriate parts of overhead arising in the production. Distribution costs, as well as costs for general administration, are not included in the production costs. Borrowing costs related to production are recognised for inventories which are to be classified as qualifying assets.

CONTRACT ASSETS AND CONTRACT LIABILITIES

Regarding **construction contracts with customers**, revenue is recognised over time as required by IFRS 15, as the construction projects are built on the customers' properties and the customers thus always control the assets that are created or enhanced.

Construction is performed based on stand-alone contracts. The allocation of the transaction price to each performance obligation is made on the basis of the work estimate for the respective stand-alone item. If significant integration services are provided, a separate performance obligation is assumed. Transaction prices for construction contracts in the STRABAG SE Group are determined on the basis of the contract value agreed with the customer. Contractual penalties or bonus payments during the construction period may lead to amendments of the transaction price. These are carried with the most probable value by reason and amount on the basis of the project controlling.

Revenue recognition over time is made using the output-oriented method on the basis of the work performed. The actual work performed, and the corresponding revenue are determined at the level of the stand-alone item according to the work estimate. Because of unforeseen deviations in the budgeted costs, the best indicator here is the percentage of completion as derived directly from the actual work performed. The performance completed to date, one of the key corporate governance figures, must be directly determined by the construction site team on a monthly basis.

The contract asset represents the group's right to consideration from construction contracts with customers. If the value of a contract asset of a construction contract exceeds the payments received for it, then this is shown on the assets side under contract assets. In the opposite case, the figure is reported on the equity and liabilities side under contract liabilities.

Payments for construction contracts are usually made parallel to the performance on the basis of regular invoicing. Payments of advance consideration before the actual performance are common practice, especially in building construction. Agreements covering extended terms of payment or staggered invoicing of performance completed are made only on a case-by-case basis with special approval by the Management Board of STRABAG SE.

If it is probable that the costs exceed the recoverable proceeds, an onerous contract provision is recognised in accordance with IAS 37. Any costs directly attributable to the contract are taken into account to determine the costs. The onerous contract provision, considered individually, is recognised at the amount that is required for the completion of the obligation from the construction contract. Up to the value of the contract asset, an impairment loss is recognised. If the value of the respective contract asset is exceeded, an onerous contract provision is recognised on the equity and liabilities side under the current provisions.

With regard to impairment losses, see the section "Impairment of financial assets and contract assets".

Inventories that have not yet been used in the construction process but are already present on the construction sites are no longer accounted for as a separate asset but are instead assigned to the respective contract and recognised as a contract asset.

Claims and variation orders in connection with construction contracts involve any modification or change (actual construction progress) to the contractually agreed scope of work (agreed specifications). Due to the existing contractual agreements, these modifications to the work to be performed cannot be invoiced until the client approves the changes or agrees to their invoiceability.

Modifications or changes to the work to be performed include agreed changes to the work to be performed as well as disputed claims for additional costs due to disruption or due to changes in the scope of work.

In the event of agreed changes to the work to be performed, the client actively intervenes in the construction process and changes the scope of work. Changes to the work to be performed are regularly commissioned by the contractor before execution. In this case, a contract modification as defined by IFRS 15.18 exists in which all parties to the contract have agreed to the change in the scope of work and/or price. As a rule, the contract modification is accounted for as part of the original contract in accordance with IFRS 15.21(b), as the changes in the work to be performed are not distinct from the order before contract modification and the contract remains a single performance obligation.

Claims for additional costs arising from disruption are incurred when adjustments must be made to the construction process due to disruptions that lie within the client's sphere of influence. Claims for additional costs also arise in the case of changes ordered by the client who believes these do not result in additional costs, due e.g. to guarantees for completeness, but which, in the opinion of the contractor, are not included in the scope of the contract. The complexity of construction contracts often leads to different legal views regarding the existence of a legal claim between the client and the contractor, which often results in protracted legal disputes.

In accordance with IFRS 15.19, the disputed claims for additional costs involve contract modifications for which the parties to the contract have not yet reached a final agreement with regard to the scope and/or price of the contract. The variable consideration from these contract modifications is therefore estimated in accordance with the provisions of IFRS 15.50–59 and recognised as revenue as part of the original contract in accordance with IFRS 15.21(b).

The estimate is based on qualitative and quantitative criteria. The large number of individual claims and variation orders in a construction project, the uncertainty over a long period of time, the individuality of the circumstances, the legal enforceability of the claim and the quality of the documentation are taken into account when estimating the variable consideration. The variable consideration is measured in such a way that there is no reversal of previously recognised revenue in subsequent periods.

The corresponding expense is recognised in profit or loss immediately when it is incurred.

The consideration for **revenue from project developments** which, on the basis of the work performed by the reporting date, are realised over time, is recorded under contract assets. The contract asset represents the group's right to considerations from project developments.

Revenue is recognised over time if a contractual agreement excludes the possibility of any alternative use and there exists a right to payment including a profit margin on the work performed. These conditions are always met if real estate projects are already sold prior to their completion.

In these cases, the revenue is recognised pro rata based on the degree of completion of the work. If the real estate projects are only partially sold, for example, in the case of owner-occupied flats, the revenue is recognised pro rata only for those parts already sold. The project is then presented pro rata under contract assets.

The advances received are offset against the cost of the contract asset. If the advances received exceed the value of the contract asset, presentation is made on the equity and liabilities side under contract liabilities.

The notes on construction contracts with customers apply by analogy.

CASH AND CASH EQUIVALENTS

The cash and cash equivalents include all liquid financial assets which at the date of acquisition or investment have a remaining term of less than three months. This comprises bank deposits, time deposits and cash on hand. Cash and cash equivalents are measured at amortised cost.

Cash and cash equivalents where availability is restricted by foreign exchange restrictions or other legal constraints are not part of the cash and cash equivalents for the cash flow statement.

PROVISIONS

The following defined benefit plans for which provisions must be recognised exist within the group.

The company's obligation relating to defined benefit plans consists in fulfilling the promised benefits to current and former employees.

Defined contribution plans in the form of financing through third-party support funds exist for employees of Austrian subsidiaries whose employment began after 1 January 2003. The severance payments obligations are funded by the regular payment of contributions into the employee provident fund.

PROVISIONS FOR SEVERANCE PAYMENTS

The group is legally required to provide a one-off severance payment to employees of Austrian subsidiaries in the case of termination or at the date of retirement if their employment began before 1 January 2003. The level of this payment depends on the number of years at the company and amount due at the date of severance and comes to between two and twelve monthly salaries. A provision is made for this obligation.

Additionally, the severance payment rights in other countries in the case of termination or retirement amount from one to three monthly salaries. Due to the relatively insignificant amounts involved, provisions for severance payments arising from these obligations are determined using financial mathematical methods.

PENSION PROVISIONS

The provisions for pensions are formed for obligations from the right to future pension payments and current payments to present and past employees and their dependents. The group's pension promises in **Germany, Austria and the Netherlands** exist on the basis of individual contracts or internal labour-management agreements. The obligations are based on a number of different pension arrangements. The number of different employee benefit plans is the result of the group's enterprise acquisitions in Germany. New agreements are not concluded within the group.

As a rule, the pension promises foresee the granting of monthly old age, invalidity and survivors' benefits. With some promises, the pension arrangement foresees benefits to be paid in the form of a capital payment.

The benefit plans exist in various designs. The range of plan structures includes specified benefit systems (e.g. specified amount per year of employment), dynamic systems (e.g. % per year of employment) and benefit promises (e.g. specified promise). Plans also exist with or without survivors' benefits.

In **Switzerland**, the legal regulations governing pension plans require payments to be made into pension foundations. One half of the contributions are made by the employer, the other half by the employee. The employee contributions depend on the amount of insured income as well as on age and are treated as reduction of the service cost. At retirement, employees can choose to receive a one-off severance payment, regular monthly pension payments or a hybrid of the two options.

As restructuring contributions are required if the pension foundation has insufficient funds for coverage, the promises are categorised as defined benefit plans in accordance with IAS 19.

Within the STRABAG SE Group, the obligations of the pension funds are reinsured.

MEASUREMENT OF SEVERANCE AND PENSION PROVISIONS

The group's obligations relating to defined benefit plans are determined separately for each plan using actuarial principles in accordance with the projected unit credit method. The projected unit credit method is used to determine the discounted pension entitlements acquired up to the end of the accounting period. The existing plan assets measured at their fair value are subtracted from the defined benefit obligations. This yields the defined benefit liability (asset) to be recognised.

Determination of the net defined benefit liability at the end of the reporting year is based on an actuarial report from a certified actuarial analyst.

The rate used to discount severance and pension provisions is determined on the basis of market yields at the end of the respective reporting period on high-quality fixed-interest industrial bonds with a comparable term.

The assumptions relating to discounting, pay rises and fluctuation that are used to calculate the severance and pension provisions vary in proportion to the economic situation of each specific country. Life expectancy is calculated according to the respective country's mortality tables.

Actuarial gains and losses are recognised in equity outside profit or loss. The service cost is stated in employee benefits expense, while the interest component of the allocation to the provision is reported in the net interest income.

If the present value of a defined benefit obligation changes in response to plan amendments, the resulting effects are recognised in profit or loss as past service cost in the year of the amendment. Any income resulting from a settlement is also recognised directly in the income statement.

The company is exposed to various risks in relation to the defined contribution severance and pension plans. Besides the general actuarial risks such as the longevity risk and the interest rate risk, the group is also exposed to currency risk as well as to capital market risk or investment risk.

More information concerning the risks is available in the sensitivity analysis under item (27) Provisions.

OTHER PROVISIONS

The other provisions take into consideration all realisable risks and uncertain obligations. They are recognised at the respective amount which, according to commercial judgement, is necessary at the balance sheet date to cover future payment obligations of the group. Hereby the respective amount which arises as the most probable on careful examination of the facts is recognised.

Long-term provisions are, as far as they are not immaterial, entered into the accounts at their discounted discharge amount as at the balance sheet date. The discharge amount also includes the cost increases to be considered on the reporting date. Provisions which arise from the obligation to recultivate gravel sites are allocated according to the rate of utilisation.

NON-FINANCIAL LIABILITIES

Non-financial liabilities are carried at the repayment amount. Contract liabilities under IFRS 15 are qualified as non-financial liabilities.

FINANCIAL LIABILITIES

The financial liabilities at STRABAG comprise non-derivative liabilities and derivatives with a negative fair value on the reporting date.

For measurement and accounting purposes, financial liabilities are to be assigned to one of the following categories:

- Financial liabilities measured at amortised cost (FlaC)
- Financial liabilities measured at fair value through profit or loss (FVPL)

Non-derivative financial liabilities are recognised in the consolidated balance sheet if STRABAG has a contractual obligation to transfer cash or other financial assets to another party. Initial recognition of non-derivative financial liabilities is made at fair value. Financial liabilities that are not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs, which are directly attributable to the acquisition.

A financial liability is classified as **current** provided the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

During subsequent measurement of non-derivative financial liabilities carried at amortised cost, any premiums or discounts between the amount received and the repayment amount are spread over the financing term using the effective interest method and recognised in interest expense on an accrual basis.

A financial liability is only measured at fair value through profit or loss if it is held for trading purposes or designated as such at initial recognition. Derivatives with negative market value also belong to this category if they are not designated as hedging instruments.

Transaction costs which arise upon the acquisition of financial liabilities measured at fair value through profit or loss are immediately recognised as an expense.

The **fair value option** was not exercised for financial liabilities.

Financial liabilities are derecognised if the contractual obligations are discharged, cancelled or have expired. Costs related to the issue of corporate bonds are offset over the term using the effective interest method.

Trade payables

Trade payables also include payables from consortia. For measurement and accounting purposes, these are classified as financial liabilities measured at amortised cost.

Non-derivative financial liabilities are recognised in the consolidated balance sheet if STRABAG has a contractual obligation to transfer cash or other financial assets to another party. Initial recognition of non-derivative financial liabilities is made at fair value.

Trade payables are classified as **current** provided the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period or within the normal business cycle.

CONTINGENT LIABILITIES

Contingent liabilities are present or possible future obligations for which an outflow of resources is not probable. They are – as long as IFRS 3 does not require recognition on acquisition – not reflected in the balance sheet.

FINANCIAL GUARANTEES

STRABAG only provides financial guarantees for the benefit of third parties in the case of payables from its own subsidiaries or associates for which no commissions are agreed. If utilisation of the guarantee is not to be expected, no separate valuation is made in the balance sheet.

CONTINGENT ASSETS

A contingent asset is a possible inflow of economic benefits. Contingent assets must not be recognised in the financial statements as this would result in the recognition of income that may never be realised.

REVENUE RECOGNITION

The revenue within the STRABAG SE Group comprises revenue from construction contracts with customers, which regularly account for more than 80% of the total revenue, revenue from project developments, revenue from construction materials, revenue from facility management and other revenue.

The **revenue from construction contracts with customers** is recognised over time as required by IFRS 15. Revenue recognition over time is made using the output-oriented method on the basis of the work performed at the reporting date.

For further information, please see the notes on contract assets.

The recognition of revenue from construction contracts performed in consortia is made over time corresponding to the actual work performed by the reporting date. Impending losses arising from further construction work are accounted for by means of appropriate depreciation.

The **revenue from project developments** is recognised at a point in time after the performance obligation is satisfied by the STRABAG SE Group and after the customer assumes control and has the opportunity to derive benefit from the project.

Alternatively, the revenue is recognised over time on the basis of the work performed by the reporting date if a contractual agreement for the STRABAG SE Group excludes the possibility of any alternative use and the contractual agreement foresees a right to payment including the profit margin on the work performed.

For real estate projects that are sold already prior to their completion, the revenue is therefore recognised pro rata and the right to payment including the profit margin is presented under the contract assets.

For further information, please see the notes on contract assets.

The **revenue from construction materials, the revenue from the facility management, and the other revenue** are recognised with satisfaction of the performance obligation upon obtainment of control by the customer.

Interest income is recognised as it accrues using the effective interest method. Interest related to concession models and default interest are part of the transaction price of contracts with customers and are therefore recognised under revenue.

Other income, such as rental income or expenses passed through, is stated on the basis of the amount accrued in accordance with the respective agreements.

The revenue from dividends and the share of profits from investments are recognised if a legal right to payment exists.

NET INTEREST INCOME

Net interest income includes interest income and interest expense as well as foreign exchange gains and losses on financing, as these are not part of the operating business. Changes in value as well as gains and losses on disposals of securities are also included in net interest income.

INFORMATION ON THE UKRAINE WAR

On 24 February 2022, Russia attacked Ukraine. STRABAG condemns this war of aggression by Russia on Ukraine in the strongest possible terms and has initiated and is financing extensive aid measures for Ukrainian refugees, especially in the most affected group countries of Poland, the Czech Republic and the Republic of Moldova.

STRABAG has no business activities in Ukraine itself. STRABAG SE is winding up its business in Russia.

Due to the existing shareholder structure – 27.8% of the share capital of STRABAG SE is held by MKAO “Rasperia Trading Limited”, which is controlled by Oleg Deripaska – STRABAG has also been affected in other ways by Russia’s aggression and the resulting sanctions.

To avert any potential harm to the company, the Management Board of STRABAG SE already decided on 15 March 2022 – at a time when two important markets for STRABAG, the United Kingdom and Canada, had imposed sanctions against Oleg Deripaska – to withhold dividend payments to MKAO “Rasperia Trading Limited”.

At the same time, the existing syndicate agreement between the Haselsteiner, Raiffeisen/UNIQA and MKAO “Rasperia Trading Limited” shareholder groups was terminated by the Haselsteiner Familien-Privatstiftung with effect from 31 December 2022. The sanctions imposed by the EU against Oleg Deripaska on 8 April 2022, in particular the asset freeze, suspend any rights of MKAO “Rasperia Trading Limited” associated with its STRABAG SE shares. STRABAG SE has taken all the necessary steps to ensure compliance with the sanctions and to prevent Oleg Deripaska from exerting even indirect influence on STRABAG. Accordingly, Supervisory Board member Thomas Bull, who was delegated by MKAO “Rasperia Trading Limited”, was recalled at the Extraordinary General Meeting on 5 May 2022. Supervisory Board member Dr. Hermann Melnikov, who had been nominated by MKAO “Rasperia Trading Limited”, voluntarily resigned his post.

These actions were unavoidable in order to protect STRABAG and its image, especially in the countries of Central and Eastern Europe, or to minimise any harmful effects.

In the 2022 financial year, only the orders in Russia that had been in place before the start of the war in Ukraine continued to be fulfilled. New orders are no longer accepted.

Due to the decision to withdraw from Russia, existing sites and buildings in the amount of T€ 8,987 as well as the real estate project in Moscow recognised in inventories in the amount of T€ 20,529 were written off in full. A provision in the amount of T€ 9,131 was made for the cost of severance payments to existing staff.

A presentation of the activities in Russia as discontinued operations as defined by IFRS 5 is not possible as these activities were not discontinued immediately. The impact on earnings from the discontinuation is therefore recognised in the relevant items of the income statement.

NOTES ON MACROECONOMIC DEVELOPMENTS

The price increases for energy and construction materials triggered by the Ukraine war pose major challenges for the construction industry as well.

Fuel for the vehicle and construction equipment fleet accounts for a large part of energy costs. Despite intense consideration of alternatives, alternative power sources for the vehicle fleet and for construction machinery are not yet a feasible option.

After some very dynamic cost development in the first few months after the start of the war, prices began to stabilise to a certain extent, although at a high level – where they are likely to remain for the long term.

The availability of construction materials improved over the course of the year, and the main supply chains are again intact. The management is addressing supply chain risks with a high degree of decentralisation, the long-term procurement of raw materials, in-house production of construction materials and a proactive pricing policy.

The high construction prices and increased interest rates are bound to have an impact on demand. The group's broad diversification, however, will cushion these effects. Public sector orders in particular, most of which contain escalation clauses, will have a stabilising effect. Management expects the public sector to continue to place orders on a steady basis.

The increase in long-term interest rates for the calculation of personnel provisions is offset by the increase in salary and pension trends, with the result that there is no material impact on the equity of the STRABAG SE Group.

IMPACT OF CLIMATE CHANGE

The climate crisis is one of the most pressing challenges of our time, bringing with it increasing economic impacts and risks for businesses in the future.

Stricter legislation on energy standards within the EU and increasing requirements for the circularity of buildings are expected in the future. Public sector clients are starting to issue tenders that include sustainability as an evaluation criterion.

Demand is set to increase for sustainable buildings that take life-cycle considerations into account as well as for renovation work on existing buildings. This will lead to an increased demand for sustainable building materials, which, however, do not yet exist or are not yet available in sufficient quantities.

Stricter energy legislation along with delays in construction due to extreme weather events are expected to lead to increased costs and a further rise in construction prices.

The property and facility services business will increasingly offer green services using sustainable cleaning agents and environmentally friendly equipment in the future. The higher average temperatures are expected to result in an increased need for refurbishment and modernisation at IT locations for telecommunications and at data centres.

In the field of project development services, more projects related to renewable energies will be put out to tender in the future.

When preparing the consolidated financial statements, possible risks from climate change must be taken into account, especially in the valuation of goodwill, property, plant and equipment, inventories and provisions.

Significant goodwill at the STRABAG SE Group is reported under item (13) Goodwill. Even if an additional risk premium is applied for possible delays or the non-awarding of individual construction projects, especially in road construction, no impairment of goodwill is required.

Property, plant and equipment consists largely of construction equipment, machinery and the vehicle fleet, which are utilised in a decentralised manner. Temperature increases or severe weather will not have any significant impact on property, plant and equipment in the future. The future need for environmentally friendly technology and equipment was taken into account when determining the useful life and residual values.

In the case of inventories, particularly real estate projects without an investor, relevant environmental aspects such as energy efficiency were taken into account when determining the net sales proceeds. Risks here include but are not limited to the fact that ongoing changes to laws and regulations at the time of sale have resulted in new requirements that had not yet been foreseeable in the planning phase. The changed framework and the climate-related risks are taken into account in the measurement. This also applies to the formation of provisions.

In total, the risks to assets and liabilities resulting from climate change can nevertheless be classified as comparatively low. Consequently, there are no risks that could jeopardise the continuation of the company as a going concern.

On the contrary, the construction sector, as a result of the construction and technology measures required to adapt to climate change, will make a significant contribution to protecting ourselves against the expected impacts.

As part of the sustainability strategy adopted in the 2021 financial year, STRABAG has set itself the goal of achieving climate neutrality along the entire value chain by the year 2040. When designing and building construction projects, the company focuses on ecologically compatible, sustainable construction methods as well as on the efficient use of resources and their recycling in order to limit any negative impact of construction on the environment as far as possible.

ESTIMATES

The preparation of financial statements in conformity with IFRS requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenue and expenses.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Recoverability of goodwill

The group conducts an annual test to determine whether its goodwill is impaired in accordance with the accounting policies described in the section “Impairment of non-financial assets”. The recoverable amount of the CGUs was determined using fair value less costs of disposal. These calculations are based on assumptions about the expected business development and the recoverable margin. Estimates about the expected business development are based on the facts and circumstances prevailing at the time of preparation of the consolidated financial statements as well as on realistic assumptions about the future development of the global and industry-specific environment. In response to changes in these underlying conditions which deviate from the assumptions and are beyond the Management Board’s control, actual values may deviate from the estimated values.

All other things remaining equal, an annual 5% decrease of the free cash flow used to calculate the recoverable amount would result in a total impairment loss of all goodwill of T€ 592 (2021: T€ 527), while an isolated increase of the cost of capital by 1 percentage point would lead to an impairment of goodwill of T€ 2,940 (2021: T€ 1,323). These two effects together would trigger an impairment loss of T€ 6,681 (2021: T€ 1,815).

An extended sensitivity analysis was performed due to the current uncertainties resulting from the Russian invasion of Ukraine and the associated price increases and supply bottlenecks. Due to the large number of different types of orders and the fact that a large part of the work included in the planning has not yet been commissioned, a worst-case scenario was determined with regard to the achievable cash flows. An annual and sustained decrease of 15% in the recoverable free cash flows and a simultaneous increase of 3 percentage points in the weighted average cost of capital would result in an impairment loss of T€ 12,916.

The write-offs would affect Czech companies in the materials and concrete production business within the International + Special Divisions segment in the amount of € 7,391 as well as several German construction companies in the North + West segment in the amount of T€ 5,525.

(b) Other non-current financial assets / provisions

Other non-current financial assets include US dollar receivables from a Chilean project company. One part of this receivable, Lien 1, carries a fixed interest rate. The second part of this receivable, Lien 2, bears a fixed interest rate and is subject to additional variable components and a possible final conversion into shares. Lien 1 is serviced before Lien 2. Lien 1 is measured at amortised cost. Lien 2 is serviced subject to available cash. The subsequent measurement of Lien 2 is therefore at fair value.

The carrying amounts of non-current receivables, which arose from the financial restructuring of a supplier credit from a large Chilean project (power plant), were recognised at fair value on completion of the project. The measurement was made on the basis of the cash flows that can be generated in the future using planned data from the project company, taking into account generally available data on electricity price and hydrological developments as well as the current interest rate environment.

In December 2022, two tunnel collapses had to be reported of uncertain cause. The incidents lead to a temporary shutdown of the power plant in 2023. The resulting loss of production necessitated corresponding impairments and fair value adjustments.

Due to the complex economic environment, the long terms to maturity, the dependence on the development of electricity prices, and the local climatic conditions, the actual returns may differ significantly from the estimated values.

On top of this, there is the risk that the project company will assert claims for penalties and damages against STRABAG due to the alleged failure to complete the tunnel on time. Depending on the cause of the two tunnel collapses, it is currently not possible to rule out remediation costs to be borne by STRABAG. A final clarification of the circumstances was not foreseeable at the time of preparation of this report. The risks were covered through appropriate provisions. Due to the unclear cause of the damages and the complex legal structures, the actual claim may deviate from the value provided for.

(c) Recognition of revenue from construction contracts with customers and project developments

The revenue from construction contracts with customers is recognised over time. The group estimates the work performed by the reporting date as a percentage of the total volume of the order backlog as well as the remaining contract cost to be incurred. If it is probable that the production costs will exceed the recoverable proceeds, an impairment is recognised up to the value of the contract asset; if the value of the respective contract asset is exceeded, an onerous contract provision is recognised. Technically complex and demanding projects, in particular, involve the risk that the estimate of the total cost deviates considerably from the actual cost incurred.

In the event of changes to the contract's scope and/or price that remain disputed between the parties to the contract (claims and variation orders), revenue from claims and variation orders is estimated in accordance with the provisions on variable consideration under IFRS 15.50ff for the respective project. The estimate is based on qualitative and quantitative criteria.

The following factors must be taken into account when estimating the variable consideration:

- The amount of consideration is susceptible to external factors such as the actions of third parties or court rulings.
- There are different legal views regarding the contractually agreed claims.
- The uncertainty about the amount of consideration remains over a longer period of time.
- The company's experience from similar construction projects is limited by the individual nature of the projects.
- Due to the large number of individual claims and variation orders in a construction project, a contract will have a broad range of possible consideration amounts.

The actual claims arising from claims and variation orders may therefore differ from the estimated amount, especially in the case of complex construction projects with a large number of different claims and variation orders as well as counterclaims of the client.

The above also applies to over-time recognition of revenue from project developments.

(d) Equity-accounted investments

The group holds a 30% investment in **Lafarge Cement CE Holding GmbH**. Lafarge operates cement works in Austria, Hungary, the Czech Republic and Slovenia. The carrying amount of the investment amounted to T€ 201,974 on 31 December 2022 (2021: T€ 210,487). Due to exogenous factors, in particular the effects of the war in Ukraine on the energy and raw materials markets, the conditions for carrying out an impairment test as at 31 December 2022 were met. The test did not result in an impairment loss.

Deviations from the expected business development as well as developments in the economic environment that are beyond the Management Board's control may influence the value of the investment.

(e) Income taxes

STRABAG has to calculate the actual income tax expected for each taxable entity and must assess the temporary differences arising from the different treatment of certain balance sheet items in the IFRS consolidated financial statements and the statutory financial statements required for tax purposes. The existence of temporary differences usually results in the recognition of deferred tax assets and liabilities in the consolidated financial statements.

The management must make assessments in the calculation of current and deferred tax. Deferred tax assets are recognised to the extent that their use is probable. The use of deferred tax assets depends on the possibility of realising sufficient taxable income under the respective tax type and jurisdiction under consideration of any possible legal restrictions regarding the maximum loss carryforward period. A number of different factors are used to assess the probability of the future usability of deferred tax assets, such as the past financial performance, operational planning, loss carryforward periods and tax planning strategies. If the actual results deviate from these estimates, or if these estimates must be adjusted in future periods, this could have a negative impact on the financial position, financial performance and cash flows. In the event of a changed assessment of the recoverability of deferred tax assets, the deferred tax assets which have been recognised are written down in profit or loss or, depending on their original formation, outside profit or loss; impaired deferred tax assets are similarly recognised either in profit or loss or outside profit or loss.

(f) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using suitable valuation techniques selected from among a number of different methods. The assumptions used are mainly based on market conditions existing at the balance sheet date. The group uses present value techniques to determine the fair value of a number of financial assets that are not traded in an active market.

(g) Rights from leases and lease liabilities

Within the STRABAG SE Group, a large number of the contracts are lease contracts with comparatively low annual rental expenses, of both limited and indefinite duration and with ordinary termination rights. The lease liability is determined by estimating the most likely duration in consideration of extension options and termination rights. All economic aspects for exercising or not exercising the options are taken into account. Deviations between the actual lease terms and these assumptions have an impact on the respective carrying amounts. The risk is reduced by the large number of stand-alone contracts, however.

(h) Severance and pension provisions

The present value of the severance and pension obligations depends on a number of different factors based on actuarial assumptions. One of the assumptions used to determine the net expenses or income for pensions is the discount rate. Any change to these assumptions will influence the carrying amount of the pension obligation.

The group determines the appropriate discount rate at the end of every year. The discount rate is the interest rate used to determine the present value of future cash flows required to settle the obligation. For the purpose of determining the discount rate, the group employs the interest rate of highest-grade industrial bonds in the same currency in which the benefits are paid and which have terms to maturity equivalent to those of the pension obligations.

Additional substantial assumptions relating to severance and pension obligations are based in part on market conditions. Further information and sensitivity analyses can be found in item (27) Provisions.

(i) Other provisions

Other construction-related provisions, in particular, involve the risk that in individual cases the actual costs for warranty obligations or remaining performance obligations will turn out higher than expected. The balance sheet item other construction-related provisions is composed of several individual projects together, however, as a result of which the risk is reduced to the individual consideration of the projects.

Group companies STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG issued an acknowledgement as part of a settlement in the antitrust proceedings against them in Austria. Subsequently, the Federal Competition Authority (BWB) in July 2021 filed an application with the Cartel Court for a fine against the two companies in the amount of € 45.37 million.

The settlement is being made against the background of a criminal and antitrust investigation that was opened in spring 2017 against STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG, along with several other construction companies, regarding allegations of anti-competitive agreements for construction projects in Austria in the period from 2002 to 2017. Both group companies cooperated fully with the Federal Competition Authority from the outset and ultimately issued an acknowledgement as part of a settlement. Their cooperation had a corresponding positive effect on the amount of the fine. In October, the Cartel Court imposed the fine of € 45.37 million, thus confirming the amount requested by the Federal Competition Authority. The ruling was made public on 3 February 2022. Claims for damages by the contracting parties are now to be expected.

In July 2022, the Federal Competition Authority requested a review of the Cartel Court's final decision regarding the imposed fine. In its decision from October 2022, the Cartel Court rejected the Federal Competition Authority's application as inadmissible and upheld the view of STRABAG AG. The Federal Competition Authority has appealed against this decision, which is to be decided by the Austrian Supreme Court as the country's top cartel court. A decision remains outstanding.

The Management Board considers the appeal to be without merit and finds it unlikely that the decision will be changed, as STRABAG cooperated fully and continuously with the Federal Competition Authority under a leniency agreement. STRABAG's cooperation contributed significantly to the investigation, and it was the first company to end the antitrust proceedings against it with a final decision. Moreover, STRABAG moved to enhance its compliance system in response to the matter and implemented a novel monitoring system.

Corresponding provisions were made in the consolidated financial statements for damage control and possible claims resulting from the cartel violations. The amount of the provision was adjusted in the 2022 financial year. Given the complexity of the matter (long period of time, large number of projects, very different clients, heterogeneous structures, etc.), it is extremely difficult to estimate the final extent to which STRABAG will be negatively impacted as a result. The actual amounts may therefore deviate from the amount provided for.

Provisions for ongoing and pending legal proceedings are formed on the basis of current assessments. The outcome of these legal proceedings cannot be determined or is subject to uncertainties. The actual claims from the legal proceedings may therefore differ from the provision amounts.

NOTES ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT

(1) REVENUE

Revenue is represented as follows:

Revenue 2022

T€	North + West	South + East	International + Special Divisions	Other	Group
Business					
Construction	**7,739,156**	**5,239,627**	**1,797,837**		**14,776,620**
Germany	6,377,878	149,566	97,070		6,624,514
Austria	36,455	2,249,462	29,117		2,315,034
Poland	991,481	4,363	8,177		1,004,021
Czech Republic	0	904,454	14,615		919,069
Great Britain	44,133	0	632,780		676,913
Hungary	0	519,942	2,124		522,066
Slovakia	0	434,430	4,904		439,334
Chile	0	0	365,947		365,947
Other countries, each below € 300 million	289,209	977,410	643,103		1,909,722
Construction materials	**195,535**	**136,762**	**419,659**		**751,956**
Facility management	**0**	**0**	**561,968**		**561,968**
Project development	**0**	**0**	**581,306**		**581,306**
Other	**98,015**	**119,146**	**119,199**	**17,637**	**353,997**
Total	**8,032,706**	**5,495,535**	**3,479,969**	**17,637**	**17,025,847**

Revenue 2021

T€	North + West	South + East	International + Special Divisions	Other	Group
Business					
Construction	**7,069,774**	**4,699,981**	**1,412,964**		**13,182,719**
Germany	5,596,984	121,277	132,341		5,850,602
Austria	16,469	2,083,675	76,004		2,176,148
Poland	1,033,961	0	19,893		1,053,854
Czech Republic	0	776,714	14,767		791,481
Hungary	0	487,798	3,137		490,935
Great Britain	35,783	0	368,628		404,411
Other countries, each below € 300 million	386,577	1,230,517	798,194		2,415,288
Construction materials	**148,620**	**111,600**	**341,457**		**601,677**
Facility management	**0**	**0**	**508,694**		**508,694**
Project development	**0**	**0**	**679,104**		**679,104**
Other	**99,553**	**113,019**	**96,922**	**16,848**	**326,342**
Total	**7,317,947**	**4,924,600**	**3,039,141**	**16,848**	**15,298,536**

Service concession arrangements to develop, design, build, operate and finance infrastructure facilities are part of the operating business of STRABAG SE. Interest income from these concession arrangements is therefore recognised in revenue from project development amounting to T€ 58,099 (2021: T€ 59,880).

The interest income is calculated using the effective interest method.

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

In the 2022 financial year, revenue from approved claims in the amount of T€ 211,698 (2021: T€ 190,862) was recognised. The costs were already recognised in profit or loss in previous periods. This involves a large number of individual projects. Due to the complexity of construction projects, there can be numerous claims, some of which are approved during the construction process while others are negotiated only after project completion. During the execution of a construction project, therefore, new claims may arise on an ongoing basis while existing claims from previous periods may be approved. Up to 100 individual claims are quite common in a medium-sized construction project. It is therefore not possible to clearly allocate the costs to the approved claims, so that assumptions must be made when determining the value.

Revenue provides only an incomplete picture of the output volume achieved in the financial year. Output volume is a usual concept in the construction industry and at the STRABAG SE Group comprises the value of the produced goods and services. The total output volume of the Group also includes the proportional output of consortia and associates and is presented in detail in the management report.

(2) OTHER OPERATING INCOME

Other operating income includes insurance compensation and indemnification in the amount of T€ 49,788 (2021: T€ 34,397), exchange rate gains from currency fluctuations in the amount of T€ 15,019 (2021: T€ 12,347) as well as gains from the disposal of fixed assets without financial assets in the amount of T€ 57,200 (2021: T€ 55,642).

(3) CONSTRUCTION MATERIALS, CONSUMABLES AND SERVICES USED

T€	2022	2021
Construction materials, consumables	3,727,990	2,914,523
Services used	7,260,664	6,500,556
Construction materials, consumables and services used	**10,988,654**	**9,415,079**

Services used are mainly attributed to services of subcontractors and professional craftsmen as well as planning services, machine rentals and third-party repairs. The change of provisions for onerous contracts arising from construction contracts is included in this item.

(4) EMPLOYEE BENEFITS EXPENSE

T€	2022	2021
Wages	1,486,644	1,372,450
Salaries	1,921,033	1,793,821
Social security and related costs	657,761	618,326
Expenses for severance payments and contributions to employee provident fund	21,087	20,179
Expenses for pensions and similar obligations	9,236	12,704
Other social expense	37,973	26,099
Employee benefits expense	**4,133,734**	**3,843,579**

The expenses for severance payments and contributions to the employee provident fund and expenses for pensions and similar obligations include the expenses for service costs and indemnity claims resulting from old age part-time claims in the business year. The proportions of interest included in the expenses for severance payments as well as for pensions and similar obligations are recognised in the item net interest income.

Expenses from defined contribution plans amounted to T€ 16,888 (2021: T€ 14,523).

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

Average number of employees (FTE)	2022	2021
White-collar workers	32,336	31,934
Blue-collar workers	41,404	41,672
Total	**73,740**	**73,606**

(5) OTHER OPERATING EXPENSE

Other operating expense of T€ 1,013,283 (2021: T€ 823,814) mainly includes general administrative costs, travel and advertising costs, insurance premiums, impairment of receivables, the balance of allocations to and utilisation of provisions, legal and advisory costs, rental and lease costs, interest expense from concession projects and losses on the disposal of assets (excluding financial assets). Other taxes amounting to T€ 68,941 (2021: T€ 64,417) are included.

Other operating expense includes losses from exchange rate differences from currency fluctuations in the amount of T€ 11,368 (2021: T€ 23,045).

The other operating expense in the financial year still includes impairments, losses and reversals of impairment losses on receivables in the amount of T€ 71,137 (2021: T€ 5,647). The changes in the impairments for expected credit losses under IFRS 9 in the financial year in the amount of T€ 2,157 as expense (2021: income T€ 4,946) are included in other operating expense.

Spending on research and development arose in various special technical proposals, in connection with concrete competitive projects and in the introduction of building processes and products into the market and was therefore recognised in full in the income statement.

(6) SHARE OF PROFIT OR LOSS OF EQUITY-ACCOUNTED INVESTMENTS

T€	2022	2021
Income from equity-accounted investments	29,985	34,322
Expenses arising from equity-accounted investments	-17,140	-21,700
Gains on the disposal of equity-accounted investments	0	3,163
Profit from construction consortia	134,115	138,240
Losses from construction consortia	-86,073	-61,915
Share of profit or loss of equity-accounted investments	**60,887**	**92,110**

(7) NET INCOME FROM INVESTMENTS

T€	2022	2021
Income from investments	74,024	53,473
Expenses arising from investments	-9,877	-17,619
Gains on the disposal of investments	4,073	4,264
Impairment losses and reversal of impairment losses on investments	-9,762	-3,551
Losses on the disposal of investments	-89	-465
Net income from investments	**58,369**	**36,102**

(8) DEPRECIATION AND AMORTISATION EXPENSE

Amortisation and depreciation, including the amortisation of rights from concession arrangements, amounted to T€ 533,960 in the financial year (2021: T€ 541,906). In the reporting period impairments on intangible assets and on property, plant and equipment to the amount of T€ 10,149 (2021: T€ 2,041) and reversal of impairment losses in the amount of T€ 0 (2021: T€ 0) were made. Impairment on goodwill amounts to T€ 6,700 (2021: T€ 5,667). For goodwill impairments we refer to the details under item (13) Goodwill.

Depreciation and amortisation expense of intangible and tangible assets includes depreciation and amortisation of right-of-use assets for leases in the amount of T€ 65,082 (2021: T€ 63,281).

(9) NET INTEREST INCOME

T€	2022	2021
Interest and similar income	50,742	26,962
Interest expense and similar charges	-40,066	-39,532
Net interest income	**10,676**	**-12,570**

Included in interest and similar income are exchange rate gains amounting to T€ 9,074 (2021: T€ 9,959) and interest portions from the plan assets for pension provisions in the amount of T€ 835 (2021: T€ 646).

Included in interest expense and similar charges are interest components from the allocation of severance payment and pension provisions amounting to T€ 5,102 (2021: T€ 3,024) as well as currency losses of T€ 5,877 (2021: T€ 13,835).

Interest from leases in the amount of T€ 7,326 (2021: T€ 6,122) is included in the interest expense and similar charges.

(10) INCOME TAX EXPENSE

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

T€	2022	2021
Current tax	201,923	180,722
Deferred tax	35,021	106,413
Income tax expense	**236,944**	**287,135**

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

T€	2022	2021
Change in hedging reserves	-19,468	-6,510
Actuarial gains/losses	-10,707	-9,251
Total	**-30,175**	**-15,761**

The reasons for the difference between the Austrian corporate income tax rate of 25% valid in 2022 and the actual consolidated tax rate are as follows:

T€	**2022**	**2021**
EBT	**717,073**	**883,538**
Theoretical tax expense 25%	179,268	220,884
Differences against foreign tax rates	4,639	-675
Changes in tax rates	4,276	-772
Non-tax-deductible expense	30,254	19,899
Tax-free income	-30,844	-28,286
Additional tax payments/tax refunds	11,970	-4,689
Change in valuation allowances on deferred tax assets	36,733	79,268
Others	648	1,506
Recognised income tax expense	**236,944**	**287,135**

(11) EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the consolidated profit or loss by the weighted average number of ordinary shares. As there are no stock options at the STRABAG SE Group, the diluted earnings per share equal the basic earnings per share.

	2022	**2021**
Number of ordinary shares	102,600,000	102,600,000
Number of shares outstanding as at 31.12.	**102,600,000**	**102,600,000**
Profit or loss attributable to equity holders of the parent (consolidated profit/loss) T€	472,454	585,706
Weighted number of shares outstanding during the year	102,600,000	102,600,000
Earnings per share €	**4.60**	**5.71**

STRABAG SE held no own shares as at 31 December 2022.

NOTES ON THE ITEMS IN THE CONSOLIDATED BALANCE SHEET

(12) CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

Consolidated statement of changes in fixed assets as at 31 December 2022

	Acquisition and production cost							
T€	Balance as at 1.1.2022	Additions to the consoli-dated group	Disposals from the consoli-dated group	Currency translation	Additions	Transfers	Disposals	Balance as at 31.12.2022
I. Intangible assets								
1. Concessions, software, licences, rights	140,763	669	3	-46	2,406	2	5,058	138,733
2. Goodwill	688,161	0	0	2,039	0	0	0	690,200
3. Advances paid	2	0	0	0	299	-2	0	299
Total	**828,926**	**669**	**3**	**1,993**	**2,705**	**0**	**5,058**	**829,232**
II. Rights from concession arrangements	**551,793**	**0**	**0**	**0**	**0**	**0**	**0**	**551,793**
III. Property, plant and equipment								
1. Land and buildings	1,560,602	4,548	0	2,336	134,241	17,074	18,142	1,700,659
2. Right-of-use assets	476,015	0	0	412	106,788	0	45,271	537,944
3. Technical equipment and machinery	3,046,390	805	104	13,416	230,343	16,261	147,444	3,159,667
4. Other facilities, furniture and fixtures and office equipment	1,375,303	312	76	958	172,682	-3,108	95,795	1,450,276
5. Advances paid and assets under construction	99,635	0	0	123	123,541	-30,217	318	192,764
6. Investment property	137,389	0	0	46	138	-10	118	137,445
Total	**6,695,334**	**5,665**	**180**	**17,291**	**767,733**	**0**	**307,088**	**7,178,755**

T€	Balance as at 1.1.2022	Additions to the consoli-dated group	Disposals from the consoli-dated group	Currency translation	Additions	Transfers	Disposals	Balance as at 31.12.2022	Carrying amount as at 31.12.2022	Carrying amount as at 31.12.2021
	Accumulated depreciation, amortisation and impairment									
I.										
1.	112,370	644	3	-16	6,001	0	4,811	114,185	24,548	28,393
2.	240,482	0	0	622	6,700	0	0	247,804	442,396	447,679
3.	0	0	0	0	0	0	0	0	299	2
	352,852	**644**	**3**	**606**	**12,701**	**0**	**4,811**	**361,989**	**467,243**	**476,074**
II.										
	58,964	**0**	**0**	**0**	**19,674**	**0**	**0**	**78,638**	**473,155**	**492,829**
III.										
1.	706,585	1,884	0	1,540	47,581	0	8,806	748,784	951,875	854,017
2.	147,772	0	0	196	65,081	0	27,499	185,550	352,394	328,243
3.	2,290,818	661	104	13,358	249,740	0	140,048	2,414,425	745,242	755,572
4.	882,440	305	76	1,203	155,913	0	87,864	951,921	498,355	492,863
5.	0	0	0	0	0	0	0	0	192,764	99,635
6.	134,603	0	0	0	119	0	110	134,612	2,833	2,786
	4,162,218	**2,850**	**180**	**16,297**	**518,434**	**0**	**264,327**	**4,435,292**	**2,743,463**	**2,533,116**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of changes in fixed assets as at 31 December 2021

	Acquisition and production cost							
T€	Balance as at 1.1.2021	Additions to the consolidated group	Disposals from the consolidated group	Currency translation	Additions	Transfers	Disposals	Balance as at 31.12.2021
I. Intangible assets								
1. Concessions, software, licences, rights	143,434	9	500	216	2,529	16	4,941	140,763
2. Goodwill	688,459	0	5,114	4,816	0	0	0	688,161
3. Advances paid	16	0	0	0	2	-16	0	2
Total	**831,909**	**9**	**5,614**	**5,032**	**2,531**	**0**	**4,941**	**828,926**
II. Rights from concession arrangements	**551,793**	**0**	**0**	**0**	**0**	**0**	**0**	**551,793**
III. Property, plant and equipment								
1. Land and buildings	1,543,200	1,119	1,660	5,218	32,289	21,974	41,538	1,560,602
2. Right-of-use assets	428,029	0	115	1,768	75,729	0	29,396	476,015
3. Technical equipment and machinery	2,984,763	1,039	2,907	-3,457	186,584	22,449	142,081	3,046,390
4. Other facilities, furniture and fixtures and office equipment	1,313,330	106	1,023	2,070	153,883	2,031	95,094	1,375,303
5. Advances paid and assets under construction	64,963	0	0	235	80,891	-46,454	0	99,635
6. Investment property	141,888	0	0	80	135	0	4,714	137,389
Total	**6,476,173**	**2,264**	**5,705**	**5,914**	**529,511**	**0**	**312,823**	**6,695,334**

	Accumulated depreciation, amortisation and impairment									
T€	**Balance as at 1.1.2021**	**Additions to the consoli-dated group**	**Disposals from the consoli-dated group**	**Currency translation**	**Additions**	**Transfers**	**Disposals**	**Balance as at 31.12.2021**	**Carrying amount as at 31.12.2021**	**Carrying amount as at 31.12.2020**
I.										
1.	110,389	9	354	220	6,959	0	4,853	112,370	28,393	33,045
2.	238,893	0	5,114	1,036	5,667	0	0	240,482	447,679	449,566
3.	0	0	0	0	0	0	0	0	2	16
	349,282	**9**	**5,468**	**1,256**	**12,626**	**0**	**4,853**	**352,852**	**476,074**	**482,627**
II.										
	39,903	**0**	**0**	**0**	**19,061**	**0**	**0**	**58,964**	**492,829**	**511,890**
III.										
1.	688,875	90	623	2,240	37,202	0	21,199	706,585	854,017	854,325
2.	99,144	0	89	386	63,281	0	14,950	147,772	328,243	328,885
3.	2,165,909	907	1,794	-2,666	263,724	0	135,262	2,290,818	755,572	818,854
4.	811,960	95	678	1,146	153,806	0	83,889	882,440	492,863	501,370
5.	0	0	0	0	0	0	0	0	99,635	64,963
6.	139,278	0	0	0	-86	0	4,589	134,603	2,786	2,610
	3,905,166	**1,092**	**3,184**	**1,106**	**517,927**	**0**	**259,889**	**4,162,218**	**2,533,116**	**2,571,007**

Impairment losses totalling T€ 16,849 (2021: T€ 7,708) were recognised, including reversal of impairment losses of T€ 0 (2021: T€ 0).

(13) GOODWILL

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

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

T€	31.12.2022	31.12.2021
STRABAG Cologne (N+W)	131,118	128,838
STRABAG Cologne (S+E)	61,105	61,105
Czech Republic (S+E)	75,435	73,184
STRABAG Poland (N+W)	56,144	57,169
DIW Group (incl. SPFS Austria, SPFS Czech Republic; I+S)	51,848	51,817
Ed. Züblin AG (N+W)	17,057	17,057
Germany (various CGUs; N+W)	28,429	37,409
Construction materials (various CGUs; I+S)	9,466	9,170
Other	11,794	11,930
Total goodwill	**442,396**	**447,679**

The comparison of the carrying amounts with the recoverable amounts of the cash-generating units determined by the annual impairment testing showed a need to recognise an impairment loss of T€ 6,700 (2021: T€ 5,667) on goodwill. This figure is shown under depreciation and amortisation. The depreciation and amortisation in the financial year related to two companies in the North + West segment, one of which is active in the refractory business, the other in the energy and systems technology sector. The recoverable amount of the impaired cash-generating units amounts to T€ 11,581 (2021: T€ 900).

The recoverable amount of these cash-generating units (CGUs) corresponds to their fair value less cost to sell. The necessary impairments of the cash-generating units exclusively affected goodwill; impairment was not necessary for other assets of the CGUs.

The methods of measurement are explained in the section “Accounting policies” (Impairment of non-financial assets). The method applied here is a Level 3 measurement.

Regarding the sensitivity analysis of goodwill, we refer to our notes under “Estimates - (a) Recoverability of goodwill”.

The following table presents the **key assumptions** used in calculating the recoverable amount for **significant goodwill**.

There were no intangible assets with indefinite useful lives allocated to the CGUs listed below.

T€	Carrying amount 31.12.2022	Methodology 31.12.2022	Detailed planning period 31.12.2022	Growth rate 31.12.2022	Discount rate after tax 31.12.2022
STRABAG Cologne (N+W)	131,118	FV less cost of disposal (Level 3) [2021: FV less cost of disposal (Level 3)]	4 (2021: 4)	0 (2021: 0)	9.77% (2021: 7.49%)
STRABAG Cologne (S+E)	61,105	FV less cost of disposal (Level 3) [2021: FV less cost of disposal (Level 3)]	4 (2021: 4)	0 (2021: 0)	10.17% (2021: 7.76%)
Czech Republic (S+E)	75,435	FV less cost of disposal (Level 3) [2021: FV less cost of disposal (Level 3)]	4 (2021: 4)	0 (2021: 0)	10.46% (2021: 7.91%)
STRABAG Poland (N+W)	56,144	FV less cost of disposal (Level 3) [2021: FV less cost of disposal (Level 3)]	4 (2021: 4)	0 (2021: 0)	11.26% (2021: 8.07%)
DIW Group (incl. SPFS Austria, SPFS Czech Republic; I+S)	51,848	FV less cost of disposal (Level 3) [2021: FV less cost of disposal (Level 3)]	4 (2021: 4)	0 (2021: 0)	9.54% (2021: 7.49%)

The method used is a discounted cash flow model based on recognised valuation techniques, with the forecast of the cash flows calculated by the management on the basis of experience. The key assumptions used to determine the recoverable amount were future cash flows and the cost of capital. Management does not consider that any reasonably possible change in the key assumptions would cause the carrying amount of the CGU which contains the above-mentioned goodwill to exceed its recoverable amount.

The sensitivity analyses described in the section “Estimates – (a) Recoverability of goodwill“ did not lead to an impairment loss of the above-mentioned significant goodwill in any of the analysed cases.

(14) RIGHTS FROM CONCESSION ARRANGEMENTS

STRABAG has held 100% of PANSUEVIA GmbH & Co. KG, Jettingen-Scheppach, since 28 September 2018.

The company concluded a concession arrangement with the Federal Republic of Germany to design, build and finance a section of the A8 motorway and to maintain and operate a section of the A8 motorway between Ulm and Augsburg.

In exchange, PANSUEVIA receives the right to charge trucks a uniform toll rate per kilometre on an approx. 57 km long concession section. The toll may be adapted annually. The term of the concession arrangement is set at 30 years and ends on 30 June 2041.

The development of the concession right can be found in the consolidated statement of changes in fixed assets. The concession right is amortised over the term of 30 years on the basis of the use of the concession section. The annual income from the toll collections is recognised as revenue.

The right from the concession arrangement is offset by variable and fixed interest rate non-recourse financing in the amount of T€ 353,412 (2021: T€ 365,135) classified either as a current or non-current liability depending on the term to maturity. The resulting interest expense is recognised under other operating expense. The interest risk based on variable interest was hedged through the conclusion of interest rate swap agreements that satisfy the requirements for presentation as a cash flow hedge. The changes in the value of the interest rate swap are therefore recognised in the other comprehensive income.

(15) OTHER INTANGIBLE ASSETS

The composition of and changes in other intangible assets are shown under item (12) Consolidated statement of changes in fixed assets.

No borrowing costs were capitalised for other intangible assets in the reporting period.

Capitalised development costs

At the balance sheet date, development costs in the amount of T€ 0 (2021: T€ 0) were capitalised as intangible assets.

A total of T€ 15,769 (2021: T€ 16,164) in research and development costs incurred in the 2022 financial year were recorded as expenses.

(16) PROPERTY, PLANT AND EQUIPMENT

The composition of and changes in property, plant and equipment are shown under item (12) Consolidated statement of changes in fixed assets.

No borrowing costs were capitalised for property, plant and equipment in the reporting period.

Leases

Lessee

The development of right-of-use assets from leases is shown under item (12) Consolidated statement of changes in fixed assets.

The cash outflows from leases in the 2022 financial year break down as follows:

T€	31.12.2022	31.12.2021
Interest expense on lease liabilities	7,326	6,122
Repayment of lease liabilities	62,522	61,046
Variable lease payments	6,394	6,730
Payments for short-term leases	8,435	9,190
Total lease payments	**84,677**	**83,088**

Additionally, expenses for short-term equipment rentals that do not meet the leasing criteria in the amount of T€ 207,529 (2021: T€ 162,095) were incurred in the financial year.

To a minor extent, the STRABAG SE Group also rents office space to third parties and thus acts as a **lessor**. This particularly involves the TECH GATE VIENNA in Vienna. The annual rental income amounts to T€ 2,363 (2021: T€ 2,503) and is shown in other operating income.

The carrying amount of this building as at 31 December 2022 is T€ 64,230 (2021: T€ 66,376) and is recorded under property, plant and equipment (properties and buildings). Rental income in the next year and the following five years will remain roughly constant. All leases are classified as operating leases.

Restrictions on property, plant and equipment/purchase obligations

As at the balance sheet date there was T€ 106,684 (2021: T€ 107,021) in contractual commitments for acquisition of property, plant and equipment which were not considered in the consolidated financial statements.

Restrictions exist for non-current assets in the amount of T€ 0 (2021: T€ 0).

Investment property

The development of investment property is shown separately under item (12) Consolidated statement of changes in fixed assets. The fair value of investment property as at 31 December 2022 amounts to T€ 2,833 (2021: T€ 2,786). The fair value was determined using internal valuation reports or by employing the fair value of development land at market prices.

The internal valuations are considered Level 3 measurements as they are not based on observable market data.

The rental income from investment property in the 2022 financial year amounted to T€ 6,573 (2021: T€ 5,464) and direct operating expenses totalled T€ 8,267 (2021: T€ 6,210). Rental income in the next year and the following five years will remain roughly constant. In the financial year, as in the year before, no direct expenses were incurred from unlet investment property. Additionally, gains from asset disposals and payments from contract extensions in the amount of T€ 991 (2021: T€ 4,176) and losses from asset disposals in the amount of T€ 9 (2021: T€ 126) were achieved.

A reversal of impairment losses in the amount of T€ 0 was made in the 2022 financial year (2021: T€ 0).

(17) EQUITY-ACCOUNTED INVESTMENTS

T€	2022	2021
Carrying amount as at 1.1.	**403,163**	**418,993**
Acquisitions/contributions	16,954	31,858
Share of profit or loss for the financial year	12,845	15,785
Distributions received	-40,188	-45,316
Repayments of capital	0	-47,874
Share of other comprehensive income	9,602	4,857
Recognised as risk provision	8,796	16,403
Tax adjustment	0	8,457
Carrying amount as at 31.12.	**411,172**	**403,163**

Notes on associates

Lafarge Cement CE Holding GmbH, Vienna, is a significant associate. The group's share of the capital and voting rights amounts to 30%. The company is accounted for using the equity method. We also refer to item (38) Notes on related parties.

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

T€	2022	2021
Revenue	299,723	273,735
Net income from continuing operations	24,635	12,447
Other comprehensive income	-8,005	10,111
Total comprehensive income	**16,630**	**22,558**
attributable to: non-controlling interests	*8*	*-129*
attributable to: equity holders of the parent	*16,622*	*22,687*
	31.12.2022	**31.12.2021**
Non-current assets	564,252	561,205
Current assets	109,632	119,663
Non-current liabilities	-149,750	-148,483
Current liabilities	-137,090	-116,972
Net assets	**387,044**	**415,413**
attributable to: non-controlling interests	*4,077*	*4,070*
attributable to: equity holders of the parent	*382,967*	*411,343*

The financial information presented here can be transferred to the equity carrying amount of the Lafarge Cement CE Holding GmbH in the consolidated financial statements as follows:

T€	2022	2021
Group's share of net assets as at 1.1.	**123,403**	**130,097**
Group's share of net income from continuing operations	7,273	3,637
Group's share of other comprehensive income	-2,286	3,169
Group's share of total comprehensive income	4,987	6,806
Dividends received	-13,500	-13,500
Group's share of net assets as at 31.12.	**114,890**	**123,403**
Goodwill	87,084	87,084
Equity-method carrying amount as at 31.12.	**201,974**	**210,487**

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

T€	2022	2021
Total of equity-method carrying amounts as at 31.12.	94,578	87,287
Group's share of net income from continuing operations	7,700	2,630
Group's share of other comprehensive income	5,535	1,316
Group's share of total comprehensive income	13,235	3,946

Notes on joint ventures

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

T€	2022	2021
Total of equity-method carrying amounts as at 31.12.	114,620	105,389
Group's share of net income from continuing operations	-2,128	9,518
Group's share of other comprehensive income	6,353	372
Group's share of total comprehensive income	4,225	9,890

Notes on accumulated losses from equity-accounted investments

Proportionate losses from equity-accounted investments in the amount of T€ 7,801 (2021: T€ 11,621) were not recognised in profit or loss, as the carrying amounts of these investments already are T€ 0.

Notes on consortia

The group classifies construction consortia as joint ventures and records their earnings under share of profit or loss of equity-accounted investments. The following table shows the group's ten most important consortia with regard to the output volume in the 2022 financial year.

Construction consortia	Stake in %
ARGE A1 DAMMER BERGE, Germany (DAM)	50.00
ARGE ALLIANZ CAMPUS STUTTGART VAIHINGEN, Germany (CAMP)	50.00
ARGE FLUGHAFENTUNNEL, Germany (FHT)	65.00
ARGE NB JVA WILLICH I, Germany (JVA)	50.00
ARGE SCHULNEUBAU ALLEE DER KOSMONAUTEN, Germany (KOS)	70.00
ARGE TUNNEL RASTATT, Germany (RAST)	50.00
ARGE U2 17-21, Austria (U2)	50.00
ARGE US-KLINIK WEILERBACH, Germany (WEIL)	75.00
BAU-ARGE ÖPP BAB A49 SLW, Germany (A49)	50.00
COMBINATIE HEREPOORT VOF, the Netherlands (HER)	39.48

The financial information in the 2022 financial year on these consortia is presented 100% before consolidation and valuation approaches deviating from the consortia balance sheet if applicable.

T€	Revenue	Non-current assets	Current assets	thereof cash and cash equivalents	Non-current liabilities	Current liabilities
A49	176,087	6,521	432,625	67,114	0	439,146
FHT	114,892	8,813	298,918	28,376	0	307,731
HER	107,150	394	18,050	1,245	0	18,444
DAM	93,939	5,052	7,242	262	0	12,294
U2	89,173	6,665	18,224	5,864	0	24,889
CAMP	76,323	0	36,267	31,921	0	36,267
JVA	60,217	373	39,632	38,495	0	40,005
RAST	44,586	168	55,006	37,404	0	55,174
KOS	36,772	0	61,292	23,370	0	61,292
WEIL	32,911	0	49,861	14,696	0	49,861

In the 2022 financial year, the share of profit or loss of equity-accounted investments recorded for the above-mentioned consortia included T€ 35,159 in profits from consortia and T€ 55,591 in losses from consortia including impending losses.

The financial information in the 2021 financial year on these consortia is presented 100% before consolidation and valuation approaches deviating from the consortia balance sheet if applicable.

T€	Revenue	Non-current assets	Current assets	thereof cash and cash equivalents	Non-current liabilities	Current liabilities
A49	100,759	6,474	192,068	42,793	0	198,542
FHT	97,309	13,660	167,047	9,514	0	180,707
HER	93,291	451	7,296	7,060	0	7,747
DAM	74,350	58	5,025	123	0	5,083
U2	52,263	2,634	15,042	8,234	0	17,676
CAMP	22,466	0	6,842	6,032	0	6,842
JVA	40,335	418	33,882	31,832	0	34,300
RAST	40,674	705	35,238	16,422	0	35,943
KOS	1,875	0	8,897	5,635	0	8,897
WEIL	0	0	0	0	0	0

In the 2021 financial year, the share of profit or loss of equity-accounted investments recorded for the above-mentioned consortia included T€ 11,801 in profits from consortia and T€ 20,860 in losses from consortia including impending losses.

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

T€	2022	2021
Work and services performed	958,228	899,929
Work and services received	13,751	17,063
Receivables as at 31.12.	409,721	383,012
Liabilities as at 31.12.	330,158	367,655

(18) OTHER INVESTMENTS

The other investments in companies include investments in subsidiaries, associated companies, joint ventures and other investments which, being immaterial, are reported as not consolidated and are not included at equity in the consolidated financial statements. Detailed information on the group's investments (shares of more than 20%) can be found in the list of investments.

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

T€	Balance as at 1.1.2022	Currency translation	Changes in the consoli-dated group	Additions	Transfers	Disposals	Impairment losses/Rever-sal of impairment losses	Balance as at 31.12.2022
Investments in subsidiaries	90,224	-10	-4,273	15,985	19	-2,458	-6,558	92,929
Investments	105,164	362	-8	5,448	-19	-2,671	-3,204	105,072
Other investments	**195,388**	**352**	**-4,281**	**21,433**	**0**	**-5,129**	**-9,762**	**198,001**

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

T€	Balance as at 1.1.2021	Currency translation	Changes in the consoli-dated group	Additions	Transfers	Disposals	Impairment losses/Rever-sal of impairment losses	Balance as at 31.12.2021
Investments in subsidiaries	90,408	0	-3,668	8,516	-28	-713	-4,291	90,224
Investments	97,230	442	0	10,773	28	-4,049	740	105,164
Other investments	**187,638**	**442**	**-3,668**	**19,289**	**0**	**-4,762**	**-3,551**	**195,388**

(19) DEFERRED TAX

Tax accruals and deferrals recognised in the balance sheet on temporary differences between the amounts stated in the IFRS financial statements and the respective tax amounts as well as on losses carried forward developed as follows:

T€	Balance as at 1.1.2022	Currency trans-lation	Changes in the consolidated group	Other changes	Balance as at 31.12.2022
Intangible assets and property, plant and equipment	52,654	-83	0	-1,696	50,875
Financial assets	11,588	-2	0	-9,693	1,893
Inventories	7,978	279	0	19,236	27,493
Receivables and other assets	112,104	389	0	-45,569	66,924
Provisions	160,677	9	-3	-130	160,553
Liabilities	18,233	-314	0	4,246	22,165
Tax loss carryforwards	85,271	0	-53	-11,980	73,238
Deferred tax assets	**448,505**	**278**	**-56**	**-45,586**	**403,141**
Offsetting of deferred tax assets and liabilities relating to the same taxation authority	-344,061	0	0	51,456	-292,605
Deferred tax assets offset	**104,444**	**278**	**-56**	**5,870**	**110,536**
Intangible assets and property, plant and equipment	-95,964	-775	-387	15,621	-81,505
Financial assets	-10,165	0	0	-1,520	-11,685
Inventories	-26,793	12	78	-322	-27,025
Receivables and other assets	-283,062	-410	33	-13,584	-297,023
Provisions	-5,796	18	9	3,504	-2,265
Liabilities	-26,344	96	7	-21,682	-47,923
Deferred tax liabilities	**-448,124**	**-1,059**	**-260**	**-17,983**	**-467,426**
Offsetting of deferred tax assets and liabilities relating to the same taxation authority	344,061	0	0	-51,456	292,605
Deferred tax liabilities offset	**-104,063**	**-1,059**	**-260**	**-69,439**	**-174,821**

Deferred tax on losses carried forward was capitalised as these can probably be offset with future taxable profits. The planning period is limited to five years.

No deferred tax assets were made for tax losses carried forward on the corporate income tax and on the German trade tax (Gewerbesteuer) totalling T€ 2,024,045 (2021: T€ 1,705,397), as their effectiveness as final tax relief is not sufficiently assured.

Of the non-capitalised losses carried forward, T€ 2,004,645 (2021: T€ 1,568,548) have unrestricted use.

For the STRABAG SE tax group, Austria, deferred tax was capitalised despite tax losses in the previous years as well as in the reporting period. The recognised deferred tax for losses carried forward amounted to T€ 62,691 (2021: T€ 76,165) for the STRABAG SE tax group. This contains deferred tax assets on open amortisation over seven years in the amount of T€ 62,691 (2021: T€ 76,165). The Austrian Corporate Income Tax Act (Körperschaftsteuergesetz) requires a tax-effective impairment of investments to be claimed over a period of seven years.

The losses of the ongoing year and of the past were strongly influenced by negative special items. To avoid such negative projects, the group has continuously expanded and improved its opportunity and risk management and implemented organisational and strategic improvements. The tax planning for the STRABAG SE tax group for the next five years documents the usability of the tax loss carryforwards.

In January 2022, a gradual reduction of the corporate income tax rate from 25% to 23% was decided in Austria. The tax rate will be lowered to 24% in 2023 and to 23% in 2024. The tax deferral is calculated using the tax rate at the time of the expected reversal of the difference in value between the IFRS balance sheet values and the tax values.

The deferred taxes already existing on 31 December 2021 were adjusted to the tax rate of the expected reversal. The resulting tax expense in the amount of T€ 4,213 was recognised in profit or loss.

(20) INVENTORIES

T€	31.12.2022	31.12.2021
Construction materials, auxiliary supplies and fuel	280,687	218,820
Finished buildings	122,647	128,741
Unfinished buildings	187,303	219,787
Undeveloped land	400,905	331,317
Finished goods and work in progress	22,230	21,276
Advances paid	54,935	49,162
Inventories	**1,068,707**	**969,103**

Impairment in the amount of T€ 24,766 (2021: T€ 3,883) was recognised on inventories excluding construction materials, auxiliary supplies and fuel. T€ 6,878 (2021: T€ 21,474) of the inventories excluding construction materials, auxiliary supplies and fuel were reported with the net realisable value.

For qualifying assets, interest on borrowings was recognised in the amount of T€ 121 (2021: T€ 341).

(21) RECEIVABLES FROM CONCESSION ARRANGEMENTS

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

In the concession arrangement with the Hungarian state, AKA committed to develop, plan and finance and to build and operate the M5 motorway. The motorway itself is the property of the state; all vehicles and equipment necessary for motorway operation are to be transferred to the state free of charge following the end of the concession period.

In exchange, AKA will regularly receive an availability fee, independent of transit volume, from the Hungarian state for making the motorway available to the public. AKA bears the operator’s risk of motorway closure and non-compliance of contractually agreed roadway criteria.

The route totals 156.5 km and was built in three phases. The concession period runs until 2031. A one-time extension for up to 17.5 years is possible.

All services provided under this concession arrangement are accounted for under the separate balance sheet item receivables from concession arrangements. The receivables are carried at the present value of the payment to be made by the state. The annual accumulation amount is recognised in revenue.

The contract also includes interest adjustment payments to be made by the Hungarian state. As a result, the state bears the interest risk from the financing of AKA. These interest adjustment payments represent a separate hedging transaction. Presentation is made as a cash flow hedge; as a result, changes in the fair value of the interest rate swap are recognised in other comprehensive income.

The market value of the interest rate swap in the amount of T€ 377 (2021: T€ -7,681) is also recognised under long-term receivables from concession arrangements.

Recognisable receivables from concession arrangements are offset by non-recourse financing in the amount of T€ 98,489 (2021: T€ 161,656), classified either as a current or non-current liability depending on the term to maturity. The resulting interest expense is recognised in other operating expense.

(22) CONTRACT ASSETS AND CONTRACT LIABILITIES

The contract assets comprise the right to payment from construction contracts with customers as well as from project developments for the work performed by the reporting date. If the advances received exceed the payment rights, presentation is made under contract liabilities.

The **contractual balances** are comprised as follows:

T€	**31.12.2022**	**31.12.2021**
Contract assets (gross)	8,094,379	7,514,453
Advances received	-6,736,638	-6,166,212
Contract assets	**1,357,741**	**1,348,241**
Contract liabilities (gross)	-7,327,361	-6,828,833
Advances received	8,472,037	7,946,181
Contract liabilities	**1,144,676**	**1,117,348**

In the 2022 financial year, revenue was recognised in the amount of T€ 1,053,684 (2021: T€ 976,548) that had been included under contract liabilities at the beginning of the financial year.

As at 31 December 2022, there are unsatisfied performance obligations from construction contracts with customers and project developments (order backlog) in the amount of T€ 19,814,930 (2021: T€ 18,877,387). The recognition of revenue from these performance obligations is expected with T€ 11,080,832 (2021: T€ 9,964,684) in the following financial year and with T€ 8,734,098 (2021: T€ 8,912,704) in the next four financial years.

In the reporting period, no costs of contract initiation or contract satisfaction were capitalised as separate assets.

As is customary in the industry, the customer has the contractual right to retain part of the total amount of the invoice. As a rule, however, these retentions are redeemed by collateral (bank or group guarantees).

With regard to the contract assets and liabilities, we refer to our notes in the section “Estimates - (c) Recognition of revenue from construction contracts with customers and project developments”.

(23) TRADE RECEIVABLES

Trade receivables are comprised as follows:

T€	31.12.2022 Total	31.12.2022 thereof current	31.12.2022 thereof non-current	31.12.2021 Total	31.12.2021 thereof current	31.12.2021 thereof non-current
Trade receivables	1,314,939	1,314,939	0	1,132,810	1,132,810	0
Receivables from consortia	262,899	262,899	0	254,005	254,005	0
Advances paid to subcontractors	103,156	103,156	0	60,559	60,559	0
Trade receivables	**1,680,994**	**1,680,994**	**0**	**1,447,374**	**1,447,374**	**0**

(24) OTHER FINANCIAL ASSETS

Other financial assets are comprised as follows:

T€	31.12.2022 Total	31.12.2022 thereof current	31.12.2022 thereof non-current	31.12.2021 Total	31.12.2021 thereof current	31.12.2021 thereof non-current
Securities	26,018	0	26,018	28,122	0	28,122
Receivables from subsidiaries	95,300	91,173	4,127	99,401	94,905	4,496
Receivables from participation companies	146,664	74,512	72,152	158,240	76,299	81,941
Other financial assets	390,740	87,384	303,356	240,852	95,440	145,412
Other financial assets	**658,722**	**253,069**	**405,653**	**526,615**	**266,644**	**259,971**

(25) CASH AND CASH EQUIVALENTS

T€	31.12.2022	31.12.2021
Securities	10	2,823
Cash on hand	1,332	1,338
Bank deposits	2,700,507	2,959,090
Cash and cash equivalents	**2,701,849**	**2,963,251**

(26) EQUITY

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

The following resolutions were passed among others at the 18th Annual General Meeting of STRABAG SE held on 24 June 2022:

The Management Board shall be authorised, in accordance with Section 65 Para 1 No 8 as well as Para 1a and 1b of the Austrian Stock Corporation Act (AktG), to acquire no-par value bearer or registered shares of the company on the stock exchange, by public tender or in any other manner to the extent of up to 10% of the share capital during a period of 30 months from the date of this resolution at a minimum price of € 1.00 per share (= calculated value of one share in proportion to the share capital) and a maximum price of € 42.00 per share. The purpose of the acquisition may not be to trade with own shares. This authorisation may be exercised once or several times, in full or in part or in several partial amounts, and in pursuit of one or several purposes by the company, by a subsidiary (Section 189a Para 7 of the Austrian Commercial Code (UGB)) or by third parties acting on behalf of the company. The authorisation will be exercised by the Management Board in such a way that the proportion of the share capital associated with the shares acquired by the company on the basis of this authorisation or otherwise may not exceed 10% of the share capital at any time.

An acquisition may be decided by the Management Board; the Supervisory Board must be subsequently informed of this decision.

The Management Board shall be authorised, with regard to the acquisition of no-par value bearer or registered shares of the company (resolution item 1), to exclude the shareholders' proportionate selling rights that may accompany such an acquisition (reverse exclusion of subscription rights). An acquisition under exclusion of the proportionate selling rights (reverse exclusion of subscription rights) is subject to the prior consent of the Supervisory Board.

The Management Board shall be authorised to withdraw, with the consent of the Supervisory Board, all or part of the own shares acquired by the company without a further resolution by the General Meeting.

The Management Board shall be authorised, for a period of five years from this resolution, to sell or assign its own shares, with approval by the Supervisory Board, in accordance with Section 65 Para 1b AktG in a manner other than on the stock market or through a public tender, to the exclusion of the shareholders' buyback rights (subscription rights), and to determine the conditions of sale. The authorisation may be exercised once or several times, in full or in part or in several partial amounts, and in pursuit of one or several purposes by the company, by a subsidiary (Section 189a Para 7 UGB) or by third parties acting on behalf of the company.

On 18 August 2022 Haselsteiner Familien-Privatstiftung, Dr. Hans Peter Haselsteiner and Klemens Haselsteiner, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and a group company as well as UNIQA Insurance Group AG and group companies, have concluded a new long-term syndicate agreement to continue the existing core shareholder syndicate for STRABAG SE.

The Management Board of STRABAG SE welcomes the continuation of the core shareholder group, which supports the company's successful strategic orientation and growth.

Mandatory offer by core shareholders

On 18 August 2022 Haselsteiner Familien-Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and UNIQA Österreich Versicherungen AG informed STRABAG SE of their intention, as bidders, to make a mandatory (anticipatory) public offer pursuant to Section 22 et seq of the Austrian Takeover Act (ÜbG) for the acquisition of all outstanding no-par value bearer shares of STRABAG SE (ISIN AT0000STR1) not held by the bidders or by legal entities acting in concert with the bidders, with an offer price of € 38.94 per STRABAG share.

The offer is also intended to remove the current restriction on voting rights of the bidders (and the legal entities acting jointly with them) to a total of 26%, which arose due to a passive acquisition of control because of the European sanction restrictions on MKAO "Rasperia Trading Limited".

Agreement on the acquisition of own shares by STRABAG SE

STRABAG SE has agreed with the bidders to acquire, as own shares, up to 10,260,000 of the shares included in the offer, representing up to 10% of the share capital, at the same price as the offer price (€ 38.94). The bidders will acquire these shares in the course of the offer in trust for STRABAG SE.

This agreement is based on the resolution adopted by the General Meeting on 24 June 2022 authorising the Management Board to buy back own shares.

The buyback obligation for own shares up to a maximum of 10% of the share capital (i.e. 10,260,000 shares) as at 31 December 2022 results in a current financial liability in the amount of the maximum purchase price of T€ 399,524, which is deducted directly from retained earnings.

STRABAG SE acquired 2,779,006 shares under the share purchase agreement on 9 February 2023. The actual acquisition costs for the own shares therefore amounted to a total of T€ 108,214. In the 2023 financial year, the current other financial liability can therefore be reversed in the amount of T€ 291,310 without affecting profit or loss.

Notes on the 2021 financial year

The 17th Annual General Meeting of STRABAG SE held on 18 June 2021 resolved to reduce the share capital of the company from € 110,000,000.00 in a simplified procedure through the withdrawal of 7,400,000 own shares with a proportionate amount of the share capital of € 7,400,000.00 in accordance with Article 9 Para 1 of the Societas Europaea Regulation (SE-VO) in conjunction with Sec 192 Para 3 (2) and Para 4 of the Austrian Stock Corporation Act (AktG). The purpose of this simplified capital reduction is the withdrawal of own shares.

The capital reduction was entered into the commercial register on 16 July 2021.

The fully paid-in share capital as at 31 December 2021 amounts to € 102,600,000.00 and is divided into 102,599,997 no-par bearer shares and three registered shares.

The nominal value of the own shares was reclassified from share capital to capital reserves.

During the acquisition of own shares in 2011, 2012 and 2013, the acquisition costs of € 236,978,341.46 were deducted from retained earnings. This amount has now been reclassified to capital reserves as part of the withdrawal of own shares.

Other Notes

Long-term economic success, within the context of responsibility to our shareholders, customers, employees, suppliers, subcontractors and the company itself, is the primary entrepreneurial objective of the STRABAG SE Group. Working to pursue these goals, recognising opportunities and risks before and as they arise, and responsibly taking these into consideration safeguards the continuity of the group and protects the interests of the shareholders.

To guarantee the continuity of the company, the management and responsible employees assure that there is a balanced relationship between opportunities and risks during the selection of projects and assess the individual risks against the background of the overall company risk.

The group equity ratio target was defined at between 20% and 25% during the IPO of STRABAG SE in October 2007. The equity ratio is calculated from the carrying amount of the equity as at 31 December divided by the balance sheet total as at 31 December. The equity contains all parts of the equity according to the balance sheet: share capital, capital reserves, retained earnings and other reserves and non-controlling interests.

The group equity ratio as at 31 December 2022 amounted to 31.7% (2021: 33.3%). With this equity base, the STRABAG SE Group will be able to participate increasingly in tenders for Public-Private Partnership (PPP) projects. This means that the necessary funds for a participation in equity capital are available and that the related change in the balance sheet total will be manageable.

If the group is awarded the tender for large-scale projects, or if a strategically suitable acquisition is made, the equity ratio could briefly fall below the set minimum. In this case, the company reserves the right to adjust the dividend payments to the shareholders or to issue new shares.

(27) PROVISIONS

T€	Balance as at 1.1.2022	Currency translation	Changes in the consolidated group	Added	Used	Balance as at 31.12.2022
Provisions for severance payments	108,361	410	0	0	17,389	91,382
Provisions for pensions	376,825	-248	0	0	43,030	333,547
Construction-related provisions	504,626	-6,075	0	39,259	61,466	476,344
Personnel-related provisions	5,860	0	0	141	393	5,608
Other provisions	240,252	-1,154	0	146,981	14,169	371,910
Non-current provisions	**1,235,924**	**-7,067**	**0**	**186,381**	**136,447**	**1,278,791**
Construction-related provisions	615,813	-1,616	-184	624,585	615,134	623,464
Personnel-related provisions	202,860	111	0	228,270	203,348	227,893
Other provisions	279,032	483	697	277,519	279,982	277,749
Current provisions	**1,097,705**	**-1,022**	**513**	**1,130,374**	**1,098,464**	**1,129,106**
Total	**2,333,629**	**-8,089**	**513**	**1,316,755**	**1,234,911**	**2,407,897**

The **actuarial assumptions as at 31 December 2022** used to calculate provisions for severance payments and pensions are represented as follows:

	Severance payments	Pension obligation Austria	Pension obligation Germany	Pension obligation Switzerland
Biometric tables	AVÖ 2018-P	AVÖ 2018-P	Dr. Klaus Heubeck 2018G	BVG 2020G
Discount rate (%)	3.78	3.78	3.78	2.25
	(2021: 0.98)	(2021: 0.98)	(2021: 0.98)	(2021: 0.25)
Salary increase (%)	3.00	0.00	0.00	2.40
	(2021: 2.00)	(2021: 0.00)	(2021: 0.00)	(2021: 0.70)
Future pension increase (%)		dependent on contractual	3.95	0.25
	n.a.	adjustment	(2021: 1.50)	(2021: 0.25)
Retirement age for men	62	65	63–67	65
	(2021: 62)	(2021: 65)	(2021: 63–67)	(2021: 65)
Retirement age for women	62	60	63–67	65
	(2021: 62)	(2021: 60)	(2021: 63–67)	(2021: 64)

Sensitivity analysis

All other parameters remaining equal, a change in the discount rate by +/- 0.5 percentage points, a change in the salary increase by +/- 0.25 percentage points as well as a change in the pension increase by +/- 0.25 percentage points would have the following impact on the amount of the provisions for severance payments and pension obligations as at 31 December 2022:

T€	Change in discount rate		Change in salary increase		Change in future pension increase	
Change[1]	**-0.5 %-points**	**+0.5 %-points**	**-0.25 %-points**	**+0.25 %-points**	**-0.25 %-points**	**+0.25 %-points**
Severance payments	-2,805	2,644	1,354	-1,389	n.a.	n.a.
Pension obligations	-26,516	23,947	402	-380	8,661	-8,992

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

Provisions for severance payments show the following development:

T€	2022	2021
Present value of the defined benefit obligation as at 1.1.	**108,361**	**122,552**
Changes in the consolidated group/currency translation	410	-997
Current service cost	1,272	2,378
Interest cost	849	485
Severance payments	-9,444	-12,178
Actuarial gains/losses arising from experience adjustments	940	-352
Actuarial gains/losses arising from change in the discount rate	-11,006	-3,527
Present value of the defined benefit obligation as at 31.12.	**91,382**	**108,361**

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

T€	2022	2021
Present value of the defined benefit obligation as at 1.1.	**566,229**	**631,731**
Changes in the consolidated group/currency translation	8,101	8,364
Current service cost	9,516	7,468
Interest cost	4,253	2,539
Pension payments	-34,548	-44,446
Actuarial gains/losses arising from experience adjustments	7,707	-8,667
Actuarial gains/losses arising from change in the discount rate	-72,312	-23,504
Actuarial gains/losses arising from demographic changes	-153	-7,256
Present value of the defined benefit obligation as at 31.12.	**488,793**	**566,229**

The **plan assets for pension provisions** developed as follows in the reporting period:

T€	2022	2021
Fair value of the plan assets as at 1.1.	**189,404**	**203,375**
Changes in the consolidated group/currency translation	8,349	8,202
Return on plan assets	835	646
Contributions	9,312	6,909
Pension payments	-12,491	-21,407
Actuarial gains/losses	-14,406	6,869
Assets not included according to IFRIC 14	-25,757	-15,190
Fair value of the plan assets as at 31.12.	**155,246**	**189,404**

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

T€	31.12.2022	31.12.2021
Shares[1]	25,519	30,433
Bonds[1]	42,157	45,004
Cash	1,766	1,237
Investment funds	10,698	10,837
Real estate	20,396	22,939
Liability insurance	64,309	61,871
Other assets	32,135	32,273
Assets not included according to IFRIC 14	-41,734	-15,190
Total	**155,246**	**189,404**

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 2022 financial year, STRABAG AG, Switzerland, had no surplus of plan assets over the pension liability (2021: surplus of T€ 5,033).

The expected contributions to pension foundations in the following year will amount to T€ 3,218 (2021: T€ 3,293).

Asset-liability matching strategy

Pension payments in Switzerland are provided by pension foundations with funds dedicated to this purpose, while payments in Austria and in Germany are covered by readily available cash and cash equivalents as well as securities.

The actual expenses from plan assets amounted to T€ 11,644 in the 2022 financial year (2021: income of T€ 7,634).

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

T€	2022	2021
Current service cost	10,788	9,846
Interest cost	5,102	3,024
Return on plan assets	835	646

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

T€	31.12.2022	31.12.2021
Net obligation for severance provisions	91,382	108,361
Present value of the defined benefit obligation (pension provisions)	488,793	*566,229*
Fair value of plan assets (pension provisions)	-155,246	*-189,404*
Net obligation for pension provisions	333,547	376,825
Net obligation total	**424,929**	**485,186**

The **maturity profile** of the benefit payments from the net defined benefit liability as at 31 December 2022 was as follows:

T€	< 1 year	1–5 years	6–10 years	11–20 years	> 20 years
Provisions for severance payments	9,407	32,795	31,293	30,511	743
Provisions for pensions	28,511	123,450	108,723	154,569	123,215

The **maturity profile** of the benefit payments from the net defined benefit liability as at 31 December 2021 was as follows:

T€	< 1 year	1–5 years	6–10 years	11–20 years	> 20 years
Provisions for severance payments	9,320	27,753	29,976	28,923	1,930
Provisions for pensions	27,995	117,640	96,682	125,711	80,735

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

Years	31.12.2022	31.12.2021
Severance payments Austria	7.65	8.66
Pension obligations Austria	5.69	9.01
Pension obligations Germany	10.16	11.00
Pension obligations Switzerland	12.40	14.30
Pension obligations the Netherlands	15.39	17.18

Other provisions

The construction-related provisions include warranty obligations, costs of the contract execution and subsequent costs of invoiced contracts, as well as impending losses from projects pending which are not accounted for elsewhere. The personnel-related provisions essentially include bonus obligations and premiums, service anniversary bonuses, contributions to occupational funds as well as costs of the old age part-time scheme and expenses for personnel downsizing measures. Other provisions especially include provisions for damages and litigations.

(28) FINANCIAL LIABILITIES

T€	31.12.2022 Total	thereof current	thereof non-current	31.12.2021 Total	thereof current	thereof non-current
Bonds	0	0	0	200,000	200,000	0
Bank borrowings	624,763	241,757	383,006	687,764	224,358	463,406
Lease liabilities	332,438	59,112	273,326	305,851	58,647	247,204
Financial liabilities	**957,201**	**300,869**	**656,332**	**1,193,615**	**483,005**	**710,610**

Physical securities (mainly mortgages) were established to cover liabilities to banks in the amount of T€ 7,087 (2021: T€ 33,516).

The bank borrowings involve non-recourse liabilities in the amount of T€ 607,974 (thereof non-current: T€ 372,859). This value amounted to T€ 652,740 (thereof non-current: T€ 452,402) in the previous year.

The lease liabilities are presented less the rental deposits of T€ 27,861 (2021: T€ 28,552).

(29) TRADE PAYABLES

T€	31.12.2022 Total	thereof current	thereof non-current	31.12.2021 Total	thereof current	thereof non-current
Trade payables	2,326,851	2,326,851	0	2,150,670	2,150,670	0
Liabilities from construction consortia	242,191	242,191	0	270,760	270,760	0
Trade payables	**2,569,042**	**2,569,042**	**0**	**2,421,430**	**2,421,430**	**0**

(30) OTHER FINANCIAL LIABILITIES

T€	31.12.2022 Total	thereof current	thereof non-current	31.12.2021 Total	thereof current	thereof non-current
Payables to subsidiaries	91,884	91,884	0	110,530	110,530	0
Payables to participation companies	10,839	10,839	0	15,524	15,524	0
Other financial liabilities	703,392	619,574	83,818	269,699	173,911	95,788
Other financial liabilities	**806,115**	**722,297**	**83,818**	**395,753**	**299,965**	**95,788**

The other current financial liabilities include a liability of T€ 399,524 from the buyback obligation for own shares as at 31 December 2022. See also the comments under item (26) Equity.

(31) CONTINGENT ASSETS

On 29 June 2020, the tribunal in STRABAG SE v Libya (ICSID Case No. ARB (AF)/15/1) issued its award holding Libya in breach of the agreement between the Republic of Austria and the State of Libya for the promotion and protection of investments. The tribunal consequently awarded STRABAG SE damages of € 75 million plus interest, and ordered Libya to reimburse STRABAG 75% of its legal costs and expenses, and to bear 75% of the costs of the arbitration.

STRABAG commenced its activities in Libya – the construction of infrastructure – in 2006. The operations were interrupted in 2011 by the conflict in the country. In the arbitration proceedings, STRABAG claimed compensation for losses and damages suffered during the conflict and for work it had already performed on the various construction projects.

A motion filed by Libya with the competent courts in the United States to set aside the arbitration award was dismissed by final decision after passing through several instances.

It remains uncertain whether Libya will honour the award. STRABAG is examining all possibilities of enforcing the arbitration award and has initiated recognition and enforcement proceedings. These proceedings are moving along very slowly and have not yet led to any additional findings. Because of the existing uncertainties no receivable was recognised.

(32) CONTINGENT LIABILITIES

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

T€	31.12.2022	31.12.2021
Guarantees without financial guarantees	20	174

(33) OFF-BALANCE SHEET TRANSACTIONS

In the construction industry, it is customary and necessary to provide various types of guarantees to secure the contractual obligations. These guarantees are usually issued by banks or credit insurers and most commonly comprise bid, contract performance, prepayment and warranty guarantees. In the event these guarantees are called upon, the relevant banks have a contractual right of recourse against the group. The risk that such guarantees are utilised and that a right of recourse arises materialises only if the primary contractual obligations are not properly performed.

Obligations and possible risks from such guarantees are recognised in the balance sheet as provisions or liabilities.

Not included in the balance sheet or the contingent liabilities as at 31 December 2022 are performance bonds in the amount of € 4.1 billion (2021: € 3.1 billion) of which an outflow of resources is unlikely.

As is customary in the industry, STRABAG SE shares liability with the other partners of consortia in which companies of the STRABAG SE Group hold a share interest.

(34) NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The representation of the cash flow statement was made according to the indirect method and separated into the cash flows classified by operating, investing and financing activities. The cash and cash equivalents include exclusively cash on hand, bank deposits and short-term securities. Any effects from changes in the consolidated group were eliminated and represented in the cash flow from investing activities.

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

T€	31.12.2022	31.12.2021
Securities	10	2,823
Cash on hand	1,332	1,338
Bank deposits	2,700,507	2,959,090
Restricted cash and cash equivalents	0	0
Pledged cash and cash equivalents	-150	-150
Cash and cash equivalents	**2,701,699**	**2,963,101**

Moreover, in construction projects executed through consortia there are cash and cash equivalents whose use can only be determined jointly with other partner companies.

The **cash flow from operating activities** in the reporting year contains the following items:

T€	2022	2021
Interest paid	27,480	18,503
Interest received	42,383	21,994
Taxes paid	227,587	359,777
Dividends received	105,993	91,198

The taxes paid in 2021 include tax arrears from tax deferrals from the previous year.

The **cash flow from financing activities** for the financial year 2022 can be derived from the balance sheet items as follows:

T€	Bonds	Bank borrowings	Other financial liabilities[1]	Lease liabilities	Total
Balance as at 1.1.2022	**200,000**	**687,764**	**29,073**	**305,851**	**1,222,688**
Proceeds	0	34,458	0	0	34,458
Repayments	-200,000	-97,046	0	0	-297,046
Increase (+)/decrease (-) in financing	0	0	-5,025	-62,522	-67,547
Total cash flows from financing activities	**-200,000**	**-62,588**	**-5,025**	**-62,522**	**-330,135**
Currency translation	0	-413	-65	274	-204
Other changes	0	0	41,488	88,835	130,323
Total non-cash changes	**0**	**-413**	**41,423**	**89,109**	**130,119**
Balance as at 31.12.2022	**0**	**624,763**	**65,471**	**332,438**	**1,022,672**

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 (-)
Cash flows from financing activities	-330,135
Changes in the consolidated group	-151
Distribution of dividends	-173,369
Cash flow from financing activities	**-503,655**

The **cash flow from financing activities** for the financial year 2021 can be derived from the balance sheet items as follows:

T€	Bonds	Bank borrowings	Other financial liabilities[1]	Lease liabilities	Total
Balance as at 1.1.2021	**200,000**	**651,741**	**31,014**	**304,265**	**1,187,020**
Proceeds	0	126,600	0	0	126,600
Repayments	0	-90,577	0	0	-90,577
Increase (+)/decrease (-) in financing	0	0	-2,072	-61,046	-63,118
Total cash flows from financing activities	**0**	**36,023**	**-2,072**	**-61,046**	**-27,095**
Currency translation	0	0	-25	1,251	1,226
Other changes	0	0	156	61,381	61,537
Total non-cash changes	**0**	**0**	**131**	**62,632**	**62,763**
Balance as at 31.12.2021	**200,000**	**687,764**	**29,073**	**305,851**	**1,222,688**

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 (-)
Cash flows from financing activities	-27,095
Change due to acquisition of non-controlling interests	-2,750
Distribution of dividends	-714,061
Cash flow from financing activities	**-743,906**

NOTES ON FINANCIAL INSTRUMENTS

(35) FINANCIAL INSTRUMENTS

A financial instrument is a contract that results in a financial asset at one enterprise and a financial liability or equity instrument at another. Financial assets include especially cash and cash equivalents, trade receivables and other receivables and derivatives. Financial liabilities are obligations to pay cash or other financial assets on a regular basis. These include especially financial liabilities such as bank borrowings, bonds, lease liabilities and trade payables.

Financial instruments overview

The **financial instruments** as at the balance sheet date were as follows:

		31.12.2022			31.12.2021	
T€	**Measurement category according to IFRS 9**	**Carrying amount**	**Fair value**	**Measurement category according to IFRS 9**	**Carrying amount**	**Fair value**
Assets						
Investments below 20% (other investments)	FVPL	48,351	48,351	FVPL	48,511	48,511
Trade receivables	AC	1,577,838		AC	1,386,815	
Receivables from concession arrangements	AC	532,251		AC	578,252	
Other non-current financial assets	AC	328,869		AC	229,235	
Other current financial assets	AC	253,069		AC	266,447	
Cash and cash equivalents	AC	2,701,839		AC	2,960,428	
Securities	FVPL	26,018	26,018	FVPL	28,122	28,122
Cash and cash equivalents (securities)	FVPL	10	10	FVPL	2,823	2,823
Derivatives held for hedging purposes (receivables from concession arrangements)	Derivatives	377	377	Derivatives	-7,681	-7,681
Derivatives held for hedging purposes (other financial assets)	Derivatives	50,766	50,766	Derivatives	2,614	2,614
Derivatives other (other financial assets)	FVPL	0	0	FVPL	197	197
Liabilities						
Financial liabilities	FLaC	-957,201	-939,856	FLaC	-1,193,615	-1,193,883
Trade payables	FLaC	-2,569,042		FLaC	-2,421,430	
Other non-current financial liabilities	FLaC	-75,403		FLaC	-75,789	
Other current financial liabilities	FLaC	-711,956		FLaC	-299,965	
Derivatives held for hedging purposes (other financial liabilities)	Derivatives	0	0	Derivatives	-12,996	-12,996
Derivatives other (other financial liabilities)	FVPL	-18,756	-18,756	FVPL	-7,003	-7,003
	Measurement categories according to IFRS 9			**Measurement categories according to IFRS 9**		
	AC	5,393,866		AC	5,421,177	
	FVPL	55,623	55,623	FVPL	72,650	72,650
	FLaC	-4,313,602	-939,856	FLaC	-3,990,799	-1,193,883
	Derivatives	51,143	51,143	Derivatives	-18,063	-18,063
	Total	**1,187,030**	**-833,090**	**Total**	**1,484,965**	**-1,139,296**

No special disclosure of the fair value of financial instruments is represented if the carrying amount is a reasonable approximation of fair value.

Cash and cash equivalents, trade receivables and other receivables have for the most part short remaining terms. Accordingly, their carrying amounts on the balance sheet date approximate their fair value. The fair value of non-current financial assets corresponds to the present value of the related payments under consideration of the prevailing market parameters to the extent that market values were not available.

Trade payables and other financial liabilities typically have short terms; their carrying amounts approximate the fair value. The fair value of bonds, bank borrowings and lease liabilities are measured at the present value of the payments associated with them and under consideration of the relevant applicable market parameters to the extent that market values were not available. The fair value of the financial liabilities would qualify as a Level 1 measurement at T€ 0 (2021: T€ 200,224) and as a Level 2 measurement at T€ 939,856 (2021: T€ 993,659).

T€ 150 (2021: T€ 150) of cash and cash equivalents, T€ 790 (2021: T€ 843) of securities and T€ 1,974 (2021: T€ 1,844) of other financial instruments were pledged as collateral for liabilities.

The non-recourse liabilities in the amount of T€ 607,974 (2021: T€ 652,740) are secured with the return flows from the respective project.

There was no reclassification between the measurement categories in the 2022 financial year.

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

	2022				2021			
T€	**AC**	**FVPL**	**FLaC**	**Derivatives (Hedge accounting)**	**AC**	**FVPL**	**FLaC**	**Derivatives (Hedge accounting)**
Interest	39,617	0	-25,890	0	14,938	0	-21,944	0
Interest from concession arrangements	58,099	0	-14,230	-3,140	59,880	0	-17,280	-4,230
Result from securities and investments	0	6,905	0	0	0	6,600	0	0
Credit losses, impairment losses and reversal of impairment losses	-67,654	0	0	0	3,679	0	0	0
Payments of derecognised receivables and income from derecognition of liabilities	25	0	6,643	0	37	0	7,298	0
Net income from other derivatives	0	-11,950	0	0	0	-10,663	0	0
Net income recognised in profit or loss	**30,087**	**-5,045**	**-33,477**	**-3,140**	**78,534**	**-4,063**	**-31,926**	**-4,230**
Value changes recognised directly in equity	0	0	0	71,805	0	0	0	29,228
Net income	**30,087**	**-5,045**	**-33,477**	**68,665**	**78,534**	**-4,063**	**-31,926**	**24,998**

Interest from financial assets and financial liabilities is reported in net interest income, with the exception of interest from concession arrangements. Concession arrangements are part of the operating business, which is why interest income from concession arrangements is recognised in revenue and interest expense from concession arrangements is recognised in other operating expense.

Impairments, credit losses and reversals of impairment losses on financial assets and liabilities – excluding investments of less than 20% as well as securities – are reported under other operating expense or other operating income. Gains and losses on the disposal of financial receivables and liabilities are also recognised in other operating income or other operating expense.

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

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

Income, expenses, impairment losses and reversals of impairment losses as well as disposal gains and losses on securities are recognised in net interest income.

Changes in other derivatives measured through profit or loss are recognised in net interest income.

Financial instruments measured at fair value

The **fair values as at 31 December 2022** for financial instruments measured at fair value in the balance sheet were determined as follows:

T€	Level 1	Level 2	Level 3	Total
Assets				
Investments below 20% (other investments)			48,351	48,351
Securities	26,018			26,018
Cash and cash equivalents (securities)	10			10
Derivatives held for hedging purposes		51,143		51,143
Total	**26,028**	**51,143**	**48,351**	**125,522**
Liabilities				
Derivatives other		-18,756		-18,756
Total	**0**	**-18,756**	**0**	**-18,756**

The **fair values as at 31 December 2021** for financial instruments measured at fair value in the balance sheet were determined as follows:

T€	Level 1	Level 2	Level 3	Total
Assets				
Investments below 20% (other investments)			48,511	48,511
Securities	28,122			28,122
Cash and cash equivalents (securities)	2,823			2,823
Derivatives held for hedging purposes		-5,067		-5,067
Derivatives other		197		197
Total	**30,945**	**-4,870**	**48,511**	**74,586**
Liabilities				
Derivatives held for hedging purposes		-12,996		-12,996
Derivatives other		-7,003		-7,003
Total	**0**	**-19,999**	**0**	**-19,999**

STRABAG records regroupings between the different fair-value-hierarchy levels at the end of the reporting period in which the regrouping took place.

During the financial years 2022 and 2021, there were no transfers between the levels.

Financial instruments in Level 1

The fair value is determined on the basis of quoted prices in an active market. An active market exists if the prices are regularly established and readily available to the market participants. The quoted market price for the financial instruments presented in Level 1 corresponds to the bid price at the balance sheet date.

Financial instruments in Level 2

These financial instruments are not traded in an active market. They involve exclusively derivatives held for hedging purposes and other derivatives. The fair value is determined using methods of measurement on the basis of observable market data. Specifically, measurement is made using interest yield and currency curves in proportion to the term of the derivative.

Financial instruments in Level 3

These financial instruments involve exclusively a large number of smaller investments below 20% that are not traded on an active market. Their fair value is determined on the basis of simplified company valuations.

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

T€	2022	2021
Carrying amount as at 1.1.	**48,511**	**41,278**
Currency translation/Transfers	292	260
Additions	3,350	7,760
Disposals	-1,207	-2,082
Depreciation	-700	-100
Changes in fair value	-1,895	1,395
Carrying amount as at 31.12.	**48,351**	**48,511**

Due to the broad diversification of the investments, no major fluctuations in value are expected in the future.

The **derivatives** are comprised as follows:

T€		31.12.2022			31.12.2021	
Bank	**Assets**	**Liabilities**	**Total**	**Assets**	**Liabilities**	**Total**
Republic of Hungary	377	0	377	-7,681	0	-7,681
National Bank of Canada	5,253	0	5,253	1,254	0	1,254
SMBC Capital Markets	5,202	0	5,202	1,360	0	1,360
KfW IPEX-Bank	10,488	0	10,488	0	-3,023	-3,023
Norddeutsche Landesbank	9,925	0	9,925	0	-3,447	-3,447
SEB AG	9,797	0	9,797	0	-3,229	-3,229
Société Générale	10,101	0	10,101	0	-3,297	-3,297
Total derivatives held for hedging purposes	**51,143**	**0**	**51,143**	**-5,067**	**-12,996**	**-18,063**
Bayerische Landesbank	0	-2,178	-2,178	0	-684	-684
Crédit Agricole Corp. & Investment	0	-4,985	-4,985	0	-2,059	-2,059
Raiffeisenbank International AG[1]	0	-7,388	-7,388	197	-2,879	-2,682
UniCredit Bank Austria AG	0	-4,205	-4,205	0	-1,381	-1,381
Total other derivatives	**0**	**-18,756**	**-18,756**	**197**	**-7,003**	**-6,806**
Total	**51,143**	**-18,756**	**32,387**	**-4,870**	**-19,999**	**-24,869**

1 Can be offset in the event of insolvency

Hedge accounting is not applied to other derivatives, but they are part of economic hedging relationships.

Principles of risk management

The STRABAG SE Group is subject to credit, market and liquidity risks related to its financial assets, financial liabilities and planned transactions. The goal of financial risk management is to minimise these risks through ongoing financially-oriented activities.

The basics of the financial policy are set by the Management Board and monitored by the Supervisory Board. The implementation of the financial policy and responsibility for the risk management are the domain of the group treasury. Certain transactions require prior approval by the Management Board, which is regularly informed as to the scope and amount of the current risk exposure.

The group assesses concentrations of risk with regard to interest rate risk, currency risk and credit risk as low because customers are located in different countries, belong to different industries and operate in largely independent markets.

The group's business activities are subject to market price risks that are customary in the industry. These risks are not hedged through derivatives or financial instruments but through other hedging activities including but not limited to contractual agreements.

Further explanations on risk management and financial instruments can be found in the group management report from 31 December 2022.

Interest rate risk

The receivables from concession arrangements in the amount of T€ 532,251 (2021: T€ 578,252) and the non-current other financial assets in the amount of T€ 405,653 (2021: T€ 259,971) are mostly at fixed interest rates, while bank deposits are mainly at variable interest rates. The most important bank borrowings involve non-recourse financing from projects in the amount of T€ 607,974 (2021: T€ 652,740), which are either at fixed interest rates or hedged against interest rate changes by means of interest rate swaps. The risk of the variable interest-bearing financial instruments on the liabilities side consists of rising interest rates on expenses or falling interest rates on income resulting from an unfavourable change in market interest rates. Fixed interest obligations mainly result from the bonds issued by STRABAG SE amounting to a total of T€ 0 (2021: T€ 200,000). The increase in interest rates in the main Group countries in the 2022 financial year had a positive impact on net interest income due to the Group's net cash position.

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

Bank deposits

Currency	**Carrying amount 31.12.2022 T€**	**Weighted average interest rate 2022 %**
EUR	1,816,484	1.59
PLN	209,402	5.47
HUF	139,148	15.22
CZK	249,085	4.46
GBP	90,810	0.53
CAD	22,636	2.05
Other	172,942	1.46
Total	**2,700,507**	**2.82**

Currency	**Carrying amount 31.12.2021 T€**	**Weighted average interest rate 2021 %**
EUR	2,026,178	-0.40
PLN	187,767	0.74
HUF	197,137	0.97
CZK	179,675	0.10
GBP	95,576	0.00
CAD	40,389	1.82
Other	232,368	0.51
Total	**2,959,090**	**-0.09**

Bank borrowings

Currency	Carrying amount 31.12.2022 T€	Weighted average interest rate 2022 %
EUR	468,486	2.61
CAD	156,074	5.42
Other	203	9.25
Total	**624,763**	**3.32**

Currency	Carrying amount 31.12.2021 T€	Weighted average interest rate 2021 %
EUR	561,816	1.07
CAD	125,948	1.40
Total	**687,764**	**1.13**

Had the interest rate level at 31 December 2022 been higher by 100 basis points, then the EBT would have been higher by T€ 19,713 (2021: T€ 24,165) and the equity at 31 December 2022 would have been higher by T€ 40,847 (2021: T€ 53,584). Had the interest rate level been lower by 100 basis points, this would have meant a correspondingly lower equity and EBT. The calculation is made based on the level of interest-bearing financial assets and liabilities as at 31 December. Tax effects from interest rate changes were not considered.

Currency risk

Due to the decentralised structure of the group, characterised by local companies in the respective countries, mainly closed currency positions appear in the balance sheet. Receivables and liabilities from business activities mainly offset each other in the same currency.

Internal hedging is performed for construction contracts where there are no closed currency positions (e.g. construction contracts that are not concluded in functional currency). As part of corporate-wide treasury management, these positions are then combined, and external hedging is performed if necessary.

The internal financing of companies within the group using different functional currencies resulted in an earnings-relevant currency risk. Derivative financial instruments are transacted to limit this risk. The market values of these hedging transactions in the amount of T€ -18,756 (2021: T€ -6,806) are recognised in profit or loss in the income statement. The hedging transactions are reported under other financial assets or other financial liabilities.

In addition to the bank deposits and bank borrowings in foreign currencies (see "Interest rate risk"), the other non-current financial assets still include carrying amounts of T€ 128,795 (2021: T€ 37,561) in foreign currencies.

Development of the important currencies in the group:

Currency	Closing rate 31.12.2022: 1 € =	Average rate 2022: 1 € =	Closing rate 31.12.2021: 1 € =	Average rate 2021: 1 € =
HUF	400.8700	391.2708	369.1900	358.6083
CZK	24.1160	24.5624	24.8580	25.6486
PLN	4.6808	4.6799	4.5969	4.5720
CHF	0.9847	1.0041	1.0331	1.0799
CLP	916.9100	919.7438	964.4400	903.2125
USD	1.0666	1.0563	1.1326	1.1816
GBP	0.8869	0.8537	0.8403	0.8584
RON	4.9495	4.9352	4.9490	4.9251
CAD	1.4440	1.3757	1.4393	1.4804

The following table shows the hypothetical changes in EBT and equity if the euro had been appreciated or depreciated by 10% in relation to another currency in the year 2022:

T€	Appreciation of the euro by 10%		Depreciation of the euro by 10%	
Currency	Change in EBT	Change in equity	Change in EBT	Change in equity
PLN	146	146	-178	-178
HUF	4,179	16,652	-5,108	-20,352
CHF	-830	-9,139	1,014	11,169
CZK	1,147	6,601	-1,402	-8,068
GBP	13,149	13,149	-16,071	-16,071
USD	-2,866	-2,866	3,503	3,503
Other	-24,496	-26,899	29,939	32,877

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

T€	Appreciation of the euro by 10%		Depreciation of the euro by 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
GBP	13,687	13,687	-13,687	-13,687
USD	-1,786	-1,786	1,786	1,786
Other	-30,313	-30,313	30,313	30,313

The calculation is based on original and derivative foreign currency holdings in non-functional currency as at 31 December as well as underlying transactions for the next twelve months. The effect on tax resulting from changes in currency exchange rates was not taken into consideration.

Cash flow hedges

Currency risks in the group result when the currency of the order differs from the functional currency of the company. The planned proceeds are received in the currency of the order (for example, euro or US dollar), while a substantial part of the associated costs is incurred in the local currency.

The group uses foreign exchange forwards to hedge against this risk. These contracts are classified as hedges against future payments and are presented as cash flow hedges.

To hedge against variable interest rate obligations, interest rate swaps are used especially with financing obligations from concession arrangements. This serves to hedge the variability of future cash flows from variable interest rate payments. Interest rate swaps are presented as cash flow hedges.

The group determines the existence of an economic relationship between the hedging instrument and the hedged item for the purpose of assessing the effectiveness of the hedge based on the interest rate benchmarks, terms, repricing dates and maturities of the nominal amounts.

The amounts of the hedged items as at 31 December 2022 are as follows:

T€

Hedged item	**Value changes in the basis for effectiveness measurement**	**Hedging reserves**
Interest rate risk		
Interest AKA	-6,344	262
Interest PANSUEVIA	-51,468	33,213
Interest Scarborough	-8,697	9,916
Total	**-66,509**	**43,391**

All hedge relationships are constructed based on EURIBOR and are therefore not affected by the interest rate benchmark reform.

The amounts of the hedged items as at 31 December 2021 are as follows:

T€

Hedged item	**Value changes in the basis for effectiveness measurement**	**Hedging reserves**
Interest rate risk		
Interest AKA	-4,245	-10,505
Interest PANSUEVIA	-13,218	-20,525
Interest Scarborough	-2,614	2,614
Total	**-20,077**	**-28,416**

The hedging instruments as at 31 December 2022 were comprised as follows:

T€

Hedge	**Nominal value**	**Carrying amount**	**Balance sheet item where the hedge is presented**	**OCI change in value of the hedge**	**Recycling amount from hedging reserves**	**P&L item where the recycling amount is recognised**
Interest rate risk						
Interest rate swap AKA	98,489	377	Receivables from concession arrangements	6,344	4,423	Other operating expense
Interest rate swaps PANSUEVIA	237,098	40,311	Other financial liabilities	51,467	2,269	Other operating expense
Interest rate swaps Scarborough	215,030	10,455	Other financial assets	8,697	-1,395	Interest expense
Total	**550,617**	**51,143**		**66,508**	**5,297**	

Possible sources of ineffectiveness in these hedging relationships include:

- the effect of counterparty and own credit risk on the fair value of derivatives, which is not reflected in the change in the fair value of the hedged cash flows, and is attributable to interest rates changes
- differences in the repricing dates of the hedging instrument and the underlying transactions
- changes in the expected value of the cash flows from the underlying transaction being hedged and from the hedging instrument
- changes to the reference rates due to the interest rate benchmark reform

In the 2022 financial year, a total of T€ 539 was recognised in the income statement under interest and similar income for the Scarborough interest rate swap due to ineffectiveness (2021: T€ 0).

The hedging instruments as at 31 December 2021 were made up as follows:

T€ Hedge	Nominal value	Carrying amount	Balance sheet item where the hedge is presented	OCI change in value of the hedge	Recycling amount from hedging reserves	P&L item where the recycling amount is recognised
Interest rate risk						
Interest rate swap AKA	161,656	-7,681	Receivables from concession arrangements	4,245	6,943	Other operating expense
Interest rate swaps PANSUEVIA	244,959	-12,996	Other financial liabilities	13,218	3,642	Other operating expense
Interest rate swaps Scarborough	125,948	2,614	Other financial liabilities	2,614	0	Interest expense
Total	**532,563**	**-18,063**		**20,077**	**10,585**	

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

On 31 December 2022, the group held the following instruments for the purpose of hedging interest rate fluctuation:

	Maturity 1–6 months	 6–12 months	 > 1 year
Interest rate swap			
Nominal amount in TEUR	37,749	36,904	475,965
Average fixed interest rate (%)	2.58	2.56	1.17

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

	Maturity 1–6 months	 6–12 months	 > 1 year
Interest rate swap			
Nominal amount in TEUR	35,974	35,054	461,535
Average fixed interest rate (%)	2.60	2.58	1.39

The reconciliation of the equity components as at 31 December 2022 is as follows:

T€	Hedging reserves
As at 1.1.	**-47,209**
Fair value changes	
Interest rate risk	66,508
Recycling	
Currency risk	0
Interest rate risk	5,297
Deferred tax	
Currency risk	0
Interest rate risk	-19,468
Change in hedging reserves from equity-accounted investments	13,132
As at 31.12.	**18,260**

The reconciliation of the equity components as at 31 December 2021 is as follows:

T€	Hedging reserves	Cost-of-hedging reserves
As at 1.1.	**-74,572**	**-75**
Fair value changes		
Interest rate risk	20,077	0
Recycling		
Currency risk	-1,537	103
Interest rate risk	10,585	0
Deferred tax		
Currency risk	415	-28
Interest rate risk	-6,897	0
Change in hedging reserves from equity-accounted investments	4,720	0
As at 31.12.	**-47,209**	**0**

Credit risk

Credit risks arise when contractual parties do not meet their payment obligations by the date of settlement. Such risks exist with regard to payments of receivables from the operating business as well as the contractual cash flows from debt instruments in the category of measured at amortised cost (AC). To manage the credit risk from the operating business, STRABAG established a credit risk management system in line with the market conditions and customers. In particular, due to the economic uncertainties, loans to and receivables from private clients are being monitored even more closely than in the past.

The maximum credit risk of trade receivables, contract assets and other financial assets corresponds to the carrying amounts presented in the balance sheet.

The risk for receivables from clients can be rated as low due to the wide dispersion, a constant creditworthiness check and the presence of the public sector as an important client. The performance of work for private customers is largely secured by ongoing partial payments.

The risk of default for other primary financial instruments shown on the assets side can also be regarded as low, as the contract partners are mainly financial institutions with the highest level of creditworthiness or the public sector and/or there is wide dispersion. In the case of other non-current financial assets, ongoing creditworthiness checks are also carried out individually on the basis of expected future cash flows.

STRABAG SE holds no non-financial assets as security collateral. Financial collateral is only of minor importance, as the large number of public-sector customers presents hardly any payment risk.

Impairments on trade receivables and on contract assets are determined using the simplified approach. The impairments are determined taking into consideration the country-specific risks and the creditworthiness of the customers. Due to the increased economic uncertainties, higher probabilities of default have been assumed for private clients for the 2022 financial year.

Impairments, considered individually, are also made on financial assets if the carrying amount of the financial asset is higher than the present value of the future cash flows. This can be triggered by financial difficulties, insolvency of the client, breach of contract or significant default of payment. These impairments are composed of many individual items.

The risk provision as at 31 December 2022 for trade receivables and for contract assets developed as follows during the financial year:

T€	Trade receivables	Contract assets
Gross carrying amount as at 31.12.2022	**1,636,841**	**1,365,247**
Lifetime ECL as at 1.1.	**7,144**	**6,633**
Exchange differences/changes in the consolidated group	21	308
Change due to change in volumes	625	277
Change due to change in ratings	943	288
Lifetime ECL as at 31.12.	**8,733**	**7,506**
Impairment as at 1.1.	**56,578**	**0**
Exchange differences/changes in the consolidated group	450	0
Added/used	-6,758	0
Impairment as at 31.12.	**50,270**	**0**
Net carrying amount as at 31.12.2022	**1,577,838**	**1,357,741**

In addition, ECL impairments on other financial assets amounting to T€ 3,144 (2021: T€ 3,449) exist as at 31 December 2022, as well as individual impairments amounting to T€ 143,857 (2021: T€ 85,957) for other non-current financial assets.

The risk provision as at 31 December 2021 for trade receivables and for contract assets developed as follows during the financial year:

T€	Trade receivables[1]	Contract assets
Gross carrying amount as at 31.12.2021	**1,450,537**	**1,354,874**
Lifetime ECL as at 1.1.	**9,513**	**7,568**
Exchange differences/changes in the consolidated group	-38	-17
Change due to change in volumes	-420	96
Change due to change in ratings	-1,911	-1,014
Lifetime ECL as at 31.12.	**7,144**	**6,633**
Impairment as at 1.1.	**78,745**	**0**
Exchange differences/changes in the consolidated group	-337	0
Added/used	-21,830	0
Impairment as at 31.12.	**56,578**	**0**
Net carrying amount as at 31.12.2021	**1,386,815**	**1,348,241**

1 For improved clarity, the impairments were reclassified, and the previous year's figures were adjusted.

The following shows the gross carrying amounts of the financial assets by risk class for which the expected losses were recognised over the entire remaining term.

The risk classes were determined according to the probabilities of default depending on country risk and creditworthiness of the debtors. Below 0.55% is assumed to be low risk, between 0.55% and 1.2% medium risk and above 1.2% high risk.

The gross carrying amounts for the 2022 financial year are as follows:

T€	Trade receivables	Contract assets
Low risk	758,429	740,232
Medium risk	859,105	601,472
High risk	19,307	23,543
Gross carrying amount as at 31.12.2022	**1,636,841**	**1,365,247**

The gross carrying amounts for the 2021 financial year are as follows:

T€	Trade receivables[1]	Contract assets
Low risk	661,806	734,751
Medium risk	755,207	604,276
High risk	33,524	15,847
Gross carrying amount as at 31.12.2021	**1,450,537**	**1,354,874**

1 For improved clarity, the impairments were reclassified, and the previous year's figures were adjusted.

Liquidity risk

Liquidity for the STRABAG SE Group means not only solvency in the strict sense but also the availability of the necessary financial margin for mainstay business through sufficient aval lines.

To guarantee financial flexibility, liquidity reserves are kept in the form of cash and credit lines for cash and aval loans. The STRABAG SE Group keeps bilateral credit lines with banks and syndicated cash and aval credit lines in the amount of € 0.4 billion (2021: € 0.4 billion) and € 2.0 billion (2021: € 2.0 billion) respectively. The overall line for cash and aval loan amounts to € 8.2 billion (2021: € 8.2 billion). The syndicated surety credit line contains covenants which were fulfilled at the balance sheet date.

The STRABAG SE Group has sufficient liquidity reserves. Despite the uncertain economic situation, no significant changes in customers' payment behaviour could be detected. An increase in liquidity risk could not be identified in the 2022 financial year.

In the past, the medium- and long-term liquidity needs had also been covered by the issue of corporate bonds. In the 2022 financial year, the € 200 million bond issued in 2015 was repaid in full. As at 31 December 2022, there were no STRABAG SE bonds on the market.

The following **payment obligations** arise from the financial liabilities (interest payments based on interest rate as at 31 December and redemption) for the subsequent years:

Payment obligations as at 31 December 2022

The **payment obligations from financial liabilities as at 31 December 2022** are comprised as follows:

T€	Carrying amount 31.12.2022	Cash flows 2023	Cash flows 2024–2027	Cash flows after 2027
Bank borrowings	624,763	263,436	139,538	336,219
Lease liabilities	332,438	69,831	219,759	172,203
Financial liabilities	**957,201**	**333,267**	**359,297**	**508,422**

The trade payables and the other liabilities without derivatives essentially lead to cash outflows in line with the maturity at the amount of the carrying amounts.

The payment obligations from leasing liabilities amount to T€ 65,120 for 2024, T€ 59,774 for 2025, T€ 51,012 for 2026 and T€ 43,853 for 2027.

The **payment obligations from derivatives as at 31 December 2022** are comprised as follows:

T€	Carrying amount 31.12.2022	Cash flows 2023	Cash flows 2024–2027	Cash flows after 2027
Derivatives held for hedging purposes	-51,143	0	0	0
Derivatives other	18,756	10,341	8,416	0
Derivatives	**-32,387**	**10,341**	**8,416**	**0**

The derivatives held for hedging purposes showed a positive market value as at the reporting date, which is why no payment obligations arise for them.

Payment obligations as at 31 December 2021

The **payment obligations from financial liabilities as at 31 December 2021** are comprised as follows:

T€	Carrying amount 31.12.2021	Cash flows 2022	Cash flows 2023–2026	Cash flows after 2026
Bonds	200,000	203,250	0	0
Bank borrowings	687,764	234,136	179,202	323,574
Lease liabilities	305,851	74,430	217,957	175,739
Financial liabilities	**1,193,615**	**511,816**	**397,159**	**499,313**

The trade payables and the other liabilities without derivatives essentially lead to cash outflows in line with the maturity at the amount of the carrying amounts.

The payment obligations from leasing liabilities amount to T€ 66,005 for 2023, T€ 56,433 for 2024, T€ 51,914 for 2025 and T€ 43,605 for 2026.

The **payment obligations from derivatives as at 31 December 2021** are comprised as follows:

T€	Carrying amount 31.12.2021	Cash flows 2022	Cash flows 2023–2026	Cash flows after 2026
Derivatives held for hedging purposes	18,063	8,345	6,058	3,366
Derivatives other	6,806	-197	7,003	0
Derivatives	**24,869**	**8,148**	**13,061**	**3,366**

Financial guarantees

STRABAG has issued financial guarantees to banks for the benefit of its own subsidiaries or associates. Based on the loan amount outstanding as at 31 December 2022, the maximum guarantee amount is T€ 71,343 (2021: T€ 71,036). Theoretically these guarantees can be used at any time, leading to a short-term outflow of liquidity.

SEGMENT REPORT

(36) SEGMENT REPORTING

The rules of IFRS 8 Operating Segments apply to the segment reporting. IFRS 8 prescribes defining the segments and reporting the earnings on the basis of the internal reporting (management approach). Segment assets are not disclosed as these do not form part of the regular internal reporting.

The internal reporting in the STRABAG SE Group is based on Management Board areas, which also represent the segments. The settlement between the single segments is made at arm's length prices.

The segment North + West bundles the construction activities in Germany, Poland, Benelux and Scandinavia as well as the ground engineering activities.

The segment South + East comprises the construction activities in Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic and Rest of Europe and the environmental engineering business.

The segment International + Special Divisions includes the international construction activities, tunnelling, services, real estate development and infrastructure development as well as the construction materials business.

In addition, there are the Central Divisions and Central Staff Divisions, which handle services in the areas of accounting, group financing, technical development, digitalisation and innovation, machine management, quality management, logistics, legal affairs, contract management, etc. These services are included in the segment Other.

Segment reporting for the financial year 2022

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output volume[1]	**8,690,688**	**5,461,542**	**3,445,119**	**138,122**		**17,735,471**
Revenue	**8,032,706**	**5,495,535**	**3,479,969**	**17,637**	**0**	**17,025,847**
Inter-segment revenue	101,026	149,406	436,439	1,004,606		
EBIT	**492,893**	**153,393**	**91,948**	**997**	**-32,834**	**706,397**
thereof share of profit or loss of equity-accounted investments	37,270	14,821	8,827	-31	0	60,887
Interest and similar income	0	0	0	50,742	0	50,742
Interest expense and similar charges	0	0	0	-40,066	0	-40,066
EBT	**492,893**	**153,393**	**91,948**	**11,673**	**-32,834**	**717,073**
Investments in property, plant and equipment and intangible assets	0	0	0	770,438	0	770,438
Depreciation, amortisation and impairment losses, reversals of impairment losses	6,700	0	19,674	524,435	0	550,809
thereof impairment losses and reversals of impairment losses	6,700	0	0	10,149	0	16,849

1 Not an IFRS measure, therefore not audited

Segment reporting for the financial year 2021

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output volume[1]	**7,902,463**	**4,930,380**	**3,161,458**	**134,618**		**16,128,919**
Revenue	**7,317,947**	**4,924,600**	**3,039,141**	**16,848**	**0**	**15,298,536**
Inter-segment revenue	160,580	76,764	320,310	935,119		
EBIT	**443,027**	**194,925**	**272,075**	**689**	**-14,608**	**896,108**
thereof share of profit or loss of equity-accounted investments	44,555	16,777	30,790	-12	0	92,110
Interest and similar income	0	0	0	26,962	0	26,962
Interest expense and similar charges	0	0	0	-39,532	0	-39,532
EBT	**443,027**	**194,925**	**272,075**	**-11,881**	**-14,608**	**883,538**
Investments in property, plant and equipment and intangible assets	0	0	0	532,042	0	532,042
Depreciation, amortisation and impairment losses, reversals of impairment losses	5,667	0	19,061	524,886	0	549,614
thereof impairment losses and reversals of impairment losses	5,667	0	0	2,041	0	7,708

1 Not an IFRS measure, therefore not audited

Reconciliation of the sum of the segment earnings to EBT according to IFRS financial statements

Income and expense in the internal reporting are essentially shown in accordance with IFRS. An exception is income taxes, including those applicable to deferred tax, which are not considered in the internal reporting.

The basis for the internal reporting is formed by all subsidiaries. In the IFRS financial statements, earnings from companies which were not fully consolidated or reported using the equity method are only recognised in conformity with dividends, transfer of earnings and/or depreciation and amortisation. For this reason, the internal reporting does not conform with EBIT and EBT in the consolidated financial statements in terms of net income from investments.

Other minor differences result from entries in other consolidations.

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

T€	2022	2021
Net income from investments	-26,815	-15,553
Other consolidation adjustments	-6,019	945
Total	**-32,834**	**-14,608**

Breakdown of revenue by geographic region

T€	2022	2021
Germany	7,677,021	6,913,192
Austria	2,764,058	2,629,785
Rest of Europe	5,649,463	5,037,786
Rest of world	935,305	717,773
Revenue	**17,025,847**	**15,298,536**

OTHER NOTES

(37) NOTES ON SHAREHOLDER STRUCTURE

The core shareholders of STRABAG SE are the Haselsteiner Group as well as the Raiffeisen Holding NÖ-Wien Group and the UNIQA Group. A syndicate agreement was concluded between the core shareholders on 18 August 2022.

The minority shareholder MKAO "Rasperia Trading Limited" is controlled by Russian businessman Oleg Deripaska, who was added to the sanctions lists in the following jurisdictions: Canada (on 6 March 2022), United Kingdom (on 10 March 2022), Australia (on 18 March 2022), European Union (on 8 April 2022), Switzerland (on 13 April 2022) and Poland (on 26 April 2022). Due to the EU sanctions against Oleg Deripaska, the shares of MKAO "Rasperia Trading Limited" in STRABAG SE and all rights associated with these shares, including voting rights and dividend entitlements, are frozen. The joint control from MKAO "Rasperia Trading Limited" over STRABAG SE with the Austrian core shareholders, which had existed since 2007 on the basis of a syndicate agreement terminated by Haselsteiner Familien-Privatstiftung on 15 March 2022 with effect from 31 December 2022, thus also ended when the EU sanctions came into force on 8 April 2022. Similarly, there has been no significant influence since 8 April 2022, so that MKAO "Rasperia Trading Limited" no longer constitutes a related party.

A dividend of € 2.00 per share was approved at the Annual General Meeting of 24 June 2022. As the dividend claims from the shares held by MKAO "Rasperia Trading Limited" are frozen due to the sanctions imposed on Oleg Deripaska, the dividend attributable to MKAO "Rasperia Trading Limited" less capital gains tax in the amount of T€ 41,325 was not paid out but is recognised under other current financial liabilities.

In the 2022 financial year, as in the previous year, there were no business relationships with companies attributable to Oleg Deripaska.

(38) NOTES ON RELATED PARTIES

On 18 August 2022, the company agreed to buy back the shares tendered by shareholders into an anticipatory mandatory offer in the amount of up to 10% of the outstanding share capital (equivalent to 10,260,000 shares). The offer was published on 29 September 2022. See also the comments under item (26) Equity.

Raiffeisen Holding NÖ-Wien / UNIQA Group

Arm's-length finance and insurance transactions exist with the Raiffeisen Holding NÖ-Wien Group and the UNIQA Group. The receivables on 31 December 2022 to the Raiffeisen Group relating to current accounts and investments amounted to T€ 522,584 (2021: T€ 650,212), the payables on 31 December 2022 to the Raiffeisen Group relating to financing and current accounts amounted to T€ 4,050 (2021: T€ 25,614). The interest income in the 2022 financial year amounted to T€ 5,088 (2021: T€ 1,731), and the interest expense amounted to T€ 470 (2021: T€ 741).

Premiums for insurance contracts with the UNIQA Group were recognised as an expense in the amount of T€ 772 (2021: T€ 650).

Haselsteiner Group

The Haselsteiner Group holds 5.1% of each of the following: STRABAG Real Estate GmbH, Cologne; five real estate companies of the Züblin subgroup; and Züblin Projektentwicklung GmbH. The income from real estate companies attributable to the Haselsteiner Group is included in net interest income at T€ -116 (2021: T€ -71). With effect from 1 January 2023, Haselsteiner Familien-Privatstiftung withdrew from the five real estate companies in return for severance payments totalling T€ 2,380. The earnings from the 5.1% share in STRABAG Real Estate GmbH and Züblin Projektentwicklung GmbH are reported under income attributable to non-controlling interests with an amount of T€ 959 (2021: T€ 3,291). In the 2022 financial year, the dividends from the above-mentioned companies amounted to T€ 3,174 (2021: T€ 391).

The business relations between STRABAG SE and the companies of the Haselsteiner Group during the financial year, including joint investments, mainly relate to construction services and are presented as below.

T€	2022	2021
Work and services performed	29,147	19,907
Work and services received	4,835	4,917
Receivables as at 31.12.	30,248	21,218
Liabilities as at 31.12.	858	771

IDAG

IDAG Immobilienbeteiligung u. -Development GmbH is entirely held by private foundations whose beneficiaries are the Haselsteiner Group and the Raiffeisen-Holding NÖ-Wien Group. It is the business purpose of IDAG Immobilienbeteiligung u. -Development GmbH to develop property and to participate in property projects.

STRABAG's headquarters in Vienna and office buildings in Graz are held in the real estate portfolio of subsidiaries of IDAG Immobilienbeteiligung u. -Development GmbH. The buildings are let to the STRABAG SE Group at the usual market conditions. Rental costs arising from both buildings in the 2022 financial year amounted to T€ 8,998 (2021: T€ 8,559). Under IFRS 16, these leases are recognised as right-of-use assets and lease liabilities. The consolidated financial statements as at 31 December 2022 show right-of-use assets of T€ 55,329 (2021: T€ 59,326) and lease liabilities of T€ 29,514 (2021: T€ 32,487). The lease liabilities are presented less the rental deposits of T€ 27,861 (2021: T€ 28,552). Other services in the amount of T€ 180 (2021: T€ 123) were obtained from the IDAG Group.

Furthermore, revenues of T€ 846 (2021: T€ 784) were made with the IDAG Group in the 2022 financial year. In the 2022 financial year, a dividend from an investment of the IDAG Group, in which the STRABAG SE Group holds a minority interest, in the amount of T€ 694 (2021: T€ 0) was recognised as investment income.

Investments in equity-accounted investments

Lafarge Cement CE Holding GmbH bundles the cement activities of Lafarge, a market leader in construction materials manufacturing, and STRABAG in the countries of Central Europe. The joint activities aim at maintaining a commensurate cement supply in the group's core countries. In 2022, STRABAG procured cement services worth T€ 36,333 (2021: T€ 28,634) from Lafarge. At the balance sheet date, there were liabilities to Lafarge Cement CE Holding GmbH Group in the amount of T€ 1,123 (2021: T€ 437).

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

T€	2022	2021
Work and services performed	119,612	96,989
Work and services received	65,674	58,046
Receivables as at 31.12.	45,902	28,327
Liabilities as at 31.12.	15,414	13,679
Financing receivables as at 31.12.	110,819	114,212

For information about consortia we refer to item (17) Notes on consortia.

Management

Concerning business transactions with the Management Board members and employees of the first management level (management in key positions) and with their family members and companies which are controlled by the management in key positions or decisively influenced by them in the reporting period, services worth T€ 860 (2021: T€ 261) were provided and services worth T€ 28 (2021: T€ 50) were procured. At the balance sheet dates, there were receivables in the amount of T€ 291 (2021: T€ 836) and liabilities in the amount of T€ 0 (2021: T€ 0) out of these business relations.

The total remuneration including any severance and pension payments, as well as other long-term payments for employees of the first management level amounted to T€ 23,657 (2021: T€ 22,163) in the reporting period. Of this amount, T€ 23,399 (2021: T€ 21,932) is attributable to the current remuneration and T€ 258 (2021: T€ 231) to severance and pension payments.

(39) NOTES ON THE MANAGEMENT AND SUPERVISORY BOARDS

Management Board

Klemens Haselsteiner, BBA, BF (CEO since 1 January 2023)

Dr. Thomas Birtel (CEO until 31 December 2022)

Mag. Christian Harder

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

Dipl.-Ing. Siegfried Wanker

Dipl.-Ing. (FH) Alfred Watzl

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

Supervisory Board

Dr. Alfred Gusenbauer (Chairman)

Mag. Erwin Hameseder (Vice Chairman)

Dr. Andreas Brandstetter

Mag. Kerstin Gelbmann

Mag. Gabriele Schallegger (since 24 June 2022)

Thomas Bull (until 5 May 2022)

Dr. Hermann Melnikov (until 13 April 2022)

Dipl.-Ing. Andreas Batke (works council)

Magdolna P. Gyulainé (works council) (until 5 May 2022 and since 24 June 2022)

Georg Hinterschuster (works council)

Wolfgang Kreis (works council)

Miroslav Cerveny (works council) (until 5 May 2022)

The total salaries of the Management Board members in the financial year amount to T€ 9,815 (2021: T€ 9,815). The severance payments for Management Board members amount to T€ 111 (2021: T€ 96). In the financial year, one member of the Management Board received an annual pension benefit of T€ 80 (2021: T€ 76) from his former employment with a group company. No pension benefits are paid to other members of the Management Board.

The remunerations for the Supervisory Board members in 2022 amounted toT€ 244 (2021: T€ 270). Neither the Management Board members nor the Supervisory Board members of STRABAG SE received advances or loans.

(40) EXPENSES FOR THE AUDITOR

The expenses for the auditor, KPMG Austria GmbH, incurred in the financial year amount to T€ 1,684 (2021: T€ 1,465) of which T€ 1,506 (2021: T€ 1,375) were for the audit of the consolidated financial statements (including the audit of separate financial statements of group companies) and T€ 178 (2021: T€ 90) for other services.

(41) EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

(42) APPROPTIATION OF NET

The Management Board proposes to pay out a dividend in the amount of € 2.00 per share for the 2022 financial year.

(43) DATE OF AUTHORISATION FOR ISSUE

In Austrian companies organised as corporations limited by shares, the consolidated financial statements prepared by the Management Board are approved by the Supervisory Board. The STRABAG SE Supervisory Board meeting for the approval of the consolidated financial statements for the year ended 31 December 2022 will take place on 26 April 2023.

Villach, 6 April 2023

The Management Board

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

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

Dipl.-Ing. (FH) Jörg Rösler m.p.
Responsibility Segment North + West

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

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

List of subsidiaries, equity-accounted investments and investee companies as at 31.12.2022

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	
"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	St. Pölten	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	1
Böhm Stadtbaumeister & Gebäudetechnik GmbH	Vienna	100.00	
BONDENO INVESTMENTS LTD	Limassol	100.00	
BrennerRast GmbH	Vienna	100.00	
CENTRUM BUCHAREST DEVELOPMENT SRL	Bucharest	100.00	
CML Construction Services GmbH	Cologne	100.00	
DC1 Immo GmbH	Vienna	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 TWO Sp. z o.o.	Warsaw	100.00	
EXP HOLDING Kft.	Budapest	100.00	2
F 101 Projekt GmbH & Co. KG	Cologne	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 %	
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	
Innsbrucker Nordkettenbahnen Betriebs GmbH	Innsbruck	51.00	
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
Leystraße 122-126 Komplementär GmbH	Vienna	100.00	
Leystraße 122-126 Projektentwicklung GmbH & Co KG	Vienna	100.00	
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	2
MAV Lünen GmbH	Lünen	100.00	
Meischlgasse 28-32 Komplementär GmbH	Vienna	100.00	
Meischlgasse 28-32 Projektentwicklung GmbH & Co KG	Vienna	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	
OAT - Bohr- und Fugentechnik Gesellschaft m.b.H.	Spittal an der Drau	51.00	

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 voting rights according to the contract of association amount to 50% plus one vote.

Consolidated companies

Company	Residence	Direct stake %	
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.	Marchtrenk	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.	Prague	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	
SRE Lux Projekt SQM 27E	Belvaux	100.00	
SRE Real Estate Luxembourg S.à r.l.	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 Beteiligungen GmbH	Spittal an der Drau	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	
STRABAG BRVZ OOO	Moscow	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 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 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 PS s.r.o.	Bratislava	100.00
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 Real Estate s.r.o.	Bratislava	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	Dortmund	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-EDILMAC Desarrollos Verticales SpA	Santiago de Chile	80.00	
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	Trumau	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 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. Kommanditgesellschaft 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 %
"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
"VITOSHA VIEW" EOOD	Sofia	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
ADOMUS Facility-Management GmbH	Frankfurt am Main	100.00
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
Aspern Manufactory Projektenticklung GmbH	Vienna	100.00
Aspern Manufactory Projektentwicklung Gmbh & Co KG	Vienna	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 (Thurgau)	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
Campus Eggenberg Immobilienprojekt GmbH	Graz	60.00
Center Systems Deutschland GmbH	Berlin	100.00
CML CHILE SPA	Vitacura	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

Subsidiaries not consolidated

Company	Residence	Direct stake %
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
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
Die Haustechniker Technisches Büro GmbH	Jennersdorf	100.00
DRP, d.o.o.	Ljubljana	100.00
DYWIDAG ROMANIA SRL	Bucharest	100.00
DYWIDAG Schlüsselfertig und Ingenieurbau GmbH	Munich	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 BV	Antwerpen	100.00
EFKON IRELAND LIMITED	Dublin	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 in Liqu.	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 in Liqu.	Vienna	100.00
Hotel AVION s.r.o., v likvidácii	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
InfoSys Informationssysteme GmbH	Spittal an der Drau	100.00
Infraestructura y Prosperidad S.A.S.	Bogotá, D.C.	100.00
IQ Plan Beteiligung GmbH	Oststeinbek	75.00

Subsidiaries not consolidated

Company	Residence	Direct stake %
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. in Liqu.	Spittal an der Drau	100.00
Kirchner PPP Service GmbH	Bad Hersfeld	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
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
MHA Projekt GmbH	Vienna	100.00
MINERAL RS d.o.o. BEOGRAD	Novi Beograd	100.00
Mischek Leasing eins Gesellschaft m.b.H.	Vienna	100.00
MSO Mischanlagen GmbH Ilz & Co KG	Ilz	52.81
MSO Mischanlagen GmbH Pinkafeld & Co KG	Pinkafeld	52.67
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
OBZ Oberkärntner Baurestmassenzentrum GmbH	Spittal an der Drau	100.00
OOO STRASTROI	Moscow	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

Subsidiaries not consolidated

Company	Residence	Direct stake %
Projekt Lohsepark Beteiligungsgesellschaft mbH	Hamburg	100.00
Projekt Lohsepark GmbH & Co. KG	Hamburg	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 in Liqu.	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
SILO II LBG 57 - 59 Liegenschaftsverwertung GmbH & Co KG	Vienna	51.00
SILO ZWEI Beteiligungsverwaltungs GmbH & Co KG	Vienna	100.00
SPK - Errichtungs- und Betriebsges.m.b.H.	Spittal an der Drau	100.00
SRE Erste Vermögensverwaltung GmbH	Cologne	100.00
SRE Zweite Vermögensverwaltung GmbH	Cologne	100.00
STARBAG Vorrat Elf GmbH	Vienna	100.00
STHOI Co., Ltd.	Bangkok	100.00
STODIS s.r.o.	Prague	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. in Liqu.	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
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

Subsidiaries not consolidated

Company	Residence	Direct stake %
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 DOOEL Skopje	Skopje	100.00
STRABAG DROGI WOJEWODZKIE Sp. z o.o.	Pruszkow	100.00
STRABAG Energy Technologies GmbH in Liqu.	Vienna	100.00
STRABAG India Private Limited	Mumbai	100.00
STRABAG Industries (Thailand) Co.,Ltd.	Bangkok	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.	Prague	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 Residential Property Services GmbH	Berlin	99.51
Strabag RS d.o.o.	Banja Luka	100.00
Strabag Saudi Arabia	Dhahran	100.00
STRABAG Silnice a.s.	Prague	100.00
STRABAG Sportlétesítmények Kft.	Budapest	100.00
STRABAG Versicherungsvermittlung GmbH	Cologne	100.00
STRABAG Vízépítö Kft.	Budapest	100.00
STRABAG Vorrat Dreizehn GmbH	Vienna	100.00
STRABAG VORRAT DREIZEHN GMBH & CO KG	Vienna	100.00
STRABAG Vorrat Eins GmbH	Vienna	100.00
STRABAG Vorrat Elf Gmbh & Co KG	Vienna	100.00
STRABAG Vorrat Fünfzehn GmbH	Vienna	100.00
STRABAG Vorrat Fünfzehn GmbH & Co KG	Vienna	100.00
STRABAG Vorrat Neun GmbH	Vienna	100.00
STRABAG Vorrat Neun GmbH & Co KG	Vienna	100.00
STRABAG Vorrat Sechzehn GmbH	Vienna	100.00
STRABAG Vorrat Sechzehn GmbH & Co KG	Vienna	100.00
STRABAG Vorrat Sieben GmbH	Vienna	100.00
STRABAG Vorrat Sieben GmbH & Co KG	Vienna	100.00
STRABAG Vorrat Vierzehn GmbH	Vienna	100.00
STRABAG Vorrat Vierzehn GmbH & Co KG	Vienna	100.00
STRABAG Vorrat Zwölf GmbH	Vienna	100.00
STRABAG Vorrat Zwölf GmbH & Co KG	Vienna	100.00
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
TolLink Pakistan (Private) Limited	Islamabad	60.00

Subsidiaries not consolidated

Company	Residence	Direct stake %
TPA EOOD	Sofia	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Erstfeld	100.00
TPA OOO	Moscow	100.00
Trema Engineering 2 Sh.p.k.	Pristina	100.00
Treuhandbeteiligung B		100.00
Treuhandbeteiligung Q		100.00
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
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. i.L.	Bangkok	100.00
Züblin Australia Pty Ltd	Perth	100.00
Züblin Bulgaria EOOD	Sofia	100.00
Zublin Corporation	Wilmington	100.00
Züblin Egypt LLC	Cairo	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. u likvidaciji	Zagreb	100.00
Züblin Inc.	Saint John/NewBrunswick	100.00
Züblin International Malaysia Sdn. Bhd.	Kuala Lumpur	100.00

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 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
Asphaltmischwerke Bodensee Verwaltungs-GmbH	Singen (Hohentwiel)	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
CAPE 10 Errichtung & Betrieb GmbH	Vienna	26.00
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
Diabaswerk Nesselgrund GmbH & Co KG	Floh-Seligenthal	20.00
Diabaswerk Nesselgrund Verwaltungs-GmbH	Floh-Seligenthal	20.00
DIRECTROUTE (FERMOY) CONSTRUCTION LIMITED	Dublin	25.00

Investee companies not consolidated

Company	Residence	Direct stake %
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
EPM PSO GMBH & CO KG	Vienna	20.00
FLARE Grundstück Verwaltungs GmbH	Berlin	50.00
Franck4tel Komplementär Acht GmbH	Vienna	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 Projektabwicklung GmbH & Co KG	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
GDK Flight Management GmbH	Vienna	20.00
Geothermie Gräfelfing GmbH & Co. KG	Gräfelfing	49.00
Geothermie Gräfelfing Verwaltungs GmbH	Gräfelfing	49.00
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
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

Investee companies not consolidated

Company	Residence	Direct stake %
KSH Kalkstein Heiterwang GmbH	Pinswang	30.00
KSH Kalkstein Heiterwang GmbH & Co KG	Pinswang	30.00
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
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
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	33.35
SG Kies GmbH	Vienna	50.00
SG Kies GmbH & Co KG	Vienna	50.00
SHKK-Rehabilitations GmbH	Baden	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
Steinbruch Spittergrund GmbH	Erfurt	50.00
Stephan Beratungs-GmbH	Linz am Rhein	30.00

Investee companies not consolidated

Company	Residence	Direct stake %
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
TDE Mitteldeutsche Bergbau Service GmbH	Espenhain	50.00
Tierra Chuquicamata SpA	Santiago de Chile	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
Zublin Saudi Arabia LLC	Riyadh	100.00
Zweite Nordsee-Offshore-Holding GmbH	Vienna	51.00

GROUP MANAGEMENT REPORT

Important events

FEBRUARY

STRABAG continues upgrade of S19 expressway in Poland for € 85 million

The Group's Polish subsidiary received another major contract to expand the S19 expressway in Poland. The project comprises approximately 7.5 km of new roadway plus a further 6.2 km upgrade of the carriageway of the Międzyrzec Podlaski bypass as part of the second construction stage. The contract will be implemented over a period of 42 months as a design-and-build project.

MARCH

Core shareholder Haselsteiner Familien-Privatstiftung terminates syndicate agreement

On 15 March 2022, STRABAG was informed by its core shareholder Haselsteiner Familien-Privatstiftung that it had terminated as of 31.12.2022 the syndicate agreement in place with UNIQA Group, Raiffeisen Group and MKAO "Rasperia Trading Limited" after all efforts to acquire the Russian shares had failed. The syndicate agreement had been in effect since 2007 and, in addition to the nomination of Supervisory Board members, also provided for the coordination of voting results at the General Meeting.

STRABAG implements ÖGNI-certified Grünblick project in Vienna

STRABAG was commissioned by Value One to act as general contractor on the Grünblick residential project in Viertel Zwei in Vienna. Grünblick was already awarded the gold sustainability certificate by the Austrian Society for Sustainable Real Estate (ÖGNI). The urban development project, located directly at Vienna's Prater public park, involves the construction of 340 premium private flats on 27 floors, ranging in size from just under 44 m² to 134 m². The contract also includes retail space as well as a children's nursery on the ground floor and underground parking levels with around 220 parking spaces. The € 110 million project is scheduled for turnkey delivery to Value One in summer 2025.

The Grünblick project will be a residential tower in the car-free Viertel Zwei in the immediate proximity of Prater park and the Krieau Trabrennbahn (harness racing track)

APRIL

Sanctions against Oleg Deripaska

After Canada, the United Kingdom and Australia, the European Union on 8 April 2022 added Oleg Deripaska, who controls the STRABAG SE shareholder MKAO "Rasperia Trading Limited", to its sanctions list. The EU sanctions thus also apply to MKAO "Rasperia Trading Limited". STRABAG is not a sanctioned company, as STRABAG SE is not controlled by MKAO „Rasperia Trading Limited" (or indirectly by Oleg Deripaska) as defined by the sanction regulations.

MAY

Construction of headquarters for Volksbank Raiffeisenbank Bayern Mitte

STRABAG subsidiary ZÜBLIN was commissioned to build the company headquarters for Volksbank Raiffeisenbank Bayern Mitte in Ingolstadt, Germany. The building will be completed in an energy-efficient design with technologies such as concrete core temperature control and a photovoltaic system on the roof. Gold certification with the DGNB sustainability seal is also planned. The cooperation between Volksbank Raiffeisenbank Bayern Mitte and ZÜBLIN is based on the TEAMCONCEPT® partnering model, which focuses on the early involvement of the construction partner in the planning and a partnership-based handling of construction projects. Construction work should be completed by the end of 2024.

STRABAG Real Estate (SRE) is also involved in the DonauTower project: SRE was commissioned by the bank as a service developer in 2019, among other things to prepare the building site for construction in a project-related development plan.

Klemens Haselsteiner appointed new CEO

Klemens Haselsteiner succeeds Thomas Birtel as CEO

STRABAG received a new CEO effective from 1 January 2023. Klemens Haselsteiner succeeds Thomas Birtel, who was stepping down as CEO after ten years at the helm upon reaching the specified age limit. Haselsteiner has been on the Management Board since 2020, where he set up and established the Digitalisation, Corporate Development and Innovation portfolio. In addition to overseeing pilot projects, his focus as Chief Digital Officer was on the definition and implementation of a corporate-wide digitalisation and sustainability strategy.

JUNE

STRABAG subsidiary ZÜBLIN receives orders worth around € 283 million in Chile

With two new tunnelling contracts for the Candelaria Norte and El Teniente mines, the STRABAG Group is further advancing its successful mining business in Chile. The contracts have a total value of around € 283 million. Through its subsidiary ZÜBLIN, the company has spent the last 16 years developing the copper ore mine in the Atacama region, 650 km north of the capital Santiago. During this period, 140 km of tunnels in total have been built, and a further 40 km are to be constructed in the coming three-year contract period on behalf of client Lundin Mining.

The new contract also includes the loading and transport of more than three million tonnes of rock.

ZÜBLIN has been working for the client, the National Copper Corporation of Chile (CODELCO), at the El Teniente copper mine since 1992. The new two-year contract includes, among other things, the development of a tunnel system with a length of 13.4 km on different levels, 1,503 m of vertical shafts, and other infrastructure work. The company is currently working on seven major projects in Chile, including mining projects in Chuquicamata, Candelaria and El Teniente as well as laying 140 foundations for the largest wind farm in South America with a projected output of 778 MW. After its completion, the wind farm will cover the energy needs of around 700,000 households.

JULY

Federal Competition Authority requests review of antitrust decision

On 21 October 2021, the Vienna Higher Regional Court (OLG), sitting as the Cartel Court, issued a final decision in the antitrust proceedings against STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H & Co. KG and a fine of € 45.37 million was imposed on the two group companies. The Austrian Federal Competition Authority (BWB) subsequently requested that this decision should be reviewed. The Cartel Court rejected the motion. The BWB and the Federal Cartel Prosecutor have appealed against the ruling. A decision by the Austrian Supreme Court (OGH) is pending.

Modernisation of railway line between Zagreb and Rijeka for € 228 million

STRABAG signed a contract in Croatia for the modernisation of a 44 km railway line between Zagreb and the port city of Rijeka. The order includes, among other things, the upgrade of the existing track, construction of a new track and the modernisation of several stations and stops. The contract has a value of € 228 million and is mainly being co-financed through the European Union's Cohesion Fund.

AUGUST

Core shareholders of STRABAG SE agree on new syndicate

The core shareholders Haselsteiner Familien-Privatstiftung, the UNIQA Group and Raiffeisen Group concluded a new syndicate agreement on 18 August 2022. The Management Board of STRABAG SE welcomes the continuation of the core shareholder group, which supports the company's successful strategic orientation and growth.

Austrian core shareholders make mandatory offer required as a result of MKAO "Rasperia Trading Limited" asset freeze

The asset freeze imposed by the EU prohibits MKAO "Rasperia Trading Limited" from exercising all rights associated with its STRABAG SE shares. This had the following consequence in accordance with the Austrian Takeover Act: the remaining core shareholders – Haselsteiner Familien-Privatstiftung, the UNIQA Group and Raiffeisen Group – acquired passive control over STRABAG SE. By law, this triggered a restriction of the voting rights of the Austrian core shareholders to a combined 26% despite the fact that they effectively hold 57.8% of the shares.

To lift the legal restriction on voting rights, it was necessary for Haselsteiner Familien-Privatstiftung, the UNIQA Group and Raiffeisen Group to make an anticipatory mandatory offer. Pursuant to the Austrian Takeover Act, the voting right restriction will cease to apply following settlement of the offer.

SEPTEMBER

STRABAG gives itself new look, focuses on progress and sustainability

STRABAG is addressing the most pressing issues facing the construction industry in the future and is committing itself to becoming climate neutral along the entire value chain by 2040. In total, STRABAG is currently working on 250 innovation and 400 sustainability projects across the entire Group. All relevant information is summarised in the Work On Progress Hub at work-on-progress.strabag.com. The hub contains up-to-date details on the topics of digitalisation and innovation, the reduction of greenhouse gases, and materials and circularity. The site also offers further information on specific flagship and pilot projects that STRABAG is currently working on: building projects where STRABAG creates the walls using 3D concrete printing directly on site; asphalt that is recycled and reused in the construction of new roads; conveyor belts that generate their own electricity; an old oil port that STRABAG is redeveloping into a centre for urban mining.

OCTOBER

Upgrade of Berlin-Köpenick station for regional rail service

STRABAG Rail has been commissioned by DB Netz AG to upgrade the Köpenick railway station in southeast Berlin to handle regional rail traffic. The new station is a key element of Berlin's transport concept and part of the extensive project to modernise the west-east corridor from Berlin to the Polish border near Frankfurt an der Oder. STRABAG Rail GmbH is leading the comprehensive modernisation works together with STRABAG AG, STRABAG Fahrleitungen GmbH and ZÜBLIN Stahlbau GmbH. The contract value amounts to around € 154 million. Starting in 2027, the railway line will enable shorter travel times between the cities of Magdeburg, Potsdam, Berlin and Frankfurt an der Oder at speeds of up to 160 km/h.

Development of A3 motorway in Romania for € 85 million

STRABAG's Romanian subsidiary was awarded another key contract. Together with consortium partner GEIGER, STRABAG is building a 15.7 km long section of the A3 motorway between Câmpia Turzii and Chețani for € 85 million (STRABAG's share: 60%). Construction was scheduled to start in 2022 and will take around 18 months.

NOVEMBER **STRABAG Environmental Technology lays foundation for circular construction of the future with pilot project in Bremen**

The STRABAG Group launched a pioneering flagship project as part of its sustainability strategy in November with a symbolic groundbreaking ceremony that marked the start of remediation and construction work for the Circular Construction & Technology Center (C3) at Bremen's former oil port. As a pilot project, the competence centre for urban mining and construction waste processing will lay the foundation for the resource-saving, low-carbon construction of the future. The recycled building materials developed and obtained here will make a significant contribution to establishing closed material cycles in the construction industry in the Bremen region. Over the next two years, however, STRABAG Environmental Technology must first comprehensively and sustainably clean up the site of the former refinery tank farm, which was heavily contaminated with mineral oil. The step-by-step construction of the buildings and of the plant technology will begin in 2024; the facilities for recycling construction waste are also scheduled to go into operation that same year.

Visualisation of C3 in Bremen

DECEMBER **STRABAG expands facility services business through acquisition of Bockholdt GmbH & Co. KG**

With the acquisition of northern German cleaning service provider Bockholdt GmbH & Co. KG, STRABAG Property and Facility Services (STRABAG PFS) is expanding its activities in infrastructural facility management. With the acquisition, STRABAG PFS is significantly strengthening its own service volume and expanding its presence in northern Germany. The Lübeck-based family business was founded in 1959 and specialises in cleaning buildings, industrial facilities and hospitals. With around 3,600 employees, an inhouse training academy, and 13 locations, Bockholdt is one of the largest employers in northern Germany.

Country report

DIVERSIFYING THE COUNTRY RISK

STRABAG sees itself as a European technology group for construction services with a strong focus on Central and Eastern Europe. With a dense network of numerous subsidiaries in many European countries and on other continents, we are expanding our area of operation far beyond the borders of Austria and Germany. On the one hand, it is a tradition for the company to follow its clients into new markets; on the other hand, the existing country network with local management and established organisational structures makes it easier to export and to use the technology and the equipment in new regions with little expense. To diversify the country risk even further, and to profit from the market opportunities in other parts of the world, STRABAG is also active internationally, i.e., in countries outside of Europe.

The STRABAG Group recorded a 10% higher output of € 17,735.47 million in the 2022 financial year. The greatest increase in output volume in absolute figures was recorded in our home market in Germany, followed by Austria and the United Kingdom, where the two major projects are currently being executed, and the Czech Republic.

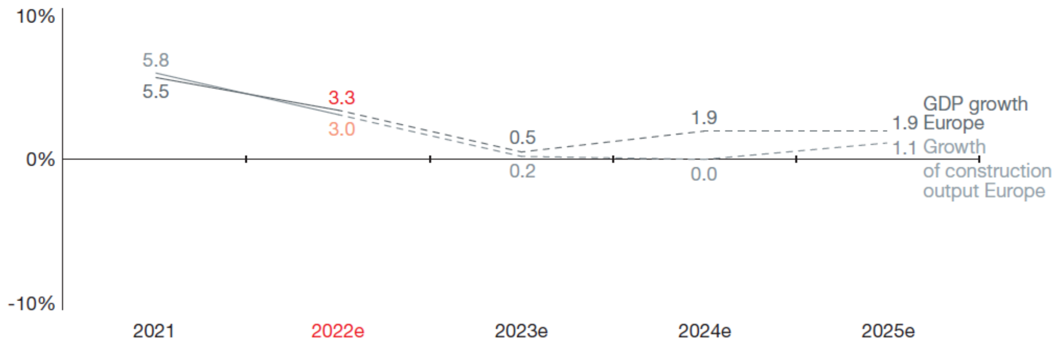
OUTPUT VOLUME BY COUNTRY

€ mln.	2022	% of total output volume 2022[1]	2021	% of total output volume 2021[1]	▲ %	▲ absolute
Germany	8,347	47	7,462	46	12	885
Austria	2,935	17	2,694	17	9	241
Poland	1,126	6	1,152	7	-2	-26
Czech Republic	1,093	6	948	6	15	145
Hungary	688	4	652	4	6	36
United Kingdom	578	3	390	2	48	188
Americas	558	3	482	3	16	76
Slovakia	351	2	289	2	21	62
Romania	315	2	264	2	19	51
Middle East	252	1	203	1	24	49
Croatia	238	1	177	1	34	61
Switzerland	197	1	192	1	3	5
Benelux	176	1	233	1	-24	-57
Sweden	152	1	121	1	26	31
Serbia	146	1	155	1	-6	-9
Asia	136	1	145	1	-6	-9
Rest of Europe	110	1	136	1	-19	-26
Slovenia	81	0	104	1	-22	-23
Bulgaria	68	0	82	1	-17	-14
Denmark	61	0	109	1	-44	-48
Russia[2]	59	0	46	0	28	13
Africa	47	0	35	0	34	12
Italy	21	0	58	0	-64	-37
Total	**17,735**	**100**	**16,129**	**100**	**10**	**1,606**

1 Rounding differences are possible.
2 STRABAG is in the process of winding up its activities in Russia.

GLOBAL ECONOMY SLOWED DOWN[1]

GROWTH COMPARISON CONSTRUCTION VS GDP EUROPE



Following a significant catch-up effect in 2021, global economic growth weakened noticeably in 2022 in the wake of numerous challenges such as the ongoing disruption of supply chains as a result of the pandemic and Russia's invasion of Ukraine. The war has led, among other things, to supply bottlenecks for gas and oil as well as to restrictions in global trade, which in turn resulted in sharp price increases, especially for energy. This also triggered a significant increase in the general price level, which could not be offset by wage increases. Continuing inflationary pressures were compounded by rising interest rates and tighter lending standards. Moreover, China's zero-Covid policy put further pressure on both the national and global economies.

At the same time, the impact of climate change is also becoming more noticeable in the individual economies. There is widespread agreement that measures for an energy transition away from fossil fuels are indispensable and that corresponding investments are urgently needed.

The IMF expects the global economy to grow by 3.2% in 2022 and by 2.7% in 2023. The weak level of growth is likely to persist for longer, as prices are expected to remain high over the long term, triggering additional monetary policy measures.

The OECD estimates the European Union's economic growth at 3.3% in 2022. The gross domestic product of the 19 Euroconstruct countries (EC-19) also rose by 3.3% in the same year. The growth rates of the individual countries vary greatly, however, ranging from +1.5% to +10.0%. The high energy prices will sharpen the focus on the energy transition in Europe in the future. GDP growth of only 0.5% is expected for the EC-19 region in 2023, followed by 1.9% in each of the two subsequent years.

WEAKER GROWTH IN THE CONSTRUCTION SECTOR

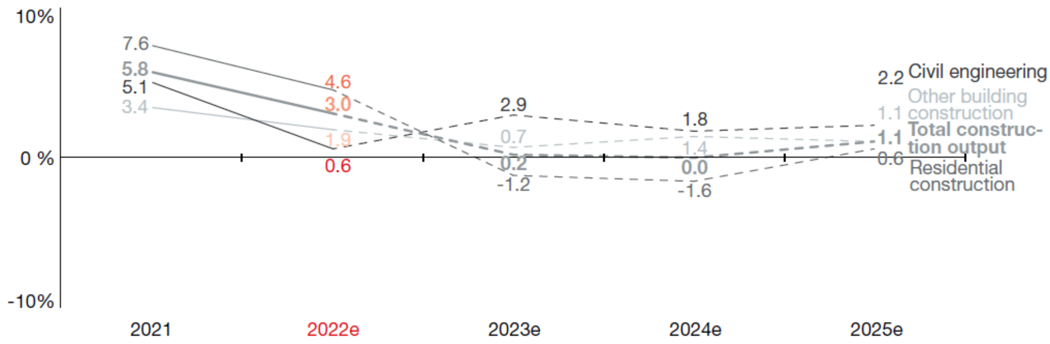
With growth of 3.0% in 2022, the construction industry in the EC-19 countries grew at a lower rate than in the previous year (2021: +5.8%). The tremendous changes in Europe, above all Russia's military aggression against Ukraine, significantly impacted the construction industry in the reporting year. The steadily rising construction costs and consumer prices, as well as the repeated interest rates hikes in the eurozone, led to many projects launches being postponed or cancelled entirely. Due to the uncertain economic outlook and rising property prices, a decline in consumer confidence was also observable. These negative effects were offset by positive influences from public subsidies, especially for renovation work.

In a sector-by-sector comparison, residential construction performed best in 2022 with a plus of 4.6%, ahead of non-residential construction with +1.9% and civil engineering with +0.6%. The strongest growth was again seen in the Italian construction industry with a plus of 12.1%, followed by Ireland with +9.0%. Portugal brought up the rear with -2.5%, followed by Switzerland (-1.8%) and Germany (-0.5%). Construction in the 19 Euroconstruct countries is expected to decline significantly or stagnate in the coming years. Growth is projected to remain nearly flat at +0.2% in 2023 before stagnating entirely the following year (2024: 0.0%). A slight increase, of 1.1%, is not expected until 2025.

1 All growth forecasts as well as the particular national construction volumes are taken from the Euroconstruct and EECFA (Eastern European Construction Forecasting Association) winter 2022 reports. The indicated market share data are based on the data from the year 2022 and 2022 estimates from Euroconstruct and EECFA.

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

GROWTH COMPARISON CONSTRUCTION SECTOR EUROPE

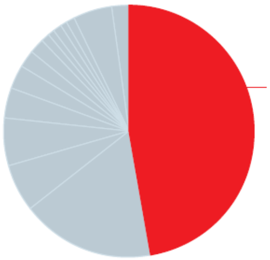


Residential construction, which continues to account for almost half of total European construction output, grew by 4.6% in 2022 with a volume of € 941.4 billion. The 15 western Euroconstruct countries, with growth of 4.7%, outperformed the eastern countries (+3.2%). In absolute terms, Germany was in the lead ahead of Italy, followed by the UK and France. Forecasts predict a decline in construction output in this segment for 2023 and 2024 (-1.2% and -1.6%, respectively), with a slight recovery of +0.6% expected in 2025.

Non-residential construction, which accounts for 30% of the European construction volume, grew at 1.9% in 2022, which represents a weaker rate than in the previous year. Germany is the largest market for this segment, followed by the UK, France and Italy. The strongest growth was seen in Sweden, the Czech Republic, France, Poland and the Netherlands. Non-residential construction grew most weakly in Switzerland, Germany and Belgium. Euroconstruct forecasts a slight increase of 0.7% and 1.4% for the segment in 2023 and 2024, respectively, followed by +1.1% in 2025.

Civil engineering, which contributes around 20% to European construction output, managed only slight growth in 2022 (+0.6%) after +5.1% in the previous year. Heavily dependent on public investors, the segment was hit especially hard by the sharp rise in prices for energy and building materials. The trend in the individual countries was quite different. Although Germany is the largest civil engineering market in the EC-19, ahead of France, it closed the reporting year negatively with -1.0%. Measured by the volume of construction output, the United Kingdom and Italy followed. The strongest growth was in Spain, Norway and Belgium, while the biggest decline was in Portugal. The growth rate for European civil engineering is expected to reach +2.9% in 2023 and +1.8% in 2024, with a plus of 2.2% projected for 2025. More than half of European civil engineering investments are in road and rail networks, followed by energy and water supply projects.

GERMANY



Overall construction volume:	€ 418.7 billion
GDP growth:	2022e: 1.5% / 2023e: -0.5%
Construction growth:	2022e: -0.5% / 2023e: 0.4%

The initially positive development of the German economy was severely dampened by Russia's invasion of Ukraine in February 2022. Businesses came under enormous pressure as a result of the sharp increases in fuel, gas and electricity prices and the skyrocketing prices for raw materials and intermediate products. The massive increase in energy prices resulted in noticeable financial losses for both private households and companies, despite a multitude of government aid measures. At the same time, the inflation rate reached 8.5%, the highest level in approximately 70 years. Euroconstruct expects GDP growth in 2022 to have reached 1.5%, but already anticipates a moderate decline in 2023 with 0.5%. In the medium term, growth should then level off again between +2.5% and +2.0% annually.

With a decline in construction output of only 0.5%, the German construction industry has come through the crisis relatively well so far. Construction companies continued to benefit from their full order books for the time being. In addition to the shortage of skilled labour, however, the sector remained beset by supply bottlenecks for building materials and the associated price increases. The changed interest rate level also had a dampening effect on growth. The new market environment led to a 16% increase in prices for construction services in 2022. Based on the existing order backlog, Euroconstruct still expects slight growth of 0.4% and 0.1% for the sector in 2023 and 2024, respectively, with a decline of 0.4% forecast for 2025. An end to real growth is not expected until the medium term for all areas of the construction industry.

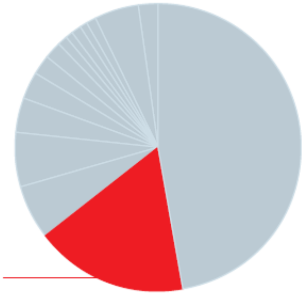
In residential construction, the volume increased only slightly by 0.2%. The sector recently benefited from the still low interest rates and the lack of investment alternatives. Repeated material bottlenecks, rising building material and energy costs, and the declining economic performance combined to inhibit growth. For the residential construction sector, Euroconstruct still expects a slight plus of 0.7% for 2023, followed by negative growth of -0.3% and -1.1% for 2024 and 2025, respectively.

Non-residential construction, which contracted by 1.7% in 2022, was increasingly affected by economic uncertainty and investment restraint on the part of businesses and the public sector, especially municipalities. In this segment, too, investment caution was exacerbated by the price increases for building materials as a result of temporary supply bottlenecks. Euroconstruct therefore sees only a slight increase of 0.4% and 0.6% for the sector in 2023 and 2024, respectively, followed by +0.4% in 2025.

The civil engineering sector recorded a slight decline of 1.0% in 2022. The long-term government investment programmes in rail and road infrastructure continue to have a positive effect. The energy sector is receiving new tailwind from investments in power plants based on renewable energies. Municipalities, on the other hand, have been holding back on road and water construction projects due to the sharp rise in construction prices. A slight minus of 0.2% is expected in civil engineering for 2023, followed by a plus of 1.0% in each of the subsequent two years.

The STRABAG Group has a market share of 2.0% of the total construction market in Germany. Its 16.9% share of the German road construction sector is significantly higher than that of the market as a whole. With € 8,346.74 million, around 47% of STRABAG's total Group output volume was generated in Germany in 2022 (2021: 46%). Most of the output is allocated to the North + West segment, while the property and facility services provided in Germany are allocated to International + Special Divisions.

AUSTRIA



Overall construction volume:	€ 51.2 billion
GDP growth:	2022e: 4.8%/2023e: 0.2%
Construction growth:	2022e: 0.2%/2023e: 0.3%

Following a strong expansion of the economy in the first half of 2022, Austria found itself in a downturn at the end of the year. Sharp increases in the global market prices for energy led to a slowdown in growth accompanied by a high inflation of 8.3%. This in turn led to a decline in real income and put a damper on private consumption. With inflation remaining high in 2023, Austria's economy is heading for stagflation for the first time since the 1970s. The GDP still managed to grow by 4.8% in 2022 but is forecast to stagnate at +0.2% in 2023. In the two following years, Euroconstruct expects only slightly higher growth rates of 1.0% and 1.1%, respectively.

The Austrian construction industry stagnated in 2022 with only marginal growth of 0.2%. The massive increase in construction costs of around 10% significantly dampened real growth in the sector. In combination with the expected downward trend in residential construction, only a low growth rate of 0.3% is projected for 2023 as well. Despite some clear economic impetus, the years 2024 and 2025 will also see only weak development with growth rates of 0.7% and 0.8%.

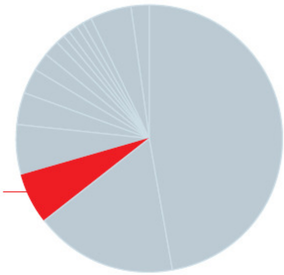
After nearly a decade of a continuously rising number of building permits, residential construction ushered in an already expected downward trend in 2022 with a decline of 2.1%. Decisive factors for this development included the sharp rise in energy prices combined with the great uncertainty regarding the further development of construction costs. While new construction registered the greatest losses, renovation still showed slight growth due to environmental and energy-related factors. Overall, declines of 1.1% and 0.3% are expected for residential construction in 2023 and 2024, respectively. The trend should then turn positive again in 2025 with slight growth of 0.7%.

Non-residential construction still exhibited clearly positive growth with a plus of 2.1%. While the economic environment remained stable in the first half of 2022, strong increases in construction prices dampened the segment's development over the course of the year. Construction price increases in non-residential construction reached a level last seen in the early 1970s, when prices grew by around 16% annually. It is therefore to be expected that some planned investments will be postponed or even cancelled due to this development. For 2023, Euroconstruct therefore forecasts growth of only 0.6% for the segment; in 2024 and 2025, growth should reach 1.0% and 1.2%, respectively.

Civil engineering exhibited positive growth of 2.0% in 2022 due to strong government investment activity in sustainability terms. In recent years, the segment had primarily benefited from public-sector investments in transport infrastructure. The further expansion of the road and, in particular, the rail network will continue to be a fixed item in the Austrian budget in the years to come. Investments in a nationwide broadband network as well as in construction projects in the energy sector and in environmental protection are becoming increasingly important. Growth is expected to rise to 3.0% in 2023, followed by +2.4% in 2024 and a slowdown to +0.2% in 2025.

The STRABAG Group generated 17% of the total Group output volume in its home market of Austria in 2022 (2021: 17%). Austria thus continues to be one of the Group's top three markets along with Germany and Poland. The output reached a volume of € 2,935.19 million in 2022. This gives STRABAG a 5.7% share of the construction volume in the overall market in Austria. In road construction, the market share stands at 44.0%.

POLAND



Overall construction volume: € 57.9 billion
GDP growth: 2022e: 4.6% / 2023e: 1.7%
Construction growth: 2022e: 4.5% / 2023e: 0.1%

Poland's economy achieved growth of 4.6% in 2022. Sharply rising consumer demand, supply chain problems and the war in neighbouring Ukraine, however, led to a very high inflation of 13.5%. The breakdown of trade with Russia and Ukraine and the decline in demand from major trading partners also had a negative impact on export performance. The National Bank of Poland raised the key interest rate in several steps to 6.75% in 2022, significantly above the key interest rate of the European Central Bank. Euroconstruct forecasts significantly slower economic growth of 1.7% for 2023, followed in 2024 and 2025 by more optimistic rates of around +3.1%.

The Polish construction industry continued to benefit from the strong growth of the past years in 2022, achieving another solid increase of 4.5%. In addition to the booming residential construction sector, non-residential construction and civil engineering also registered solid growth. In June, the European Commission gave a positive assessment of Poland's € 35.4 billion National Recovery and Resilience Plan as part of the NextGenerationEU instrument. The implementation of this plan is expected to contribute significantly to the decarbonisation of the Polish economy while strengthening the country's energy independence. Final approval of the plan is linked to clear commitments by Poland regarding the independence of the judiciary that must be fulfilled before any actual funds can flow. Against this backdrop, Euroconstruct forecasts the Polish construction sector to stagnate at +0.1% in 2023 and grow slightly (+1.3%) in 2024, before picking up some more momentum again in 2025 with +3.7%.

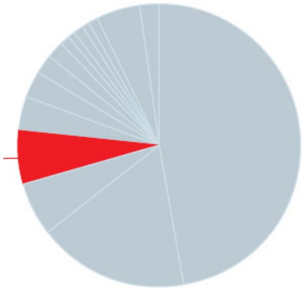
Poland's residential construction sector also benefited from the strong performance of the past few years for a plus of 6.0% in 2022. The massive increase in interest rates for housing loans had a negative impact, however. In the first three quarters of 2022, the country recorded a 44.7% decline in the number of housing loans compared to the same period of the previous year and a 40.8% decline in the overall volume of loans. In contrast, positive momentum is expected from the country's new construction legislation that came into force on 1 January 2023 with the aim of significantly simplifying and accelerating the investment and construction process. For 2023, Euroconstruct expects a clear minus of 4.2%, followed by -2.8% in 2024 before an upward trend with a plus of 3.0% takes hold in 2025.

Non-residential construction recorded a plus of 4.7% in 2022. The thriving business of online retailing led to an increased demand for warehouse space. Strong demand was seen especially in the education and health sectors, while demand for office premises, commercial buildings, restaurants, hotels as well as tourism and transport services decreased noticeably. At the same time, increased cost pressure, heightened uncertainty and stricter financing conditions prompted the first investors to postpone their construction projects. Euroconstruct still expects a slight increase of 1.1% in 2023. For the years thereafter, however, growth rates in the sector should again reach regularly solid values between +3.4% and +3.9%.

The civil engineering segment managed to grow by 3.0% in Poland in 2022. Rising public-sector spending on infrastructure projects, especially multi-year government programmes for the construction and modernisation of transportation infrastructure, is driving the development of the civil engineering sector in the country. The construction of long-distance pipelines and railway lines also showed above-average development. Euroconstruct therefore expects growth to return to +3.1% and +2.7% in 2023 and 2024, respectively, rising to +3.9% in the following year.

As the number two in the construction sector in Poland, STRABAG realised a construction volume of € 1,126.39 million here in 2021, representing 6% of the Group's total output volume (2021: 7%). Poland thus represents the third-largest market of the STRABAG Group. Its market share in the entire Polish construction market was 1.9% and its share of road construction was 10.5%.

CZECH REPUBLIC



Overall construction volume:	€ 26.3 billion
GDP growth:	2022e: 2.2% / 2023e: 1.1%
Construction growth:	2022e: 1.4% / 2023e: -1.8%

The Czech economy achieved growth of 2.2% in 2022. The Czech National Bank tried to counter the extreme rise in inflation with a strong increase in the key interest rate from 0.75% to 7.0%, which had a significant impact on the interest rates for ongoing loans and mortgages. The rising national debt was accompanied by massively increased energy prices and production declines in industry due to material shortages. Shortages were seen not only in raw materials but also in labour from Ukraine, which some sectors, including construction, are highly dependent on. If the fiscal situation stabilises, however, the coming years should bring at least slight growth. Euroconstruct forecasts growth of 1.1% in 2023, followed by +3.2% and +2.4% in the subsequent two years.

The Czech construction industry recorded a slight increase of 1.4% in 2022. The biggest challenges facing the sector are structural problems, such as the long duration of approval processes and the glaring shortage of labour. The country, which is almost exclusively dependent on imports for building materials, also had to deal with extreme price increases. Many experts, however, question to what extent these increases were due to the lack of raw materials or whether it was speculation. Euroconstruct forecasts a decline of 1.8% for the Czech construction industry in 2023, followed by a strong increase of 3.1% in 2024 and a slight slowdown to +1.9% in 2025.

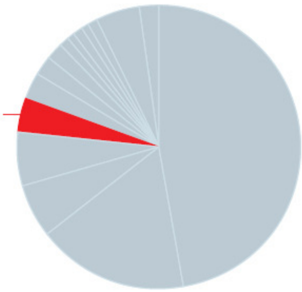
Residential construction recorded a slight decline of 0.7% in 2022, as high demand was dampened primarily by the high lending rates and high rate of inflation. The rising energy prices shifted household expenditure towards renovation works, especially thermal insulation. Against this backdrop, Euroconstruct predicts a significant decline of 3.9% for residential construction in 2023, followed by growth of 3.2% and 3.9% in 2024 and 2025, respectively.

Non-residential construction exhibited strong growth in 2022 with a plus of 5.9%. Many of the postponed private construction projects, investments in medical facilities and planned office buildings, especially in Prague and Brno, were finally realised. The higher volume of building permits issued in recent years was also reflected in this positive development. In the years to come, however, real growth is likely to slow once more due to high inflation and high energy prices, which are forcing investors to save. Euroconstruct expects an up-and-down progression in non-residential construction, with stagnant growth of 0.2% in 2023, a strong plus of 5.1% in 2024 and another slight increase of 0.6% in 2025.

Czech civil engineering showed a slight decline in 2022 with a minus of 0.1%. The government, as the largest investor, is attempting to strengthen the weakened economy through investments in transportation infrastructure and raised the funds earmarked for this purpose with the help of EU subsidies, so that only a slight decline of 0.8% is expected for 2023. Growth should then pick up again with a slight increase of 0.9% in 2024 and 0.5% in 2025.

STRABAG is the number two on the market in the Czech Republic. With an output volume of € 1,092.61 million in 2022, around 6% of the Group's total output (2021: 6%) was generated in the country. The market share in the entire construction market is 4.2% and in road construction amounts to 21.7%

HUNGARY



Overall construction volume: € 18.3 billion
GDP growth: 2022e: 3.0% / 2023e: 0.5%
Construction growth: 2022e: 0.7% / 2023e: -6.6%

The growth dynamic of the Hungarian economy, with a plus of 3.0%, was in line with the European average in 2022. The Hungarian central bank, projecting a crisis scenario for the coming years, has tried to decisively counteract high inflation and the persistent weakness of the national currency, but with little success. One of the largest net recipients of EU funds, the country also faces accusations of having violated key aspects of the rule of law. The European Commission has frozen billions in funding from several EU programmes on the basis of the so-called rule of law mechanism. These funds will be released if Hungary implements reforms to strengthen the independence of the judiciary, expand the fight against corruption and promote competition in public procurement. Against this background, Euroconstruct forecasts a plus of only 0.5% for 2023, followed by a more optimistic 3.5% and 3.6% for 2024 and 2025, respectively.

The Hungarian construction industry exhibited a slight increase of 0.7% in 2022. In the event of a partial agreement or no agreement on EU funds, the construction market is likely to face considerable difficulties. Should the public sector lose out on construction projects, all other players, including businesses and private individuals, will react to the supply shock by reducing their demand. As a result, Euroconstruct has further downgraded its growth forecasts – which are based on a timely agreement between the government and the EU and the associated release of subsidies. While at least residential construction and non-residential construction still recorded slight growth in 2022, Euroconstruct expects, given the aforementioned conditions, all sectors to decline sharply in 2023 and 2024 and that the entire Hungarian construction market will shrink massively by around 11% by 2024. Euroconstruct does predict that a recovery of +2.0% could set in by 2025.

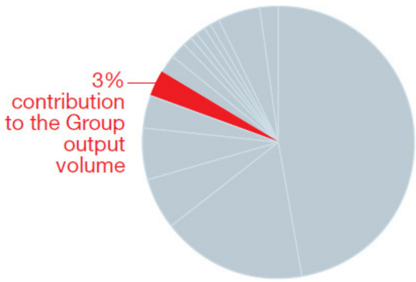
Supported by numerous government measures, residential construction was able to stabilise somewhat in 2022 with a plus of 2.5%. For 2023, Euroconstruct expects a sharp drop of 8.5% for the sector, whereby new construction, due to the decline in real wages and high inflation, could be much more affected than the renovation business. The continuing rise in inflation, driven by energy prices, means that a decline of 7.4% is also expected for residential construction in 2024. The trend should turn positive again in 2025, however, with a plus of 1.5%.

Non-residential construction was still able to grow slightly in 2022, posting a plus of 0.6%. For the development in the next few years, however, Euroconstruct is similarly cautious as with residential construction, especially as the government has temporarily suspended the start of construction on all publicly funded projects. According to an official announcement, all plans with a possible launch in 2025 are to be rescheduled. This decision affects projects in the education and health sectors in particular. For 2023 and 2024, the Euroconstruct experts forecast a massive decline of -7.4% and -5.8%, respectively; in 2025, the downward trend is expected to slow to -0.6%.

Civil engineering declined slightly by 0.7% in 2022. Assuming that Hungary manages to mend its conflict with the European Commission, the sector could recover in the next few years. Several megaprojects, two of them financed by a Chinese and a Russian loan each, are about to be implemented, but these projects are also dependent on EU funds. Based on this scenario, Euroconstruct predicts a decline of 3.7% and 0.2% in 2023 and 2024, respectively, with a solid +5.9% forecast for 2025.

The STRABAG Group generated € 687.90 million, or 4% of its output, in Hungary in 2022 (2021: 4%). This puts STRABAG in second place in the Hungarian construction market. Its share of the total market reached 3.8%, that in road construction 17.1%

UNITED KINGDOM



Overall construction volume:	€ 238.7 billion
GDP growth:	2022e: 4.4% / 2023e: -0.3%
Construction growth:	2022e: 2.8% / 2023e: -0.4%

With GDP growth of 4.4%, the British economy was still in a recovery phase in 2022. Massively rising energy prices, however, caused inflation to soar to its highest level in four decades this year, causing real wages to fall rapidly. The combination of high inflation and a slumping economy has already had a significant negative impact on the morale. The United Kingdom saw a wave of strikes across the country in the last quarter: in healthcare, postal services, railways, education, airports and other areas of public administration. Euroconstruct therefore projects a slight recession for the British economy in 2023, with a decline of 0.3%. In 2024 and 2025, the situation should ease somewhat with +1.0% and +1.6%, respectively.

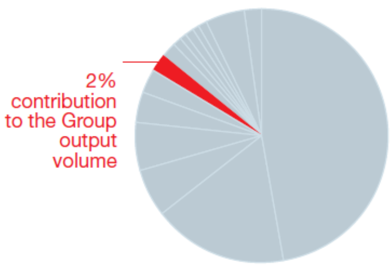
Supported by massive government initiatives, the British construction industry still managed a plus of 2.8% in 2022. In 2023, however a decline of 0.4% is expected for the sector as a whole, followed by slight growth of 1.2% in 2024 and 1.8% in 2025, respectively. Thanks to public subsidies in social housing, residential construction still recorded growth of 4.3% in 2022. For 2023, Euroconstruct predicts a decline of 1.5% for this segment before the trend turns positive again with +1.3% and +1.8% in 2024 and 2025, respectively.

Growth was also recorded in non-residential construction in 2022, with an increase of 3.8%, though the segment was not yet able to reach pre-crisis levels. The health sector as well as the industrial buildings and commercial buildings sectors performed well. Euroconstruct forecasts a slight increase of 0.5% for non-residential construction in 2023, with growth of 1.5% and 1.6% expected for 2024 and 2025, respectively.

Following the previous year's record growth of 25.6%, the British civil engineering segment suffered a decline of 2.1% in 2022. The segment was bolstered in part by the High Speed 2 railway project, which also includes STRABAG as a consortium partner. Euroconstruct forecasts only very slight growth of 0.2% and 0.3% for the segment in 2023 and 2024, respectively, before a return to stronger growth of 2.1% in 2025.

The output volume of the STRABAG Group in the United Kingdom amounted to € 578.38 million in 2022.

SLOVAKIA



Overall construction volume:	€ 4.9 billion
GDP growth:	2022e: 1.9% / 2023e: 0.6%
Construction growth:	2022e: -0.1% / 2023e: 3.4%

The strongly export-oriented Slovak economy grew by 1.9% in 2022 despite increasingly severe price pressures. Especially in the second half of the year, rising business costs due to high energy prices, along with supply chain problems, led to a decline in economic strength. The high inflation of 12.4% put pressure on private consumption. The negative impact will intensify in 2023, accompanied by nominally lower incomes, although a state family package is expected to offer some support. Positive impulses are also expected from the investments of the European recovery plan as well as the utilisation of EU structural funds. The development of exports continues to depend heavily on the security of the supply chains. For 2023, Euroconstruct expects GDP growth of 0.6%, followed by a plus of 1.7% and 2.3% in 2024 and 2025.

Construction output in Slovakia, which had already languished in previous years, declined by 0.1% in 2022. Rising prices for construction materials, labour and energy, supply chain problems, and the war in Ukraine exacerbated the already difficult situation: skilled labour was in short supply, and construction activity weakened as a whole because private and public clients were reluctant to invest. Nevertheless, Euroconstruct expects the situation to ease in the next few years, mainly due to the increased use of EU funds and various government measures. A plus of 3.4% is expected for 2023, with growth of 5.1% and 2.1% in the following two years.

Residential construction saw a slight increase of 1.7% in 2022, both for new buildings as well as for renovation and refurbishment. Due in part to the strong demand for housing in Bratislava and other larger cities, this segment will continue to recover in 2023 and 2024 with +2.6% and +4.7%, respectively. Slightly lower growth of 2.2% is then expected in 2025.

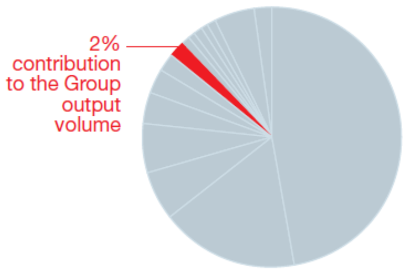
In non-residential construction, output increased by only 0.8% in the reporting year due to uncertainties in the markets and the high energy prices.

In the coming years, investments from the European recovery plan will contribute to the segment's growth. This primarily concerns the areas of education, health, offices, and historic and listed buildings. For 2023, Euroconstruct expects a plus of 2.7%, followed by +6.3% and +2.7%, respectively, for 2024 and 2025.

Construction output in civil engineering declined once again in 2022 with a minus of 2.6%. In the future, however, strong momentum is expected from public investments, especially in the road network, railway infrastructure and environmental construction. This is contrasted, on the other hand, by a lack of building materials, rising prices and inadequate project planning with lengthy public procedures. Growth of 5.0% is forecast for civil engineering in 2023, with +4.0% and +1.4% expected in the following years.

With a market share of 7.2% and an output volume of € 351.37 million in 2022, STRABAG is the leader in Slovakia. In road construction, STRABAG's share is 23.5%. In 2022, Slovakia contributed 2% to the Group's total output volume (2021: 2%).

ROMANIA



Overall construction volume:	€ 27.2 billion
GDP growth:	2022e: 4.6% / 2023e: 2.8%
Construction growth:	2022e: -3.4% / 2023e: -1.0%

The Romanian economy posted GDP growth of 4.6% in the reporting year. The growth rate is expected to slow down somewhat in 2023 to +2.8%, mainly due to a higher rate of inflation. In the following year, the measures taken to combat this inflation should already have had an effect and it should be possible to roll them back already as well. EECFA therefore forecasts GDP growth of 4.8% for 2024.

The Romanian construction industry (-3.4%) performed significantly weaker than the national economy in 2022. Although Romania does not maintain close trade relations with Russia, Ukraine or Belarus, the country is strongly connected to the international markets and so finds itself indirectly affected by Russia's invasion of Ukraine. For the construction industry, this means, among other things, a rapid raise in construction costs (+20.2% in the year under review) with constantly rising energy prices and a lack of building materials. This situation is exacerbated by delays in the implementation of EU programmes and – due to the country's good economic performance – less funding from the EU's recovery plan. EECFA therefore expects the construction industry to decline by 1.0% and 3.9% in 2023 and 2024, respectively.

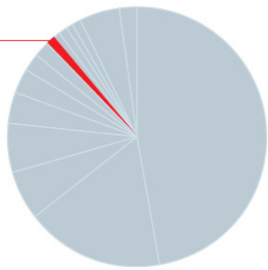
In residential construction, usually one of the most successful sectors of the Romanian construction industry, several factors contributed to slower growth in 2022. These include rising construction costs, more complicated lending standards and higher interest rates, as well as the lack of real wage growth. Residential construction therefore grew only marginally by 0.6% in the reporting year. This will be followed by a downward correction in 2023 (-3.6%) and stagnation in 2024 (0.0%).

In non-residential construction, construction output fell by 2.4% in 2022, and EECFA expects stagnation for the following two years at -0.1% and 0.0% respectively. The end of the pandemic related restrictions should have a positive impact on office, commercial, industrial and hotel construction, but higher financing and operating costs are expected to dampen growth. The health and education sector in particular grew strongly in 2022 thanks to high demand and the availability of EU funds. Increases were also seen in retail and wholesale buildings, hotels, industrial buildings and warehouses, while the office and transport construction sector presented a slowdown.

The Romanian civil engineering segment has not yet been able to fully exploit the large growth potential that would be available thanks to EU programmes and the EU recovery plan. Rising costs also weighed down on the segment. Construction output declined in all sectors in 2022, resulting in an overall minus of 10.1%. The looming deadline for the allocation of EU funds should bring new momentum in 2023 (+2.4%), especially in road construction, but also in port and airport construction. EECFA sees further positive impetus for the segment in light of the 2024 election year with parliamentary, presidential, EU and local elections. In the run-up to these elections, increased political activity is expected to exploit EU funds. A sharp downward correction (-13.4%) is forecast for Romanian civil engineering in 2024.

With an output of € 315.46 million in 2022, the STRABAG Group holds a 1.2% share in the entire Romanian construction market. In Romanian road construction, the share of the market stands 4.3%.

CROATIA



Overall construction volume:	€ 5.2 billion
GDP growth:	2022e: 6.0% / 2023e: 1.0%
Construction growth:	2022e: 0.4% / 2023e: 3.1%

The Croatian economy, which managed to rebound quickly from the effects of the pandemic, continued to grow significantly in 2022 (+6.0%). The tourism industry experienced an extraordinary upswing, and EU funds were utilised effectively by the government. Even if Russia's invasion of Ukraine resulted in some negative economic impacts, e.g., due to strong price increases, parts of the economy benefited from the capital flight involving wealthy citizens from Ukraine and other neighbouring countries. Croatia's entry into the Schengen and euro area at the beginning of 2023 is projected to bring significant growth impulses. The expected interest rate hike by the national bank, however, is dampening these growth prospects, so that EECFA expects GDP growth of only 1.0% and 1.7% for 2023 and 2024, respectively.

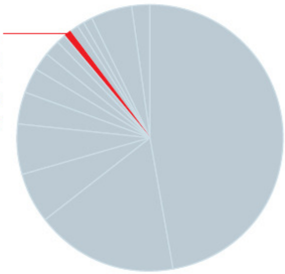
The Croatian construction industry felt the effects of Russia's war against Ukraine in 2022 in the form of cost increases and high energy prices. Buyers took advantage of real estate as a hedge against inflation, and projects ready to be financed were implemented sooner rather than later in anticipation of rising interest rates. At the same time, the construction boom that started after Croatia's independence in 1991 is gradually slowing down. Access to EU and other international funds continues to be of great importance. In the year under review, the Croatian construction industry grew by 0.4%, while a plus of 3.1% is forecast for 2023, followed by a slight minus of 0.4% in 2024.

Residential construction continued to develop positively in 2022 with +3.1%. Sharp price increases, higher interest rates and fewer buyer resources due to inflation are dampening the outlook, however. A plus of just 1.7% is forecast for 2023, followed by a decline of 3.3% in 2024. In non-residential construction, the industrial buildings and warehouses segment is proving to be the strongest segment overall. The segment as a whole grew by 3.8% in 2022, while EECFA predicts -0.5% and +0.7% for the two following years.

After a boom in the previous year, Croatia's civil engineering sector declined significantly in 2022 (-5.0%). This development had already become apparent in 2020 in the declining number of building permits. Only pipelines, communication and power line construction, as well as complex building construction on industrial sites, showed a highly positive performance. In the medium term, transport infrastructure will pick up speed again as well. The further development of civil engineering depends largely on how effectively and how quickly the government implements the EU partnership projects. For 2023 and 2024, EECFA again projects growth of 7.6% and 2.0%, respectively, for the segment.

The STRABAG Group generated € 238.26 million on the Croatian market in 2022.

SWITZERLAND



Overall construction volume:	€ 63.2 billion
GDP growth:	2022e: 2.3% / 2023e: 0.7%
Construction growth:	2022e: -1.8% / 2023e: 0.5%

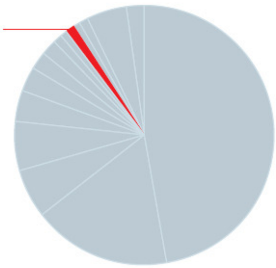
The Swiss economy proved itself robust in the reporting period, despite sharply rising energy prices, with growth of 2.3%. Positive factors included the high domestic demand (+4.0% in private consumption), low inflation (3.0%) compared to other countries, and a strong labour market. In addition, the decline in purchasing power was offset by higher nominal wages. Euroconstruct anticipates weaker growth (+0.7%) for 2023, with GDP gains of 2.1% and 1.3% forecast for each of the following years.

The Swiss construction industry recovered from the consequences of the Covid-19 crisis more slowly than expected and still recorded a minus of 1.8% in 2022. Rising prices for construction materials and energy worldwide, as well as the increasing shortage of skilled workers, weighed heavily on the sector. In the years from 2023 to 2025, construction output will gradually increase again with +0.5%, +0.9% and +1.9%. Residential construction, the strongest sector of the Swiss construction industry, has been in a cyclical downturn for several years and continued to decline by 2.6% in 2022. In the wake of the pandemic, however, demand for housing and especially home ownership is on the rise, while at the same time an ever-increasing share of the investment volume is going into renovation and modernisation. Euroconstruct expects a recovery in residential construction from 2023 onwards (+0.6%), with increases of 1.3% and 2.9% in 2024 and 2025.

Construction output in non-residential construction also fell in 2022, with a minus of 1.9% mainly due to the declines in industrial and office building construction. However, several large-volume healthcare and education construction projects will significantly stimulate the segment in 2023. Euroconstruct expects non-residential construction to grow slightly by 0.4% in 2023, with growth of 0.6% and 1.2% in the following years. In Switzerland's civil engineering sector, on the other hand, declines in road and rail infrastructure in particular led to zero growth in 2022. The segment should regain some momentum thanks to several ongoing and new transport infrastructure projects, including the capacity expansion and modernisation of the railway stations in Lausanne and Bern and the metro expansion in Geneva, as well as the final section of the A9 motorway in the canton of Valais and the northern Zurich bypass. Euroconstruct expects the Swiss civil engineering segment to grow by 0.3% in 2023, by 0.6% in 2024 and by 0.7% in 2025.

In 2022, Switzerland contributed € 196.82 million, or 1% (2021: 1%), to the total output volume of the STRABAG Group.

BENELUX (BELGIUM AND THE NETHERLANDS)



BELGIUM

Overall construction volume:	€ 52.5 billion
GDP growth:	2022e: 2.6% / 2023e: 0.5%
Construction growth:	2022e: 1.4% / 2023e: -0.1%

NETHERLANDS

Overall construction volume:	€ 101.3 billion
GDP growth:	2022e: 4.6% / 2023e: 1.5%
Construction growth:	2022e: 3.3% / 2023e: 1.2%

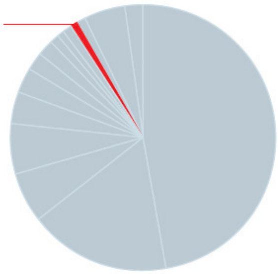
The economies of Belgium and the Netherlands recorded increased growth in 2022. Belgium's GDP grew by 2.6%, that of the Netherlands by 4.6%. Still, the impact of the war in Ukraine was felt clearly here as well, with sharply rising prices, inflation and uncertainties regarding global trade. Offsetting this are government measures to support household incomes as well as economic stimulus programmes and public investment in connection with the European recovery plan, all of which points to moderate growth in the coming years. Euroconstruct expects the GDP in Belgium and the Netherlands to grow by 0.5% and 1.5%, respectively, in 2023. In the following years, growth is projected at 1.9% and 1.2% for Belgium and 2.0% and 1.7% in the Netherlands.

After a significant recovery in the previous year, the Belgian construction industry was only able to grow slightly in 2022 with a plus of 1.4%. The strongest growth was in civil engineering with +5.1%. The necessary repair and reconstruction work after the flood disaster in the summer of 2021, as well as several important infrastructure projects such as the Oosterweelverbinding around the city of Antwerp, played a major role in this development. Due to the numerous existing or expected public sector projects, Euroconstruct forecasts solid growth of 2.6% and 2.9% for Belgium's civil engineering sector in 2023 and 2024, respectively, before a contraction of 1.8% in 2025. Residential construction also showed consistent positive growth of 2.3% in 2022. Economic stimulus and construction programmes are providing additional momentum in the renovations segment, so that residential construction will also grow by 1.6% in 2023 and by 2.2% and 0.7% in the following two years. The weakest development in the year under report was in non-residential construction, with a minus of 1.7%. Demand declined in almost all areas. The negative trend will continue in the coming years with -3.9% (2023), -0.6% (2024) and -1.1% (2025). Overall, Euroconstruct predicts stagnation for the Belgian construction industry at -0.1% in 2023, a slight increase of 1.4% in 2024 and -0.4% for 2025.

The Dutch construction industry, which had already proven to be quite stable in 2021 despite the effects of the Covid-19, continued to grow in the reporting year thanks to strong economic growth of 3.3%. Towards the end of 2022, however, increasing uncertainty in the economy, inflation and rising interest rates pointed to a slowdown of future growth. Euroconstruct therefore expects growth to fall to 1.2% for 2023 and 0.5% in each of the following two years. Good results were achieved in 2022, especially in Dutch building construction. Residential construction, for example, achieved a plus of 4.0% thanks to unabated high demand. Corresponding government measures for housing procurement will continue to strengthen the market. As a result, this segment is expected to grow between 2023 and 2025, albeit at a relatively slow pace of 2.5%, 1.9% and 1.0%, respectively. Non-residential construction proved to be the strongest market segment in the Netherlands in 2022, with a plus of 4.7% thanks to several large-scale greenhouse projects and numerous warehouses, new agricultural buildings and commercial buildings, as well as renovation and maintenance orders. For 2023, however, Euroconstruct expects growth in this segment to slow down to 0.9%, followed by a slight decline of 1.2% and 0.7% in 2024 and 2025, respectively. The Dutch civil engineering market was characterised by price increases, supply problems due to the pandemic and the Ukraine war with the associated budgetary pressure on clients. Construction output in this segment thus stagnated at +0.1% in the reporting year. For 2023, Euroconstruct expects a minus of 0.7%, followed by a plus of 0.1% and 1.1% in 2024 and 2025.

STRABAG achieved an output volume of € 176.24 million in the Benelux countries in 2022. This corresponds to a 1% share of the Group output volume (2021: 1%).

SWEDEN



Overall construction volume:	€ 61.9 billion
GDP growth:	2022e: 2.7% / 2023e: -0.1%
Construction growth:	2022e: 3.2% / 2023e: -6.6%

The Swedish economy grew by 2.7% in the year under review. Economists are seeing a clear reversal of the trend, however. Sweden is experiencing its highest inflation in 30 years, with high energy prices and rising interest rates. After a long period of low inflation, the expansionary monetary policy to stimulate the economy is now coming to an end. All of this is putting pressure on household confidence and, as a result, on consumer spending. Euroconstruct therefore expects a slight GDP minus of 0.1% for 2023 before a return to economic growth of 2.0% in 2024 and 2.5% in 2025.

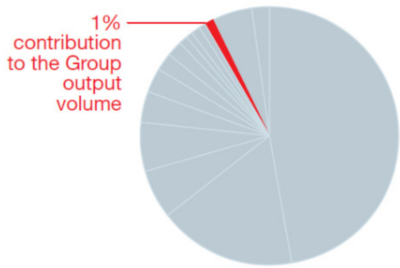
The Swedish construction industry also grew in 2022, gaining 3.2% after a strong upswing the previous year. The outlook for the next two years, however, is not very optimistic. Euroconstruct predicts a decline in construction output of 6.6% for 2023, before the situation eases again in 2024 with only a slight minus of 0.4%, followed by a significant plus of 4.2% in 2025. Especially in residential construction, a clear downturn soon became apparent after strong momentum in the first quarter of the reporting period (2022: -0.5%). While the need for houses and flats in Sweden remains high, demand is falling due to the high energy prices, interest rate pressures and high inflation. In this difficult environment, renovation and maintenance activities are often being postponed to a later date as well. All of this leads Euroconstruct to expect a dramatic slump in residential construction in 2023 (-14.2%), though the market should ease back somewhat in 2024 with a slight minus of 1.9% and then pick up significantly in 2025 with +4.4%.

Non-residential construction proved to be very robust in 2022 with an increase of 8.6%. Industrial buildings, warehouses and logistics buildings, as well as buildings in the healthcare sector, were the main contributors to this development. Demand for modern and climate-friendly office buildings remains high despite the trend to working from home. Overall, sustainable construction is becoming increasingly important in this segment. For 2023, Euroconstruct predicts a minus of 3.2% for non-residential construction, though the development for the following years is pointing upwards again with +0.3% and +3.6%.

Sweden's civil engineering sector managed to grow slightly in 2022 with a plus of 2.5%. In most regions of the country, the need for infrastructure expansion and maintenance is high, especially in the transport sector and in water and energy utilities. A state plan for urgently needed investments in infrastructure is in place, but the experts do not believe it will hold. This is because the new Swedish government elected in September 2022 has other priorities, in part given the country's aspiration to join NATO. The civil engineering sector will also be burdened by delays, higher costs for building materials and the expected cement shortage from the middle of 2023. Euroconstruct predicts a minus of 1.7% for Swedish civil engineering in 2023, followed by a slight plus of 0.4% in 2024. In 2025, the trend will move clearly upwards again with +4.5%.

The output volume of the STRABAG Group in Sweden amounted to € 151.72 million in 2022.

SERBIA



Overall construction volume:	€ 4.5 billion
GDP growth:	2022e: 2.9% / 2023e: 3.5%
Construction growth:	2022e: -8.7% / 2023e: -0.6%

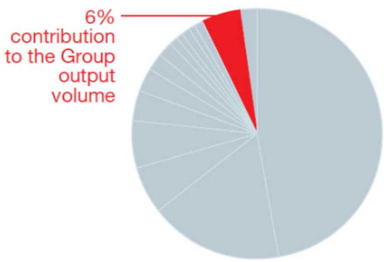
Serbia's economy has flourished for the past few years thanks to public and private investment, substantial wage growth and high employment levels. In 2022, however, geopolitical events weighed heavily on the situation, leading to double-digit inflation and high energy prices, among other things. Nevertheless, the country's GDP grew by 2.9% in the year under review, and EECFA forecasts increases of 3.5% and 4.5% for the following years.

Following tremendous growth in the previous years, the Serbian construction industry suffered a slump of 8.7% in the year under report. Economic uncertainty, interrupted supply chains, rising prices for building materials and cyclical developments played a significant role in this development. EECFA still expects a slight decline in the construction industry of 0.6% in 2023 before a return to growth of 4.3% in 2024. After the extraordinary increases in previous years, output in residential construction fell by 2.7% in 2022. A minus of 3.2% is also expected for 2023, followed by a slight plus of 0.4% for 2024.

The strong decline in non-residential construction (-13.3%) in 2022 is due mainly to the end of the growth cycle. After -3.4% in 2023, a plus of 0.5% is forecast for 2024, marking the beginning of the next cycle. The focus here should be on hotel and office buildings as well as buildings in the health and education sectors. In civil engineering, the growth engine of the Serbian construction industry, output also declined by 8.3% in the reporting year. There were declines in almost all sectors, after some strong increases in the previous year. EECFA is already predicting a plus of 1.6% for civil engineering in 2023, followed by growth of 7.2% in 2024.

The STRABAG Group generated an output volume on the Serbian market of € 146.36 million in 2022.

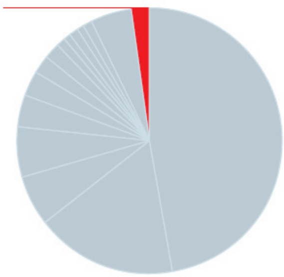
MIDDLE EAST, AMERICAS, AFRICA, ASIA



In order to make itself as independent as possible from the economic development of individual countries and so spread its country risk as widely as possible, STRABAG is also active outside of its main markets in Europe. As a rule, the company acts as a main contractor in direct export. With this in mind, the group has been present in Africa, Asia, Canada, Chile and the Middle East for many years, often even decades. STRABAG focuses on areas that are characterised by high technological expertise: civil engineering, industrial and infrastructure projects as well as tunnelling.

In 2022, the STRABAG Group generated € 992.47 million, or 6% of its total output, outside Europe (2021: 5%). The activities in non-European countries are – with a few exceptions – assigned to the International + Special Divisions segment.

SLOVENIA, BULGARIA, DENMARK, ITALY, REST OF EUROPE AND RUSSIA[1]



BULGARIA

Overall construction volume:	€ 9.7 billion
GDP growth:	2022e: 3.1% / 2023e: 1.1%
Construction growth:	2022e: 4.3% / 2023e: 2.0%

DENMARK

Overall construction volume:	€ 42.6 billion
GDP growth:	2022e: 2.2% / 2023e: -0.3%
Construction growth:	2022e: -0.3% / 2023e: -1.5%

SLOVENIA

Overall construction volume:	€ 4.0 billion
GDP growth:	2022e: 5.0% / 2023e: 1.4%
Construction growth:	2022e: 2.1% / 2023e: 1.5%

ITALY

Overall construction volume:	€ 255.3 billion
GDP growth:	2022e: 3.3% / 2023e: 0.2%
Construction growth:	2022e: 12.1% / 2023e: 0.6%

Slovenia

The Slovenian economy proved to be very robust in 2022, with a plus of 5.0%. The persistent inflation, however, along with a more restrictive monetary policy with rising interest rates, is weighing on the economy. This situation is compounded by high energy prices and disrupted supply chains as a result of Russia's war against Ukraine. EECFA therefore predicts GDP growth of only 1.4% for 2023 and 2.6% for 2024.

The Slovenian construction industry grew at a slower pace than the GDP, namely by +2.1%. The growth rate is expected to decline to 1.5% in 2023 before a decline in construction output of 0.2% in 2024. Residential construction still increased slightly by 0.7% in 2022. More restrictive lending standards and higher interest rates will cause demand in the segment to decline further, however, resulting in -1.1% in 2023 and -2.0% in 2024. Non-residential construction managed to grow by 2.1% in 2022, mainly due to the large demand for buildings in the health and education sectors, including the renovation of Slovenia's largest hospital. Both EU financing as well as the national budget, which emphasises health and the environment, are enabling the realisation of long delayed projects. EECFA therefore calculates a plus of 3.4% for non-residential construction for 2023, but only +0.4% for 2024.

Slovenia's civil engineering sector performed well in 2022, gaining 3.1%, thanks to several large projects. These include the extension of the railway to Koper and several large road projects financed by the EU recovery plan. EECFA forecasts the segment to grow by 2.4% in 2023 and another 0.7% in 2024.

The STRABAG Group achieved an output volume of € 80.66 million in Slovenia in 2022.

Bulgaria

The Bulgarian economy had performed better than expected in 2021 and continued to grow in 2022 with a plus of 3.1%. Although the high inflation of 12.8% in the reporting year is expected to decline starting in 2023, the country lacks a stable government with four parliamentary elections in less than two years. Moreover, Bulgaria has an ageing society with a declining population. EECFA therefore predicts lower GDP growth of 1.1% and 2.4% for 2023 and 2024, respectively.

The situation of the Bulgarian construction industry is largely dependent on the use of EU funds. Political instability, however, is currently delaying many investments. Nevertheless, the construction industry grew by 4.3% in 2022, especially due to the strong tailwind in residential construction. This sector benefited from low interest rates and high inflation, which made investments in real estate an attractive option, contributing to growth of 10.8% in 2022. The rise in construction and labour costs, the material bottlenecks and the higher interest rates, however, will lead to lower residential construction growth already in 2023 (2.8%) and to a minus of 3.7% in 2024.

Non-residential construction recovered after the decline of the previous years and reached a plus of 3.3% in 2022, with +1.4% and -0.6% expected for 2023 and 2024, respectively. Growth was particularly strong in the industrial buildings and warehouses sector. The Bulgarian civil

1 STRABAG is in the process of winding up its activities in Russia.

engineering segment grew by just 1.0% in 2022, with EECFA predicting growth of 1.8% and 3.1% for each of the following two years. This development will depend to a large degree on how quickly the EU funds can be utilised. Overall, growth of 2.0% and 0.2% is forecast for the Bulgarian construction industry for 2023 and 2024, respectively.

The STRABAG Group generated € 67.84 million on the Bulgarian market in 2022.

Denmark

The Danish economy showed itself to be stable and in consistently good shape at the beginning of 2022. The situation only became bleaker with the outbreak of the war in Ukraine in February. Despite the increasing inflation, however, coupled with rising interest rates, high energy prices and many additional uncertainties challenging politicians and the population, the GDP continued to grow with a plus of 2.2% in 2022. Euroconstruct forecasts a slight downturn for 2023 (-0.3%) but expects the GDP to return to growth in the following years, with +1.1% and +2.6% in 2024 and 2025, respectively.

After two years of strong growth, the Danish construction industry posted a slight decline of 0.3% in the reporting year. Euroconstruct expects another minus of 1.5% and 0.2% for 2023 and 2024, respectively, followed by a plus of 1.3% in 2025. Uncertainties existed at the time of the forecast with regard to the policies of the new government, which was elected in November 2022. This concerns the expansion of infrastructure as well as the future taxation of residential property.

Danish residential construction declined significantly in 2022 (-1.0%) after two boom years with double-digit growth rates. This trend will continue in 2023 and 2024 (with -3.9% and -1.7%, respectively), partly due to inflation, rising interest rates and higher construction costs. Residential construction should then pick up again in 2025 with slight growth of 1.4%. The mild growth in non-residential construction (2022: +0.4%) is largely due to the construction of educational and healthcare buildings as well as warehouses, while demand for office buildings has declined. The sector will continue to grow by only 0.5%, 0.9% and 1.1% in 2023 and the following years. Denmark's civil engineering sector showed a similar trend, with growth of 0.6% in the period under review. Growth of 1.4% and 1.7% is expected for 2023 and 2024, respectively, with a plus of 1.4% in 2025. Driving this development is, among other things, transportation infrastructure and wind power projects as well as the expansion of district heating.

The output volume of the STRABAG Group in Denmark amounted to € 61.49 million in 2022.

Italy

The Italian economy, which had managed to recover quickly from the Covid-19 fallout, continued to grow in 2022 with a plus of 3.3%. However, the outlook is being significantly clouded by the war in Ukraine, supply bottlenecks, rising prices, especially for construction materials, and the energy supply crisis. The strong dependence of Italian production companies on Russian gas is having a negative impact. The purchasing power of households is also declining. Euroconstruct therefore predicts only weak growth of 0.2% for the Italian economy in 2023, followed by a plus of 1.5% and 1.3%, respectively, for the following years.

The construction industry performed far better than the GDP, with growth of 12.1% in the reporting year. A significant part of this was due to residential construction, which, after a record result in 2021, was also able to generate a plus of 22.5% in 2022. A decisive factor here is the government's temporary "super bonus" with highly attractive tax breaks for the energetic, ecological and safety-related modernisation of residential buildings.

Once this boom is over, Euroconstruct expects a sharp decline for Italian residential construction in the following years (2023: -6.0%, 2024: -15.6%), followed by a less pronounced decline of -1.3% in 2025.

Non-residential construction recorded only a small increase of 1.3% in 2022. Publicly financed projects such as education and healthcare buildings should provide significant momentum as early as 2023. The modernisation of office buildings and the redevelopment of large urban areas will also have a positive impact. Euroconstruct expects non-residential construction to increase by 3.6% in 2023, with +5.2% in 2024 and +1.1% in 2025.

The energy crisis, rising material prices, and material and labour shortages interrupted the strong upward curve in Italian civil engineering in 2022 (-1.3%). The implementation of the National Recovery and Resilience Plan (NRRP in Italian) also proved to be highly complex. The EU-funded plan, however, is expected to provide powerful stimuli for the segment in the years to come. This applies in particular to the railways (+40.6%) and telecommunications (e.g., national ultra-broadband project) as well as renewable energy. The strong civil engineering growth of 17.9% forecast as a result in 2023 will continue more moderately in 2024 and 2025, with +5.4% and +5.7%, respectively. In view of the very different outlooks in the individual segments, Euroconstruct calculates a slight increase of 0.6% for the Italian construction industry as a whole in 2023, followed by a minus of 6.0% in 2024 and a slight plus of 1.0% again in 2025.

The output volume of the STRABAG Group in Italy amounted to € 20.59 million in 2022.

Russia

The STRABAG Group still generated an output volume of € 58.85 million in Russia in 2022. In the region, STRABAG was almost exclusively active in building and industrial construction. In March 2022, the Management Board of STRABAG SE made the decision to wind up all activities in the country.

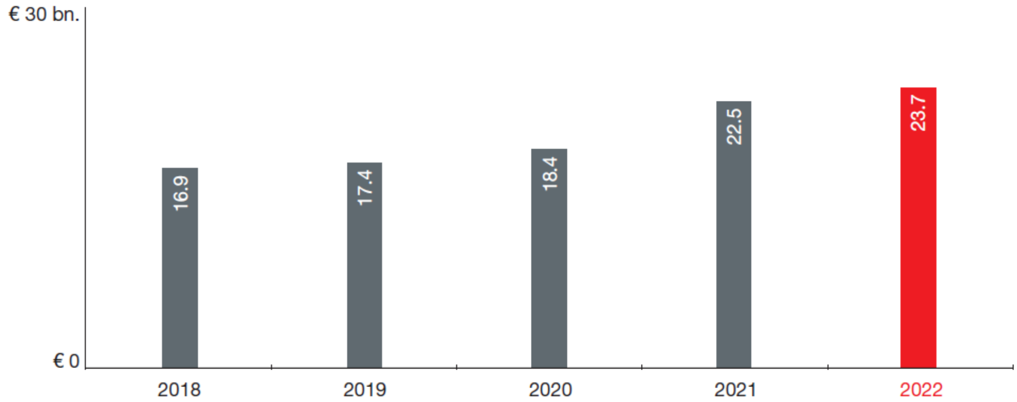
Order backlog

ORDER BACKLOG BY SEGMENT AS AT 31 DECEMBER 2022

€ mln.	Total 2022	North + West	South + East	International + Special Divisions	Other	Total 2021	▲ Total %	▲ Total absolute
Germany	11,154	9,815	211	1,116	12	10,724	4	430
Austria	2,992	73	2,535	384	0	2,663	12	329
United Kingdom	2,216	18	0	2,198	0	2,209	0	7
Poland	1,634	1,599	2	33	0	1,628	0	6
Czech Republic	993	0	973	14	6	930	7	63
Americas	883	0	0	883	0	815	8	68
Hungary	719	0	707	11	1	711	1	8
Romania	567	7	549	11	0	248	129	319
Croatia	408	0	408	0	0	242	69	166
Italy	374	0	9	365	0	61	513	313
Slovakia	320	0	302	18	0	290	10	30
Middle East	256	1	13	242	0	368	-30	-112
Asia	253	0	10	243	0	272	-7	-19
Benelux	220	209	0	11	0	232	-5	-12
Rest of Europe	184	11	172	1	0	173	6	11
Switzerland	101	0	98	3	0	102	-1	-1
Sweden	98	93	0	5	0	119	-18	-21
Slovenia	95	0	95	0	0	56	70	39
Russia[1]	86	0	85	1	0	122	-30	-36
Africa	72	0	55	17	0	107	-33	-35
Serbia	67	0	67	0	0	93	-28	-26
Bulgaria	31	0	30	1	0	178	-83	-147
Denmark	16	16	0	0	0	158	-90	-142
Total	**23,739**	**11,842**	**6,321**	**5,557**	**19**	**22,501**	**6**	**1,238**

1 STRABAG is in the process of winding up its activities in Russia.

DEVELOPMENT OF ORDER BACKLOG



Despite rising construction costs and the accelerated interest rate turnaround, the order backlog as at 31 December 2022 increased by 6% year-on-year to € 23,738.84 million, which is only slightly below the previous record level from the end of the first six months of 2022. Projects were successfully acquired in our home markets of Germany and Austria in particular, but also in Romania, Italy and Croatia. The order backlog declined in Bulgaria, Denmark and the Middle East.

The additions to the order books in Germany and Austria include the Grünblick sustainable housing project with 340 units in Vienna, the construction of the headquarters of Volksbank Raiffeisenbank Bayern Mitte in Ingolstadt and the upgrade of the Berlin–Köpenick railway station. The company was also awarded a contract in Croatia for the modernisation of the railway line between Zagreb and Rijeka and, in Romania, for the expansion of the A3 motorway over a length of 15.7 km. Contracts worth around € 283 million were acquired in Chile, enabling STRABAG to further expand its strong market position in the mining business in the region.

CONSTRUCTION SITES INCLUDED IN THE ORDER BACKLOG AS AT 31 DECEMBER 2022[1]

Category	Number of construction sites	Number of construction as % of total	Order backlog € mln[1]	Order backlog as % of total
Small orders (€ 0–1 mln.)	9,866	78	1,926	8
Medium-sized orders (€ 1–15 mln.)	2,230	18	4,179	18
Large orders (€ 15–50 mln.)	361	3	5,051	21
Very large orders (>€ 50 mln.)	154	1	12,583	53
Total	**12,611**	**100**	**23,739**	**100**

The total order backlog is comprised of 12,611 individual projects. More than 9,800 of these, or 78%, involve small orders with a volume of up to € 1 million each; the remaining proportion of 22% covers medium-sized to very large orders with contract volumes of € 1 million and up. A total of merely 154 projects have a volume above € 50 million.

The high number of individual contracts guarantees that the risk involved with one project does not, as far as possible, threaten the group success as a whole. The ten largest projects in the order backlog as at 31 December 2022 added up to 21% of the order backlog.

1 Rounding differences are possible.

SELECTED LARGE PROJECTS IN THE ORDER BACKLOG AS AT 31 DECEMBER 2022

Country	Project	Order backlog € mln.[1]	as % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1,420	6.0
United Kingdom	Woodsmith Project	723	3.1
Germany	US hospital, Weilerbach	703	3.0
Germany	Central Business Tower	432	1.8
Canada	Scarborough Subway Extension Line 2	346	1.5
Germany	Stuttgart 21, underground railway station	337	1.4
Croatia	Railway line Leskovac–Karlovac	254	1.1
Germany	PPP A49 motorway	220	0.9
Czech Republic	D1 Řikovice–Přerov	185	0.8
Germany	A1 Lohne–Bramsche	160	0.7
Total		**4,780**	**20.3**

Financial performance

The consolidated **group revenue** for the 2022 financial year amounted to € 17,025.85 million. As with the output volume, this corresponds to a plus of 11%. The ratio of revenue to output increased slightly year-on-year from 95% to 96%. The operating segments North + West contributed 47%, South + East 32% and International + Special Divisions 21% to the revenue.

The **changes in inventories** mainly involve real estate project developments. The business continued to be actively pursued. The disposals resulted mainly from successful sales and were almost entirely offset by existing and new project developments. The **own work capitalised** increased slightly from a low basis due to the realisation of several new corporate locations. The total of **expenses for construction materials, consumables and services used** and the **employee**, expressed in relation to the revenue, grew from 87% to 89%.

EXPENSES

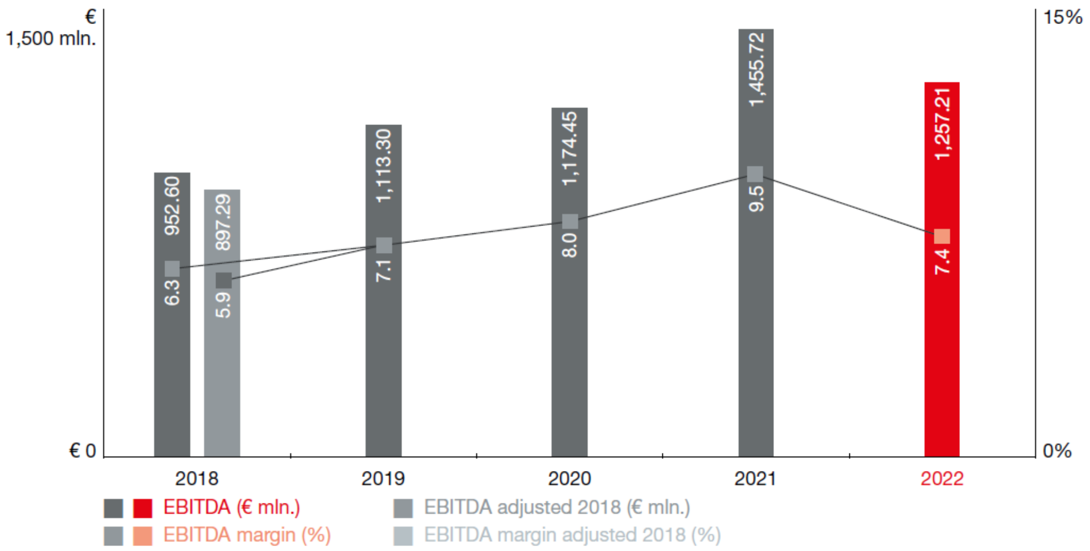
€ mln.	2022	2021	▲ %
Construction materials, consumables and services used	10,988.65	9,415.08	17
Employee benefits expense	4,133.73	3,843.58	8
Other operating expenses	1,013.28	823.82	23
Depreciation and amortisation expense	550.81	549.61	0

Following a significant increase in 2021, lower earnings from joint ventures and consortia in the reporting period in particular led to a reduction in **earnings from equity-accounted investments** to € 60.89 million. The **net income from investments**, which comprises the dividends and expenses of many smaller companies or financial investments, increased compared with the previous year.

In total, the **earnings before interest, taxes, depreciation and amortisation (EBITDA)** decreased by 13%, although, at € 1,257.21 million, this figure was still well above the € 1.0 billion mark for the fourth year in a row. The EBITDA margin decreased accordingly from 9.5% to 7.4%. The **depreciation and amortisation expense** amounted to € 550.81 million (+0.2%), roughly on a par with the previous year.

1 Rounding differences are possible.

DEVELOPMENT OF EBITDA AND EBITDA MARGIN[1]



Effective tax rate: 33.0%

Following exceptionally high **earnings before interest and taxes (EBIT)** in the previous year, characterised by numerous positive earnings influences in all segments, normalisation set in during 2022 as expected. Nevertheless, the EBIT of € 706.40 million was the second highest in the Group's history. The EBIT margin amounted 4.2% (2021: 5.9%), in line with the goal of achieving at least 4% on a sustainable basis starting from 2022.

Earnings per share: € 4.60

The **net interest income** was positive, at € 10.67 million, compared to € -12.57 million in the previous year, mainly due to the increased interest income. The exchange rate result included in this figure also turned positive in 2022 at € 3.20 million, after reporting € -3.88 million in the previous year.

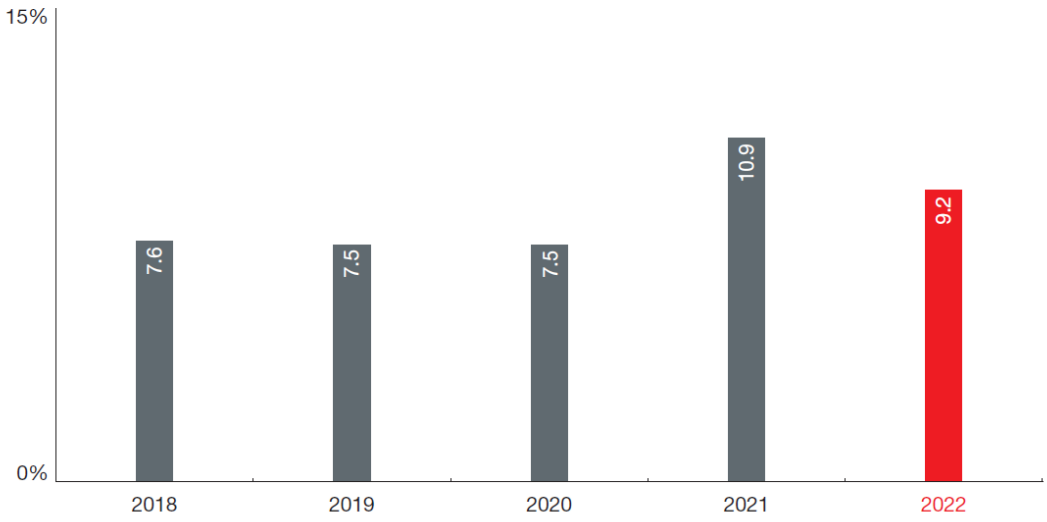
On balance, the **earnings before taxes** stood at € 717.07 million. The income tax rate, at 33.0%, was slightly higher than in the previous year. The **net income** amounted to € 480.13 million compared to € 596.40 million in 2021.

The earnings owed to minority shareholders amounted to € 7.68 million after € 10.69 million in the previous year. The **net income after minorities** – due to the exceptionally positive earnings effects in the previous year – was 19.3% lower in 2022, although with € 472.45 million it still posted the second-highest figure since the establishment of STRABAG SE. The earnings per share amounted to € 4.60 (2021: € 5.71).

The **return on capital employed** (ROCE)[2] came in at 9.2% after 10.9% in the previous year, well above the multi-year average.

1 2018 adjusted for a non-operating step-up profit in the amount of € 55.31 million
2 ROCE = (net income + interest on debt – interest tax shield (25 %)) / (average group equity + interest-bearing debt)

DEVELOPMENT OF ROCE



Financial position and cash flows

BALANCE SHEET

€ mln.	31.12.2022	% of balance sheet total[1]	31.12.2021	% of balance sheet total[1]
Non-current assets	5,292.10	42	4,989.56	41
Current assets	7,391.66	58	7,236.21	59
Equity	4,025.24	32	4,071.82	33
Non-current liabilities	2,193.76	17	2,146.39	18
Current liabilities	6,464.76	51	6,007.56	49
Total	**12,683.76**	**100**	**12,225.77**	**100**

The total of assets and liabilities increased year-on-year from € 12.2 billion to € 12.7 billion. An increase in property, plant and equipment – including the addition of real estate in Stuttgart for the expansion of the corporate location there – and in inventories as well as an output-related increase in trade receivables were offset by a decrease in cash and cash equivalents. The equity declined slightly, although it remained above the € 4 billion mark at € 4,025.24 million. This decrease results in particular from the fact that the buyback obligation for own shares, which existed as at 31 December 2022 due the anticipatory mandatory offer underway at the time and which amounted to a maximum of 10% of the share capital (€ 399.52 million), had to be deducted directly from retained earnings. As only 2.7% of own shares were ultimately purchased, the difference of € 291.31 million will have to be transferred to retained earnings in 2023. As a result, the **equity ratio** decreased at a high level from 33.3% to 31.7% in 2022.

KEY BALANCE SHEET FIGURES

	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
Equity ratio (%)	31.6	31.5	33.9	33.3	31.7
Net debt (€ mln.)	-1,218.28	-1,143.53	-1,747.23	-1,937.18	-1,927.70
Gearing ratio (%)	-33.3	-29.7	-42.5	-47.6	-47.9
Capital employed (€ mln.)	5,552.09	5,838.71	5,815.14	5,750.63	5,407.37

1 Rounding differences are possible.

Net cash position remains at € 1.9 billion

A net cash position was reported as usual on 31 December 2022. At € 1.9 billion, this figure remained unchanged year-on-year.

The lower cash and cash equivalents were offset by a reduction in financial liabilities as a result of the bond repayment in the amount of € 200 million

CALCULATION OF NET DEBT[1]

€ mln.	**31.12.2018**	**31.12.2019**	**31.12.2020**	**31.12.2021**	**31.12.2022**
Financial liabilities	1,363.33	1,422.21	1,156.01	1,193.62	957.20
Severance provisions	114.68	124.68	122.55	108.36	91.38
Pension provisions	420.31	435.92	428.36	376.83	333.55
Non-recourse debt	-730.77	-665.53	-597.20	-652.74	-607.97
Cash and cash equivalents	-2,385.83	-2,460.81	-2,856.95	-2,963.25	-2,701.85
Total	**-1,218.28**	**-1,143.53**	**-1,747.23**	**-1,937.18**	**-1,927.70**

The **cash flow from operating activities** decreased as a result of lower cash flow from earnings and a noticeable increase in working capital from € 1,220.56 million to € 812.86 million compared with the same period of the previous year. In view of the rising interest rates, a significant reduction in advance payments and an associated increase in working capital, which had already begun in 2022, can be expected in the coming reporting periods.

The **cash flow from investing activities** was more negative, as expected, in particular due to higher investments in intangible assets and property, plant and equipment, including the expansion of the Stuttgart location. The **cash flow from financing activities** amounted to € -503.66 million, compared with € -743.90 million in the previous year. The reduction in the dividend payment – following a special dividend in the previous year – more than compensated for the repayment of the bond in the amount of € 200 million.

REPORT ON OWN SHARES

The company held no own shares as at 31 December 2022.

Capital expenditures

STRABAG had forecast net investments (cash flow from investing activities) of up to € 550 million for the 2022 financial year. In the end, they amounted to € 560.42 million.

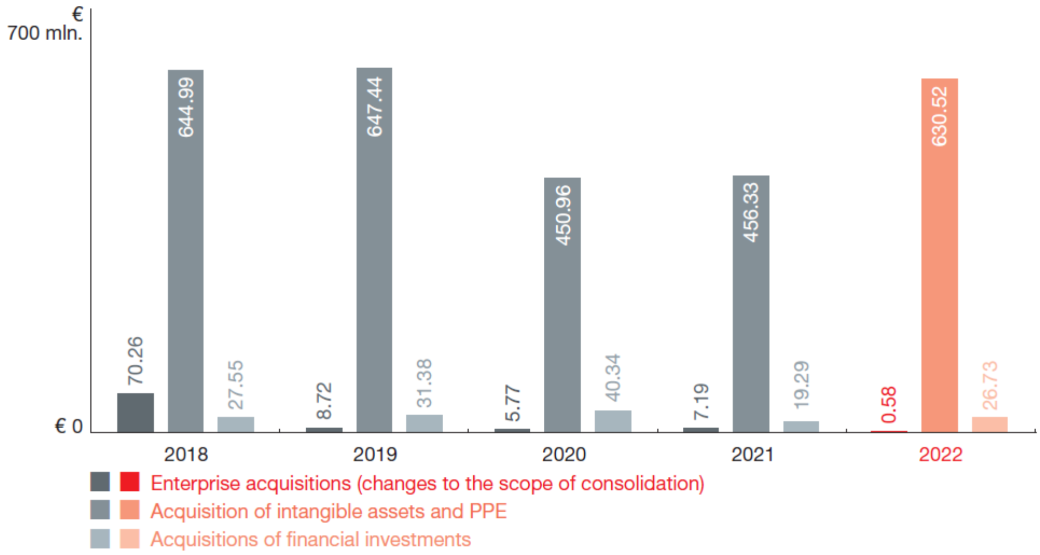
The gross investments (CapEx) before subtraction of proceeds from asset disposals stood at € 657.83 million. This figure includes **expenditures on intangible assets and on property, plant and equipment** not including the non-cash additions to right-of-use assets of € 630.52 million, the **purchase of financial assets** in the amount of € 26.73 million and € 0.58 million from changes to the scope of consolidation.

Particularly significant investments include the maintenance expenditures at our permanent establishments in the core markets of Germany, Austria and the Czech Republic as well as the additional investments in rail construction in several different countries. In addition, substantial investments were made as part of large-scale projects in a production plant for tunnel segments in the UK and in equipment technology in the mining sector in Chile.

Expenditures on intangible assets and on property, plant and equipment during the year under report must be seen against the depreciation and amortisation expense in the amount of € 550.81 million. At € 6.70 million, goodwill impairment was slightly higher than the previous year's value of € 5.67 million.

1 The non-recourse liabilities that were considered are related to three major projects. Non-recourse liabilities from other PPP projects had, based on their amount, only an immaterial impact and are therefore not subtracted in the calculation of net debt.

COMPOSITION OF CAPEX



Financing/Treasury

KEY FIGURES TREASURY

	2018	2019	2020	2021	2022
Interest and other income (€ mln.)	38.62	30.97	27.89	26.96	50.74
Interest and other expense (€ mln.)	-66.05	-56.32	-48.49	-39.53	-40.07
EBIT/net interest income (x)	-20.4	-23.8	-30.6	-71.3	66.2
Net debt/EBITDA (x)	-1.3	-1.0	-1.5	-1.3	-1.5

The number one objective for the treasury management of STRABAG SE is assuring the continued existence of the company through the maintenance of constant solvency. This objective is to be reached through the provision of sufficient short-term, medium-term and long-term liquidity. Liquidity for STRABAG SE means not only solvency in the strict sense but also the availability of guarantees. The activity of building requires the constant availability of bid, contract fulfilment, advance payment and warranty guarantees and/or sureties. The financial scope of action is thus defined by sufficient cash and cash credit lines, on the one hand, and by sufficient surety credit lines on the other.

The management of **liquidity risks** has become a central element of the corporate management at STRABAG. In practice, liquidity risks come in various forms:

- In the short term, all daily payment obligations must be covered in time and/or in their entirety.
- In the medium term, liquidity levels must be sufficient so that no transactions or projects become impossible due to a lack of sufficient financial means or guarantees or that they cannot be executed at the desired pace.
- In the long term, there should be sufficient financial means available to be able to pursue the strategic development targets.

In the past, STRABAG has always oriented its financing decisions according to the risk aspects outlined above and has organised the maturity structure of the financial liabilities in such a way as to avoid a refinancing risk. In this way, the company has been able to maintain a great scope for action, which is of particular importance in a difficult market environment. The respective liquidity needed is determined by targeted liquidity planning. Based on this, liquidity assurance measures are made, and a liquidity reserve is defined for the entire Group.

The medium- and long-term liquidity needs are also covered by the **issue of corporate bonds** when needed. STRABAG SE (and its predecessor FIMAG) has regularly issued bonds on the Austrian capital market since 2002. In the 2015 financial year, the company successfully placed a € 200 million tranche with a coupon of 1.625% and a term to maturity of seven years. This bond was repaid in 2022. No bonds were on the market at the end of 2022.

The existing liquidity of € 2.7 billion assures the coverage of the Group's liquidity needs. STRABAG SE has a total credit line for cash and surety loans in the amount of € 8.2 billion. The credit lines include a **syndicated surety credit line** in the amount of € 2.0 billion and a revolving **syndicated cash credit line** of € 0.4 billion, each with a term to maturity until 2026. The Group also has bilateral credit lines with banks. With a high degree of diversification regarding its surety and cash credit, STRABAG creates an adequate risk spread in the provision of the credit lines and se cures its comfortable liquidity position.

In June 2015, Standard & Poor's (S&P) raised STRABAG SE's investment grade rating by one level from BBB-, outlook stable, to BBB, outlook stable. This rating was again confirmed in August 2022. S&P sees STRABAG SE's strengths and opportunities above all in the stable margins in an otherwise quite cyclical market environment, the strategic access to construction materials, the strong market positions and the high reputation in the credit markets.

PAYMENT OBLIGATIONS

€ mln.	Book value 31.12.2022	Book value 31.12.2021
Bonds	0	200.00
Bank borrowings	624.76	687.76
Lease liabilities	332.44	305.85
Total	**957.20**	**1,193.61**

Segment report

OVERVIEW OF THE FOUR SEGMENTS WITHIN THE GROUP

The business of STRABAG SE was divided into four segments in 2022, of which there are three operating segments, North + West, South + East and International + Special Divisions, and the segment Other, which encompasses the Group's central divisions and central staff divisions. In 2022, the segments were comprised as follows[1]:

NORTH + WEST
Management Board responsibility[2]: Alfred Watzl
Germany, Poland, Benelux, Scandinavia, Ground Engineering

Switzerland was added to the North + West segment with effect from 1 January 2023. As of 1 January 2023, Poland will be reported in the South + East segment.

SOUTH + EAST
Management Board responsibility[2]: Alfred Watzl[3]
Austria, Czech Republic, Slovakia, Hungary, South-East Europe, Switzerland, Environmental Technology

Poland was added to the South + East segment with effect from 1 January 2023. As of 1 January 2023, Switzerland will be reported in the North + West segment.

Management Board responsibility[2]: Klemens Haselsteiner
Winding up Russia

INTERNATIONAL + SPECIAL DIVISIONS
Management Board responsibility[2]: Siegfried Wanker
International, Tunnelling, Services, Real Estate Development, Infrastructure Development, Construction Materials

OTHER
Management Board responsibility[2]: Thomas Birtel, Christian Harder and Klemens Haselsteiner
Central Divisions, Central Staff Divisions

Construction projects are assigned to one of the segments (see chart below). Of course, projects may also be assigned to more than one segment. This is the case, for example, with PPP projects in which the construction part is assigned to its respective geographic segment, but the concession part is assigned to the concessions unit of International + Special Divisions. In projects which span more than one segment, the commercial and technical responsibility is generally assigned to that segment which has the higher share of the overall project value.

Geographic segments may be desirable, but they are not always possible. Particularly the specialty fields – e.g. tunnelling – are in demand all around the world. As it is therefore not possible to assign these to a certain country, such business fields are listed under the segment International + Special Divisions. At the same time, the two segments North + West and South + East may contain international business fields such as sports facilities. These are usually organised from a country assigned to one of the respective geographic segments.

1 Services may be performed in more than one segment. The activities and countries below have been assigned to those segments in which the most significant portion of the services was provided. Details are available in the table.

2 Situation as at 31 December 2022

3 Peter Krammer resigned from the Management Board effective 12 June 2022. Alfred Watzl took over the South + East segment on an interim basis from 13 June to 31 December 2022.

With only a few exceptions, STRABAG offers its services in all areas of the construction industry in the individual European markets in which it operates and covers the entire construction value chain. These services include:

	North + West	South + East	International + Special Divisions
Residential Construction	✓	✓	✓
Commercial and Industrial Facilities	✓	✓	✓
Public Buildings	✓	✓	✓
Engineering Ground Works	✓	✓	✓
Bridge Construction	✓	✓	✓
Power Plants	✓	✓	✓
Roads, Earthworks	✓	✓	✓
Protective Structures	✓	✓	✓
Sewerage Systems	✓	✓	✓
Production of Construction Materials	✓	✓	✓
Railway Construction	✓	✓	
Waterway Construction, Embankments	✓	✓	
Landscape Architecture and Development, Paving, Large-Area Works	✓	✓	
Sports and Recreation Facilities	✓	✓	
Ground Engineering	✓		
Environmental Technology		✓	
Production of Prefabricated Elements		✓	
Tunnelling			✓
Real Estate Development			✓
Infrastructure Development			✓
Operation/Maintenance/Marketing of PPP Projects			✓
Property and Facility Services			✓

SEGMENT NORTH + WEST: HIGH EBIT MARGIN MAINTAINED

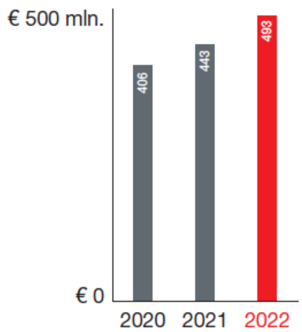
The North + West segment executes construction services of nearly any kind and size with a focus on Germany, Poland, the Benelux countries and Scandinavia. Ground engineering can also be found in this segment. Switzerland was added to the North + West segment with effect from 1 January 2023. As of 1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

€ mln.	2022	2021	▲ 2021-2022 %	▲ 2021-2022 absolute
Output volume	8,690.69	7,902.46	10	788
Revenue	8,032.71	7,317.95	10	715
Order backlog	11,841.89	11,628.13	2	214
EBIT	492.89	443.03	11	50
EBIT margin (% of revenue)	6.1	6.1		
Employees (FTE)	25,693	25,430	1	263

OUTPUT VOLUME NORTH + WEST

€ mln.	2022	2021	▲ 2021-2022 %	▲ 2021-2022 absolute
Germany	7,206	6,360	13	846
Poland	1,017	1,036	-2	-19
Benelux	143	218	-34	-75
Sweden	121	101	20	20
Denmark	56	90	-38	-34
Austria	50	24	108	26
United Kingdom	48	26	85	22
Romania	26	21	24	5
Rest of Europe	18	15	20	3
Hungary	5	9	-44	-4
Middle East	1	1	0	0
Switzerland	0	1	-100	-1
Total	**8,691**	**7,902**	**10**	**789**

EBIT

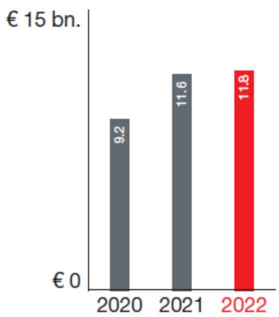


Strong output growth in Germany

The North + West segment recorded a 10% year-on-year increase in output volume to € 8,690.69 million in 2022. This was attributable in particular to the home market of Germany, both in building construction & civil engineering and in transportation infrastructures, and to a lesser extent to the Swedish market. This growth was contrasted by declines in Poland, the Benelux countries and Denmark.

The revenue increased by 10% to € 8,032.71 million. Starting from a high level in the previous year, earnings before interest and taxes (EBIT) also grew by 11% to € 492.89 million, maintaining the very good EBIT margin of 6.1%. Earnings improvements were seen in the German building construction and civil engineering business, among others.

ORDER BACKLOG



Order backlog expands slightly at a high level

The already high order backlog was expanded by 2% to € 11,841.89 million as at 31 December 2022, mainly due to growth in the home market of Germany. Notable additions to the order backlog in Germany include the construction of the corporate headquarters of Volksbank Raiffeisenbank Bayern Mitte in Ingolstadt and the expansion of Berlin-Köpenick railway station for regional traffic. An increase in the order backlog was also recorded in Poland. Here, STRABAG will continue to upgrade the S19 expressway in two sections.

Slight increase in number of employees

The number of employees in the entire North + West segment increased by 1% to 25,693 FTEs. The increase in the home market of Germany more than compensated for the declines in Poland, Denmark, the Benelux countries and Sweden.

Outlook: Slightly lower output expected

In view of the high order backlog, only a slight decline in output is expected in the North + West segment for 2023 despite the challenging business environment.

In the **German building construction** sector, material and energy prices are showing signs of normalising at a high level. Despite the higher prices, projects are still being brought to market. As a consequence of the interest rate turnaround, however, there is a noticeable shift from the private to the public sector.

A high order backlog is also reported in the **transportation infrastructures** business. This allows for a very selective approach to bidding. At the same time, output is expected to remain at a similarly high level as in the previous year.

Intense cut-throat competition prevails in the **Benelux** countries and in **Scandinavia**. The focus will remain as planned on stabilisation and consolidation as well as on the completion of large projects and selective bidding. The strategic and organisational changes introduced in **Switzerland** in the past are beginning to show positive results. The Group will continue to pursue and expand this successfully chosen path in the future.

SELECTED PROJECTS NORTH + WEST

Country	Project	Order backlog in € mln.	As % of total Group order backlog
Germany	US hospital, Weilerbach	703	3.0
Germany	Central Business Tower	432	1.8
Germany	Stuttgart 21, underground railway station	336	1.4
Germany	PPP A49 motorway	220	0.9
Germany	A1 Lohne–Bramsche	160	0.7

SEGMENT SOUTH + EAST: ORDER BACKLOG ABOVE GROUP AVERAGE

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

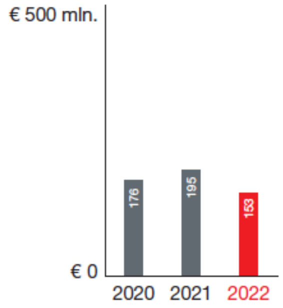
€ mln.	2022	2021	▲ 2021-2022 %	▲ 2021 -2022 absolute
Output volume	5,461.54	4,930.38	11	531
Revenue	5,495.54	4,924.60	12	571
Order backlog	6,320.72	5,596.97	13	724
EBIT	153.39	194.93	-21	-42
EBIT margin (% of revenue)	2.8	4.0		
Employees (FTE)	20,625	20,685	0	-60

OUTPUT VOLUME SOUTH + EAST

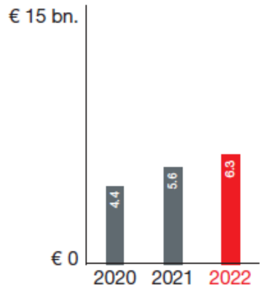
€ mln.	2022	2021	▲ 2021-2022 %	▲ 2021-2022 absolute
Austria	2,474	2,206	12	268
Czech Republic	895	782	14	113
Hungary	531	503	6	28
Slovakia	298	243	23	55
Romania	231	202	14	29
Croatia	220	162	36	58
Switzerland	193	186	4	7
Germany	184	152	21	32
Serbia	143	150	-5	-7
Rest of Europe	84	110	-24	-26
Russia[1]	70	43	63	27
Slovenia	66	94	-30	-28
Bulgaria	43	68	-37	-25
Italy	10	6	67	4
Africa	9	7	29	2
Poland	5	3	67	2
Asia	4	8	-50	-4
Middle East	1	4	-75	-3
Benelux	0	1	-100	-1
Total	**5,461**	**4,930**	**11**	**531**

1 STRABAG is in the process of winding up its activities in Russia.

EBIT



ORDER BACKLOG



Significantly higher output in Austria and the Czech Republic

The output volume in the South + East segment increased significantly by 11% to € 5,461.54 million in the past 2022 financial year. The largest increase in absolute terms was generated in our home market of Austria, followed by the Czech Republic and Croatia. With a few exceptions, including Bulgaria, the remaining countries of Central and Eastern Europe also recorded increases in output across the board.

The revenue increased by 12%, at a slightly higher rate than the output volume, to € 5,495.54 million. Due to provisions and as a result of strong cost inflation in Southern and Eastern Europe, the EBIT decreased to € 153.39 million, compared to € 194.93 million in 2021.

Order backlog: positive growth momentum continues

At € 6,320.72 million, the order backlog as at 31 December 2022 was 13% higher than on the previous year's reporting date. The largest additions to the order books were generated in Romania, Austria and Croatia. These include the expansion of the Romanian A3 motorway, the construction of the sustainable residential project Grünblick with 340 apartments in Vienna and the modernisation of the railway line between Zagreb and Rijeka. With the exception of Bulgaria and Serbia, the order backlog also increased in the other markets. The order volume in Switzerland remained virtually stable, while that in Russia decreased significantly as a result of STRABAG's ongoing exit from the market there.

Employees numbers remained constant

The number of employees remained virtually constant year-on-year at 20,625 FTEs. In line with the higher output volume, the number of employees increased mainly in Austria and in Hungary. Declines were recorded in Bulgaria and Slovakia in particular.

Outlook: Mixed trends

Stable year-on-year performance is expected in the South + East segment for the 2023 full year.

Thanks to the good order backlog, another solid output can be expected in **Austria** in 2023, both in building construction and in transportation infrastructures. In view of the significantly higher construction costs and interest rates, however, demand for residential construction can be expected to decline in the future. It should be possible to partially compensate for this with special buildings, for example in the health, sports and education sectors. The increasing stabilisation of energy and subcontractor prices at a high level should have a positive effect on the earnings development.

The **Polish economy** is strongly affected by the fallout from the Russian invasion of Ukraine. The country is also dealing with a comparatively high rate of inflation. Sharply increased energy and commodity prices as well as rising interest rates are impacting the entire economy, including the construction and real estate sectors. The European Commission's decision to withhold structural funds from Poland is delaying planned investments, especially in railway construction and in the energy and environmental sectors. Despite agreed price escalation clauses with public sector clients, it must be assumed that the massive increase in input costs cannot be fully compensated.

The **Hungarian economy** is suffering greatly as a result of the high inflation, the weakness of the forint and the frozen funds from several EU programmes. These factors are significantly reducing the country's construction output, especially in the infrastructure sector. Large-scale projects, such as the railway construction between Budapest and Belgrade, will therefore remain an exception. On a positive note, there are orders from the private sector and from German automotive manufacturers and suppliers who produce here.

The **Czech transportation infrastructures** sector is experiencing a period of increased competition. The high interest rate level could lead to declines in building construction, especially residential construction. Investments in industrial and logistics complexes have not yet shown any significant changes. Due to the comfortable order backlog in the Czech Republic, STRABAG expects this market to make a solid contribution to the Group's output volume in 2023.

In **Slovakia**, the number of projects tendered by the public sector in transportation infrastructures seems to be increasing again, while output in the building construction sector is expected to remain stable despite the challenging business environment. Early elections this autumn could have a positive effect on construction momentum. Growth is currently being curbed by the sharp rise in labour costs, which is further boosting the already high level of inflation.

In the markets of **South-East Europe**, an increasing number of new projects are also expected to come onto the market in 2023. In Romania, STRABAG is currently participating in tenders for projects in transportation infrastructures; in the country's building construction sector, public contracts for hospitals and military facilities are on the rise. In Croatia, infrastructure projects financed with EU funds offer opportunities for STRABAG, as does the tourism sector. Private investors here are concentrating on the construction of logistics centres and housing projects. In Slovenia, there are opportunities in the infrastructure sector, while industrial construction in particular is booming in building construction. In Serbia, North Macedonia and Montenegro, strong pressure can be felt from companies from China, the USA, Turkey and Azerbaijan – a challenge that affects the entire region.

SELECTED PROJECTS SOUTH + EAST

Country	Project	Order backlog in € mln.	As % of total Group order backlog
Croatia	Railway line Leskovac–Karlovac	254	1.1
Czech Republic	D1 Řikovice–Přerov	185	0.8
Romania	Mihail Kogălniceanu Airport	145	0.6
Czech Republic	Pankrác–Olbrachtova underground line	135	0.6
Hungary	Railway line Békéscsaba–Lökösháza	126	0.5

SEGMENT INTERNATIONAL + SPECIAL DIVISIONS: FLUCTUATIONS IN THE PROJECT BUSINESS

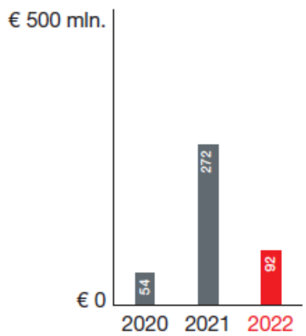
The International + Special Divisions segment includes the field of tunnelling as well as the concessions business, which, especially in transportation infrastructures, operates worldwide. In the markets of the United Kingdom and Chile, STRABAG offers tunnelling as well as a variety of country-specific services. Regardless of the location, all construction materials activities – with the exception of asphalt – are also part of this segment, with a dense network of production plants. The real estate business, which stretches from project development and planning to construction and operation and also includes the property and facility services business, completes the wide range of services in this segment. Additionally, most of the other services in non-European markets are also bundled in this segment.

€ mln.	2022	2021	▲ 2021-2022 %	▲ 2021-2022 absolute
Output volume	3,445.12	3,161.46	9	284
Revenue	3,479.97	3,039.14	15	441
Order backlog	5,556.81	5,268.22	5	289
EBIT	91.95	272.08	-66	-180
EBIT margin (% of revenue)	2.6	9.0		
Employees (FTE)	20,405	20,610	-1	-205

OUTPUT VOLUME INTERNATIONAL + SPECIAL DIVISIONS

€ mln.	2022	2021	▲ 2021-2022 %	▲ 2021-2022 absolute
Germany	924	906	2	18
Americas	556	479	16	77
United Kingdom	530	364	46	166
Austria	386	435	-11	-49
Middle East	250	198	26	52
Czech Republic	185	159	16	26
Asia	132	137	-4	-5
Hungary	127	120	6	7
Poland	90	107	-16	-17
Romania	56	40	40	16
Slovakia	52	42	24	10
Africa	38	28	36	10
Benelux	33	13	154	20
Sweden	29	18	61	11
Croatia	18	13	38	5
Slovenia	15	10	50	5
Italy	11	52	-79	-41
Bulgaria	10	6	67	4
Rest of Europe	8	9	-11	-1
Denmark	5	18	-72	-13
Serbia	2	3	-33	-1
Switzerland	2	2	0	0
Russia[1]	-14	2	n. a.	-16
Total	**3,445**	**3,161**	**9**	**284**

EBIT

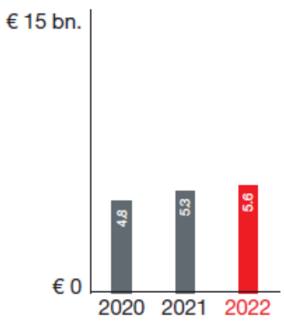


Significant revenue growth

The International + Special Divisions segment generated an output volume of € 3,445.12 million in 2022, 9% higher than in the previous year. This is mainly attributable to the ongoing fulfilment of large orders in the United Kingdom, Chile and the Middle East.

With an increase of 15%, the revenue rose faster than output to € 3,479.97 million. Due to the existence of several large projects, the segment experiences regular fluctuations. In this respect, the diversification of the facility management portfolio and the infrastructure development business, among other things, made a positive contribution to earnings, although it could not compensate for adverse effects in the volatile international project business. Accordingly, after an extraordinarily high increase in the previous year, there was now a reduction in EBIT to € 91.95 million, so that the EBIT margin fell from 9.0% to 2.6%.

ORDER BACKLOG



Italy and Americas driving order backlog

The order backlog increased by 5% to € 5,556.81 million as at 31 December 2022 compared to the same time in the previous year. As already reported in the 2022 half-year report, Italy contributed mainly to the growth of the order situation thanks to contracts won in transportation infrastructures and in road maintenance. In addition, the construction of 140 wind farm foundations in Chile opened up a new business segment. Meanwhile, a significant decline was registered in the Middle East.

Employees numbers down slightly

In view of the relative size of the individual projects in the International + Special Divisions segment, the number of employees in the different countries varies greatly. Overall, the number of employees decreased by 1% to 20,405 FTEs. This decline is partly related to the foreseeable

1 STRABAG is in the process of winding up its activities in Russia.

completion of the tunnelling works for the Alto Maipo hydropower plant megaproject in Chile. Alternatively, in the UK, employee levels increased due to the execution of the HS2 high-speed railway line and the Woodsmith Project.

Outlook: output growth expected in a challenging environment

For the full year 2023, the International + Special Divisions segment is expected to generate a higher output volume than in the previous year. This forecast is well supported by the high order backlog.

Due to the size of the projects, the **tunnelling business** is subject to constant volatility. Growing demand for tunnelling works can be seen globally, especially in metropolitan regions. Mining companies are also increasingly opting for tunnel-based development. While the number of construction companies specialising in large-scale tunnelling projects seems to be decreasing worldwide, the intensity of competition in the German-speaking region remains high. In view of the significantly greater project size, consideration of the risk profile of these projects is growing in importance.

In the **international business**, especially the markets in the United Kingdom and Canada are being followed with continued interest. Demand for construction services should persist in the Middle East as long as oil prices stay at a higher level. Chile holds opportunities in the mining business and for construction services for renewable energy, while the focus in Central America and Colombia will be on infrastructure projects. In Africa, STRABAG will examine projects on a selective basis, although the local conditions remain very challenging.

The **property and facility services business**, which is currently undergoing a process of digitalisation and efficiency enhancement, can look to the future with optimism. As a not insignificant share of carbon emissions can be attributed to building operations, this business segment is becoming increasingly important within the construction industry. STRABAG PFS aims to grow in Germany, Austria and Poland, both organically and through acquisitions.

In **infrastructure development**, STRABAG offers infrastructure services in all European countries. The strongest demand for these services can currently be found in Germany, though overall the number of projects put out to tender remains modest. Central and South America could prove interesting for road concessions in the future.

Real estate development is adversely affected by persistently high construction prices and the turnaround in interest rates. Land acquisitions, material and subcontractor services as well as disruptions in the supply chains require careful management. STRABAG Real Estate's very prudent market development in the past could prove to be a strength in the current environment. Our real estate subsidiary is currently benefiting from the robust development in residential construction. Office properties, on the other hand, could show weaker development overall due to the economic development and the trend towards working from home. As a result of its strong development and implementation competence with regard to sophisticated sustainability and new work concepts, STRABAG Real Estate expects competitive advantages in this asset class.

The **building materials business** is also showing a satisfactory trend overall. This business contributes a 7% share to the Group's total output volume. This segment is also proving to be a strategic advantage for the Group, especially in times of strained supply chains. In the current situation, our dense network of building materials operations and materials-based services remains an important basis for self-supply within the Group and thus for greater competitiveness.

SELECTED PROJECTS INTERNATIONAL + SPECIAL DIVISIONS

Country	Project	Order backlog € mln.	As % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1.419	6.0
United Kingdom	Woodsmith Project	723	3.1
Canada	Scarborough Subway Extension Line 2	346	1.5
Chile	Candelaria Norte 2022	156	0.7
Chile	El Teniente main access tunnel	115	0.5

SEGMENT OTHER (SERVICE COMPANIES AND CENTRAL STAFF DIVISIONS)

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

€ mln.	2022	2021	▲ 2021-2022%	▲ 2021 -2022 absolute
Output volume	138.12	134.62	3	4
Revenue	17.64	16.85	5	1
Order backlog	19.42	7.53	158	12
EBIT	1.00	0.69	45	0
EBIT margin (% of revenue)	5.7	4.1		
Employees (FTE)	7,017	6,881	2	136

Risk management

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

RISK MANAGEMENT AS A CORE TASK OF MANAGEMENT

Risk management is a core task of the management. Risk identification and risk assessment are the responsibility of the respective management level. Our risk management process involves our integrated quality management system, supporting central divisions and central staff divisions with technical, legal and administrative service and consulting activities and the internal audit department as a neutral and independent auditing entity.

Responsibility for implementation of the project risk management systems in the divisions has been assigned to the commercial division managers. The central division Project Risk Management System/System Development/International BRVZ Coordination handles the continuous improvement and development of the risk management system for the procurement and execution of construction projects.

All STRABAG leadership employees, within the scope of their duties and responsibilities, and in accordance with the Rules of Procedure and relevant company regulations, are obliged to

- work with the employees to set risk identification measures,
- monitor the risks,
- introduce countermeasures, and
- pass on relevant information about risks to other units or levels within the company. This requirement especially applies to all employees of the STRABAG Group.

The STRABAG SE Management Board prohibits engaging in business transactions whose realisation could endanger the company's existence.

RISK MANAGEMENT USING DEFINED RISK GROUPS

The Group's internal risk reporting defines the following central risk categories:

- External risks
- Operating and technical risks

- Financial risks
- Ethical risks
- Human resource risks
- IT risks
- Investment risks
- Legal risks
- Political risks

Additional risks exist with regard to work safety, environmental protection, quality, business continuity and supply chain.

Following ISO 31000 and the Committee of Sponsoring Organisations of the Treadway Commission (COSO), our risk management system forms part of our integrated management system. We deal with the risks identified by us as follows:

EXTERNAL RISKS COUNTERED THROUGH DIVERSIFICATION

The entire construction industry is subject to **cyclical fluctuations** and reacts to varying degrees depending on region and sector. Overall economic growth, development of the construction markets, the competitive situation, the conditions on the capital markets and technological changes in construction can all result in risks. These risks are continually observed and monitored by the central departments and operating units. Changes in external risks lead to adjustments in STRABAG's organisation, its market presence and its range of services and to the adaptation of its strategic and operational planning. STRABAG further counters market risk through geographic and product related diversification in order to minimise the influence of an individual market or the demand for certain services on the success of the company.

OPERATING AND TECHNICAL RISKS REDUCED THROUGH BINDING MINIMUM STANDARDS

These risks primarily include the complex risks associated with project selection and execution along with the technical risks that need to be assessed for each project, such as subsoil, geology, construction methods, technology, building materials, equipment, design, work planning, etc. An integral part of the project risk management system are minimum standards with corporate-wide validity for the procurement and execution of construction projects (common project standards). These comprise clearly defined criteria for the evaluation of new projects, a standardised process for the preparation and submission of bids, and integrated internal control systems serving as a filter to avoid loss-making projects. Business transactions requiring approval are reviewed and approved in accordance with the internal rules of procedure.

Depending on the risk profile, bids must be analysed by **internal commissions** and reviewed for their technical and economic feasibility. The construction and project teams can contact the experts at the central divisions BMTI, TPA, ZT and SID for assistance in assessing the technical risks and working out innovative solutions to technical problems. Project execution, monitored by **monthly target/performance comparisons,** is managed by the construction or project team on-site using documented procedures. At the same time, our central controlling department provides constant back-office support for the project, ensuring that risks of individual projects do not jeopardise the continued existence of the company.

FINANCIAL RISK: ACTIVE LIQUIDITY AND RECEIVABLES MANAGEMENT

Under financial risks, STRABAG understands risks in financial matters and in accounting, including instances of manipulation. Special attention is paid to the **liquidity and receivables management,** which is secured through continuous financial planning and daily status reports. Compliance with internal commercial guidelines is ensured by the central accounting and controlling departments, which are also responsible for internal reporting and the periodic planning process. Risks from possible instances of manipulation (acceptance of advantages, fraud, deception or other infringements of the law) are monitored by the central divisions in general and the **internal audit department** in particular.

STRABAG is subject to interest, currency, credit and liquidity risks with regard to its assets, liabilities and planned transactions. The goal of financial risk management is to minimise these risks through ongoing financial activities. The basic principles of the financial policy are determined by the Management Board and monitored by the Supervisory Board. The implementation of the financial policy and responsibility for the ongoing risk management are the domain of the Group's treasury department. Detailed information can be found in the Notes under item 35 Financial Instruments.

ETHICAL RISKS COUNTERED WITH AN ETHICS AND BUSINESS COMPLIANCE SYSTEM

Given the risk of corruption and anti-competitive behaviour in the construction industry, STRABAG has implemented a set of tools that have proven effective in combating these problems. The rules for proper business behaviour are conveyed by the **STRABAG Ethics Business Compliance System.** These have corporate-wide validity. The STRABAG business compliance model is based on the Business Compliance Management System (BCMS) along with supplementary management directives, the Code of Conduct and the personnel structure defined for enforcement, consisting of the Chief Compliance Officer, the Corporate Business Compliance Officers and the Regional Business Compliance Officers as well as the internal ombudspersons and the external ombudsman. Details on the ethical risks are available in the Consolidated Non-Financial Report pursuant to Sec 267a of the Austrian Commercial Code (UGB).

HUMAN RESOURCE RISKS: COUNTERMEASURES WITH CENTRAL HUMAN RESOURCE MANAGEMENT AND NEEDS-ORIENTED HUMAN RESOURCE DEVELOPMENT

Material human resource risks, such as recruiting bottlenecks, skilled labour shortages, fluctuation and labour law risks, are countered with a **central human resource administration** and **long-term, needs-oriented human resource development.** Human resource risks are to be reduced to a large extent through targeted recruiting of qualified specialists and leaders, extensive training activities, performance-based remuneration under compliance with labour law, and early succession planning. Additionally, systematic potential management is in place to ensure the development and career planning of company employees. Complementary initiatives to promote employee health, improve employment conditions and raise employee satisfaction further contribute to the company's appeal and prestige. Details on the human resource risks are available in the Consolidated Non-Financial Report pursuant to Sec 267a UGB.

IT RISKS: IT USAGE GUIDELINES AND CONTINUOUS REVIEW OF SECURITY CONCEPTS TO COUNTER CYBERCRIME

With the increasing threat of IT risks, different measures are being implemented in the form of multistep security and anti-virus concepts, user access rights, password-controlled access, expedient data backups and independent power supply. The Group is also working together with professional **specialty service providers** to ensure an efficient defence against cybercrime and is constantly reviewing its security concepts. By issuing IT usage guidelines and repeatedly informing on the necessity of risk awareness when working with information and communication technologies, we aim to ensure the security, availability, performance and compliance of the IT systems. Project ideas to improve and develop IT-related processes and control systems are evaluated and prepared through cooperation between the central divisions SID and BRVZ Information Technology.

INVESTMENT RISKS: SECTOR-TYPICAL MINORITY HOLDINGS OF MIXING PLANTS

The shares in mixing companies typically involve **minority interests,** as is usual in this sector. With these companies, economies of scope are at the fore.

LEGAL RISKS AVOIDED THROUGH EXTENSIVE RISK ANALYSIS

The central division CML Construction Services supports the risk management of the operating entities in matters of construction management and construction operation in all project phases **(Contract Management)** and provides, organises and coordinates legal advice **(Legal Services)** in this regard. Its most important tasks include comprehensive reviews and consultation in project acquisition – e.g., analysis and clarification of tender conditions, performance specifications, pre-contract agreements, tender documents, draft contracts and framework conditions – as well as support in project management.

POLITICAL RISK: INTERRUPTIONS AND EXPROPRIATIONS CONCEIVABLE

The Group also operates in countries experiencing political instability. Interruptions of construction activity, restrictions on ownership by foreign investors, and even expropriations are among the possible consequences of political changes which could have an impact on the Group's financial structure. These risks are analysed during the tendering phase and assessed by **internal commissions.**

MANAGEMENT SYSTEM FOR OCCUPATIONAL SAFETY AND HEALTH PROTECTION

In order to control the risks related to employee safety and health, STRABAG has implemented a work safety and health management system in accordance with **ISO 45001** and/or **SCC.** Moreover, the company works to maintain this system and ensures a suitable emergency organisation. Specially appointed officers and representatives ensure that the corporate-wide work safety standards are followed. In 2020 and 2021, the country-specific safety and hygiene regulations in connection with Covid-19 had to be implemented in particular. The infection figures could be kept at a very low level in most of the Group countries due to the strict implementation. The aspects of work safety and health also form part of the evaluation of subcontractors and suppliers. Details on the risks related to employee safety and health are available in the Consolidated Non-Financial Report pursuant to Sec 267a UGB.

CERTIFIED ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEM DESIRED

STRABAG is committed to reducing the negative environmental impact of its activities as far as this is technically possible and economically feasible. The company has implemented and is maintaining an environmental and energy management system based on **ISO 14001** or **EMAS, ISO 50001** or equivalent and – wherever possible – seeks to minimise the use of natural resources, avoid waste and promote recycling. Details on the environmental risks are available in the Consolidated Non-Financial Report pursuant to Sec 267a UGB. Risks from the effects of climate change are presented in the Notes.

QUALITY MANAGEMENT AS A COMPONENT OF THE INTEGRATED MANAGEMENT SYSTEM

In accordance with its vision and values, it is the Group's aim **to realise construction projects on schedule, of the best quality and at the best price.** This quality of the company's processes, services and products must therefore be ensured at all times. To achieve this goal, quality management forms an integral component of an integrated management system. This system is documented in the Management Manual, in Group directives and in subordinated provisions.

BUSINESS CONTINUITY: RIGOROUS INCLUSION OF CENTRAL DIVISIONS

The failure of equipment and production facilities, subcontractors and suppliers, human resources, the IT system or office buildings and accommodation must not be allowed to jeopardise the continued existence of the company. For this reason precautions are taken under a business continuity management system to ensure that incidents or **disasters only temporarily interrupt business**

activity – if at all. This includes the consistent involvement of the Group's own specialised central divisions, which can, for example, procure equipment, accommodation, IT systems or staff on short notice, build up long-term strategic partnerships with selected subcontractors and suppliers, and arrange for the audit of emergency scenarios in IT.

EVALUATION OF PARTNER COMPANIES TO REDUCE RISKS IN THE SUPPLY CHAIN

In the interest of quality and efficiency, STRABAG not only taps its own skills and resources to work off its orders, but also relies on the support of proven subcontractors and suppliers. The company focuses on long-term partnerships, a clear, transparent and complete description of the services and products to be procured, and an agreement on acceptance criteria for the products and services. STRABAG also systematically **evaluates subcontractors, service providers** and **suppliers** as part of its **decision-making foundation for future orders.**

A review of the current risk situation reveals that there were no risks which jeopardised the company's existence, nor were there any visible future risks.

REPORT ON KEY FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN RELATION TO THE FINANCIAL REPORTING

Introduction

The control structure as defined by COSO (Committee of Sponsoring Organisations of the Treadway Commission) provides the basis for describing the key features of the internal control and risk management systems with regard to the financial reporting process in the management report. The COSO framework consists of five interrelated components: control environment, risk assessment, information and communication, control activities and monitoring activities. On this basis, the STRABAG Group has set up a corporate-wide risk management system in accordance with generally accepted principles. The aim of the internal control system is to support the management in such a way that it is able to ensure internal controls with regard to financial reporting which are effective and which are improved on an ongoing basis. The system is geared to the compliance with rules and regulations and to creating conditions which are conducive to performing specific controls in key accounting processes.

Control environment

The corporate culture determines the control environment in which management and employees operate. STRABAG is constantly working to improve its communication and to convey its corporate values as defined in its Code of Conduct and its Business Compliance Management System (BCMS) in order to ensure moral standards, ethics and integrity within the company and in its dealings with others. The implementation of the internal control system with regard to the financial reporting process is based on internal rules and regulations. Responsibilities for internal control have been adapted to fit the corporate organisation. The internal audit department carries out periodic reviews – announced as well as unannounced – of all relevant business units as part of its responsibility for monitoring compliance with the law and corporate guidelines in the technical and commercial areas. The internal audit department also monitors the effectiveness of business compliance. During these reviews, the internal audit department analyses the legality and correctness of individual actions. The department also conducts regular, independent reviews of compliance with internal guidelines in the area of accounting. The head of the internal audit department reports directly to the CEO. The effectiveness of the work of the internal audit department is reviewed periodically by the financial auditor. The last review was carried out in the 2019 financial year.

Risk assessment

The management identifies and monitors risks relating to the financial reporting process, with a focus on those risks that are typically considered to be material.

The preparation of the financial statements requires regular forecasts, with the inherent risk that the actual future development will deviate from the expectation. This especially affects the following matters/items of the Consolidated Financial Statements: assessment of unfinished construction projects, recognition and measurement of provisions (including social capital), the outcome of legal disputes, the collectability of receivables as well as the recoverability of investments and goodwill. In individual cases, external experts are called in or publicly available sources are considered in order to minimise the risk of a false assessment.

Control activities

All control activities are applied in the ongoing business process to ensure that errors or deviations in financial reporting are avoided or detected and subsequently corrected. The control activities range from a review of the period results to the specific monitoring of accounts and cost centres to the analysis of ongoing accounting processes. It is the responsibility of the Management Board to design the levels of hierarchy in such a way that an activity and the control of that activity are not performed by the same person **(four-eyes principle).** This separation of functions encompasses a separation between decision-making, implementation, review and reporting. The organisational units of the BRZV central division support the Management Board in this task.

Processes which are relevant to financial reporting are increasingly automated. **IT security** control activities therefore represent a cornerstone of the internal control system. The separation of sensitive activities, for example, is supported by a restrictive allocation of IT authorisations. For its accounting and financial reporting, the company mainly uses self-developed software which reflects the unique features of the construction sector. The effectiveness of the financial reporting system is further assured through automated IT controls included in the system.

Information and communication

The management regularly updates the rules and regulations for financial reporting and communicates them to all employees concerned. In addition, regular discussions regarding the financial reporting and the rules and regulations in this context take place in various committees. These committees are composed of the corporate **management** as well as the **department head** and **senior staff from the accounting department.** The committees' work aims, among other things, to ensure compliance with accounting rules and regulations and to identify and communicate weak points and potential areas for improvement in the financial reporting process. Furthermore, accounting employees receive regular training with regard to innovations in national and international financial reporting in order to identify risks of unintended misreporting at an early stage.

Monitoring

The Management and Supervisory Boards bear responsibility for the ongoing company-wide monitoring. Additionally, the remaining management levels are responsible for the monitoring of their respective areas of responsibility. Controls and plausibility checks are carried out at regular intervals. The internal audit department is also involved in the monitoring process. The top management receives monthly summarised financial reports on the development of the output volume and earnings of the respective segments and countries and of the liquidity. Financial statements to be published are reviewed internally by several instances within management, receiving a final appraisal by the senior accounting staff and the Chief Financial Officer before being passed on to the Audit Committee of the Supervisory Board.

Research and development

As a technology partner for the construction of tomorrow, STRABAG recognises new trends at an early stage, finds innovative solutions and actively works on the development of promising new technologies. In this context, it uses the full knowledge, organisational and relationship potential of its employees.

The STRABAG Group does business in a rapidly changing environment. The growing crossover between industries confronts the company with ever more rapidly shifting challenges. Ecological demands and technological developments in information and communication technology go hand in hand with increased customer expectations. For this reason, the systematic innovation management established in 2014 was transferred into the STRABAG central division Innovation and Digitalisation (SID) in 2020. The division functions as an innovation and digitalisation hub within the Group.

The cooperation among the various divisions facilitates and promotes new developments across the individual business units. A special focus in 2022 was again on the continued digitalisation of processes in planning and in logistics. **Generative design**, a method for the algorithm-based optimisation of planning options, gives us the opportunity to investigate urban development, building and spatial concepts as well as building physics requirements by means of rapidly generated variants. Meanwhile, the **platform-based tracking of prefabricated parts,** such as stairs or façade elements, is being used in additional large construction projects. Countless time-consuming, error prone paper-based entries during the construction process – related to work safety inspections, work status, concrete deliveries and reinforcement performance levels – are now being performed via app. The data is entered on mobile end devices suitable for construction sites, with logs and target/actual comparisons generated automatically and made available to the construction offices and back offices involved. This significantly reduces the time required for construction-related administrative tasks. In transportation infrastructures, the focus is on the road as a driver of innovation. Pilot projects have been carried out here to investigate the possibilities associated with self-driving vehicles or the use of pavement sensors to monitor road conditions.

Cooperation with international universities and research institutions, joint development activities with partner companies around the world, and internal research and development projects have also been a routine part of the Group's daily activities for years. In overall charge of the planning and implementation of these projects within the STRABAG Group are the central divisions **Innovation & Digitalisation (SID), Zentrale Technik (ZT), TPA Gesellschaft für Qualitätssicherung und Innovation GmbH (TPA)** and **EFKON GmbH,** each of which report directly to a member of the Management Board.

With around 425 highly qualified employees at more than ten locations, **SID** takes the lead in initiating developments and providing expert support while maintaining a full overview of corporate-wide innovation activities and their measurable results. Because digitalisation must not be an end in itself, operating needs have priority and digital tools should be made available without delay. Work is also being done on the latest topics in the industry, such as robotics and automation to increase productivity. TPA is the Group's competence centre for asphalt, concrete, earthworks, geotechnics and environmental engineering, quality management and applied R&D projects for transportation infrastructures as well as building construction and civil engineering. Its main tasks include ensuring the quality of the construction materials, structures and services, the safety and improvement of the processes, as well as developing and reviewing standards for the handling and processing of construction materials. TPA employs 975 people at 135 locations in 15 countries, making it one of the largest private laboratory companies in Europe.

TPA is a partner in the multi-year joint research project ROBOT Road Construction 4.0 on the use of autonomous machinery in road construction. The project received € 1.7 million in funding from the German Federal Highway Research Institute. Together with the Technical University of Cologne, the Technical University of Darmstadt, MOBA Mobile Automation AG and 3D Mapping Solutions GmbH, TPA is pursuing the overarching goals of improving occupational and road safety as well as reducing the strain on the workers in road construction. These goals were essentially realised through the automation of all work functions of an asphalt road paver. In the future, the paver will function in a connected manner, autonomously and exclusively under the control of the machine operator. In order to achieve the process reliability of the overarching goals, research activities are being continued together with European partner organisations in the EU-funded project InfraROB (2021–2025).

The new **ELMAR research project** is one of the ways in which TPA is breathing life into our Work On Progress mission. The aim of the project is to transform the Eigenrieden quarry operated by

Mineral Baustoff GmbH into STRABAG's first climate-neutral quarry using digital planning, new machine technology and alternative forms of energy.

EFKON GmbH – a subsidiary of STRABAG – is active in intelligent traffic telematics systems, especially with regard to electronic toll collection and enforcement, a business field that requires intensive research, development and innovation activities. The focus last year was on the further development of complex toll collection and enforcement systems that blend unobtrusively into the cityscape (example: Norway, environmental zones) or can be used efficiently on motorways and expressways (example: national tolling system in Belgium). Here EFKON is increasingly using high-performance machine vision components, developed in-house, that are capable of identifying and classifying vehicles across multiple lanes. Another focus was on the more extensive vehicle integration of toll communication equipment. Several renowned vehicle manufacturers in Asia use EFKON technology in their vehicles, integrating it directly during assembly in their manufacturing plants.

In 2022, EFKON successfully completed the development of an intelligent luminance meter for use in road tunnels. The device is used to measure the brightness at tunnel entrances and adapt the light intensity of tunnel lighting to the brightness perception of motorists through intelligent control. This new development expands our product range for increasing road safety.

The STRABAG Group spent about € 16 million on research, development and innovation activities during the 2022 financial year (2021: approx. € 16 million) The majority of the **development activity** is triggered by **construction projects** in all our business areas. Here challenges or specific questions regularly arise that require a technologically new process or an innovative solution on-site. In many cases, support is offered by the aforementioned central divisions. Some issues require medium-term research and development projects, often with partner organisations.

Website Corporate Governance Report

The STRABAG SE Consolidated Corporate Governance Report is available online at www.strabag.com > Investor Relations > Corporate Governance > Corporate Governance Report.

Disclosures under Sec 243a Para 1 UGB

One share - one vote

1. The share capital of STRABAG SE amounts to € 102,600,000 and consists of 102,600,000 fully paid-in, no-par value shares with a pro rata value of € 1 per share of the share capital. 102,599,997 shares are bearer shares and are traded in the Prime Market segment of the Vienna Stock Exchange. Three shares are registered shares. Each bearer share and each registered share accounts for one vote (one share – one vote). The nomination rights associated with registered shares No. 1 and No. 2 are described in more detail under item 7.

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

3. The syndicate agreement concluded in 2007 between Haselsteiner Group (Haselsteiner Familien-Privatstiftung, Dr Hans Peter Haselsteiner, Klemens Peter Haselsteiner), the Raiffeisen Group (RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H., BLR-Baubeteiligungs GmbH), the UNIQA Group (UNIQA Insurance Group AG, UNIQA Beteiligungs-Holding GmbH, UNIQA Österreich Versicherungen AG, UNIQA Erwerb von

Beteiligungen Gesellschaft m.b.H.) and MKAO "Rasperia Trading Limited" (controlled by Oleg Deripaska) was terminated by Haselsteiner Familien-Privatstiftung on 15 March 2022 and ended on 31 December 2022. As a result of the sanctions against Oleg Deripaska, any rights of MKAO "Rasperia Trading Limited" under the syndicate agreement are frozen in accordance with these sanction provisions. The syndicate agreement from 2007 had governed (1) nomination rights regarding the Supervisory Board, (2) the coordination of voting during the Annual General Meeting, (3) restriction on the transfer of shares and (4) joint development of the Russian market as a core market. The Haselsteiner Group, the Raiffeisen Group together with the UNIQA Group, and MKAO "Rasperia Trading Limited" each had the right to nominate two members of the Supervisory Board. The syndicate agreement also required the syndicate partners to exercise their voting rights from syndicated shares unanimously at the Annual General Meeting of STRABAG SE. The syndicate agreement further foresaw restrictions on the transfer of shares in the form of mutual rights of first refusal as well as a minimum shareholding on the part of the syndicate partners.

Despite termination of the syndicate established in 2007, the right of first refusal of the Haselsteiner Group, the Raiffeisen Group, the UNIQA Group and MKAO "Rasperia Trading Limited" remain valid as long as each holds at least 8.5% of the share capital of STRABAG SE. Since – as explained – the EU Sanctions Regulation applies to MKAO "Rasperia Trading Limited", it is not entitled to sell the shares it holds in STRABAG SE or to acquire the shares of the other parties and therefore, in the long term and in accordance with the EU Sanctions Regulation, the right of first refusal with respect to MKAO "Rasperia Trading Limited" does not apply.

4. Haselsteiner Familien-Privatstiftung, Dr Hans Peter Haselsteiner and Klemens Peter Haselsteiner, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and Group company, and UNIQA Insurance Group AG and Group companies on 18 August 2022 concluded a new syndicate agreement that requires them to exercise their voting rights from syndicated shares unanimously at the Annual General Meeting of STRABAG SE. This syndicate agreement also governs rights of first refusal and recourse, a minimum shareholding obligation, and nomination rights regarding the Supervisory Board. According to the agreement, the Haselsteiner Group has the right to nominate two members of the Supervisory Board, while the Raiffeisen Group and UNIQA Group each have the right to nominate one member of the Supervisory Board. With the new syndicate agreement, the parties continue their controlling interest in STRABAG SE. As at 31 December 2022, the company held no own shares. By 31 December 2022, however 1,694,816 STRABAG shares had been tendered for sale in the mandatory bid, which is why these shares are already to be presented as own shares in the annual financial statements (UGB). On 18 August 2022, Haselsteiner Familien Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. and UNIQA Österreich Versicherungen AG announced their intention to make a mandatory (anticipatory) public offer pursuant to Sec 22 et seq of the Austrian Takeover Act (ÜbG) for the acquisition of all outstanding no-par value bearer shares of STRABAG SE (ISIN AT000000STR1) not held by themselves nor by MKAO "Rasperia Trading Limited", with an offer price of € 38.94 per STRABAG share. In connection with the announcement of the mandatory offer, STRABAG SE entered into a share purchase agreement with the bidders on 18 August 2022, pursuant to which STRABAG SE agreed to acquire, as own shares, up to 10% of the share capital tendered into the mandatory offer at the same price as the offer price. Within the framework of this share purchase agreement, STRABAG SE, on 9 February 2023 acquired 2,779,006 shares (2.7% of the share capital) on the basis of authorisation granted by the Annual General Meeting of 24 June 2022 pursuant to Sec 65 Para 1 No 8 of the Austrian Stock Corporation Act (see item 10). The rights from these 2,779,006 shares are therefore now suspended in accordance with Sec 65 Para 5 AktG .

5. To the knowledge of STRABAG SE, the following shareholders held a direct or indirect interest of at least 10.0% of the share capital of STRABAG SE on 31 December 2022:

- Haselsteiner Group ………………….. 28.3%
- Raiffeisen Group…………………….. 14.2%
- UNIQA Group……………………….. 15.3%
- MKAO „Rasperia Trading Limited"…. 27.8%

6. As at 31 December 2022, the remaining shares of STRABAG SE, amounting to around 14.4% of the share capital, were in free float. The company held no own shares at the reporting date. By 31 December 2022, however 1,694,816 STRABAG shares had been tendered for sale in the mandatory bid, which is why these shares are already to be presented as own shares in

the annual financial statements (UGB). As stated in item 4, however, the company acquired 2,779,006 of its own shares on 9 February 2023.

7. Three shares of STRABAG SE are – as mentioned in item 1 – registered shares. Registered shares No. 1 and No. 2 allow their bearers to nominate a member each to the Supervisory Board of STRABAG SE; disposition of these registered shares, including their full or partial sale and pledging, requires the consent of the Supervisory Board. Registered share No. 1 is held by Klemens Peter Haselsteiner. Registered share No. 2 is held by MKAO “Rasperia Trading Limited”. Since – as explained in item 2 – the EU Sanctions Regulation applies to MKAO “Rasperia Trading Limited”, its right from registered share No. 2 to nominate a member of the Supervisory Board is currently suspended.

8. No employee stock option programmes exist.

9. No further regulations exist beyond items 4 and 7 regarding the nomination and recall of members of the Management and Supervisory Boards or regarding changes to the Articles of Association which are not a direct result from relevant law and legislation.

10. The Management Board of STRABAG SE was authorised by resolution of the 18th Annual General Meeting on 24 June 2022 (i) to acquire own shares, in accordance with Sec 65 Para 1 No 8 as well as Para 1a and 1b of the Austrian Stock Corporation Act (AktG), on the stock exchange, by public tender or in any other manner to the extent of up to 10 % of the share capital, excluding any proportionate selling rights that may accompany such an acquisition (reverse exclusion of subscription rights), (ii) to reduce the share capital by withdrawing own shares acquired without a further resolution by the General Meeting, and (iii) to sell or assign own shares, in accordance with Sec 65b Para 1 AktG, in a manner other than on the stock market or through a public tender, even to the exclusion of the shareholders’ buyback rights (subscription rights).

11. As already stated in item 4, the company has made partial use of the authorisation to acquire own shares granted by the Annual General Meeting on 24 June 2022 with the acquisition of 2,779,006 own shares on 9 February 2023.

12. With the exception of the agreements over a syndicated surety loan and a syndicated cash credit line, there exist no significant agreements to which STRABAG SE is party and which would become effective, change or end due to a change of control in STRABAG SE following a takeover offer.

13. No compensation agreements exist between STRABAG SE and its Management and Supervisory Board members or employees in the event of a public takeover offer.

Related parties

Business transactions with related parties are described in item 38 of the Notes.

Outlook

The Management Board expects to be able to maintain the output volume at a high level in 2023 despite the challenging environment; specifically, the forecast is for € 17.9 billion. All three operating segments should make a solid contribution to this amount.

An EBIT margin (EBIT/revenue) of at least 4% is expected for the 2023 financial year. This value is in line with our goal to generate an EBIT margin of at least 4% on a sustainable basis from 2022 onwards.

Net investments (cash flow from investing activities) in 2023 will likely not exceed € 600 million.

Events after the reporting period

The material events after the reporting period are described in item 41 of the Notes.

Villach, 6 April 2023

The Management Board

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

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

Dipl.-Ing. (FH) Jörg Rösler m.p.
Responsibility Segment North + West

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

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

AUDITOR'S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Audit Opinion

We have audited the consolidated financial statements of

STRABAG SE,
Villach, Austria,

and its subsidiaries ("the Group"), which comprise the consolidated Balance Sheet as at 31 December 2022, and the Consolidated Income Statement and Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with the EU Regulation 537/2014 ("AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Measurement of construction contracts and revenue and earnings from construction contracts

Refer to notes section (1), (17) and (22)

Risk for the Consolidated Financial Statements

Revenue recognized in the consolidated financial statements of STRABAG SE as of 31 December 2022 mainly consists of revenue from construction contracts, which is accounted for according to the stage of completion (over time recognition using an output-oriented method on the basis of the work already performed). Furthermore, the share of profit or loss of equity-accounted investments includes significant amounts of profit or loss from projects managed in cooperation with partners in construction consortia, which are also recognized over time based on an output method.

The stage of completion for construction contracts, whether executed alone or in cooperation with partners, is updated on an ongoing basis by means of periodic reporting. Besides the services already performed and the order backlog, taking into account contract deviations and supplementary claims, periodic reporting also includes the costs incurred to date as well as remaining costs to be incurred. The data used in the measurement of construction contracts includes estimates regarding the progress and expected outcome of projects. Profit or loss is recognized according to the stage of completion of a project (over time recognition using an output-oriented method on the basis of the work already performed).

Especially technically complex and demanding projects involve risk that estimated total cost deviate considerably from actual cost incurred. Additionally, there is a risk of non-recoverable receivables from construction contracts and construction consortia.

Our Response

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

- Our audit procedures included the assessment of controls in connection with the recognition and measurement of construction contracts as well as a test of details for significant large projects and random samples of other projects.

- In the course of testing internal controls in respect of the accounting for projects, we critically analyzed the relevant controls and performed an assessment of their operating effectiveness. These controls include in particular automated IT-supported controls for the purpose of determining the relevant amounts respective in the financial statements as well as system test routines for identifying abnormalities.

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

    - Systematic and detailed inquirie regarding selected significant construction contracts, in order to verify the accurate accounting, particularly in respect of project risks

    - Sample-based examination of contracts in respect of their components significant to the assessment

    - Discussions with the Management Board and the operating management regarding individually significant projects in order to assess the planning assumptions

    - A critical analysis of the internal project reporting, in order to evaluate whether all known information was taken into account in the preparation of the financial statements

    - Sample-based assessment of the recoverability of accounts receivable from construction contracts (contract assets) and construction consortia

    - Retrospective assessment of individually significant projects in connection with estimation uncertainties

- Furthermore, we analyzed whether the required disclosures in the notes to the consolidated financial statements include all necessary explanations regarding to revenue recognized from construction contracts and construction consortia and whether they appropriately describe the significant estimation uncertainties.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

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

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

— We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

— We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

— We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

— We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.

— From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

REPORT ON OTHER LEGAL REQUIREMENTS

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Additional Information in accordance with Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on 24 June 2022 and were appointed by the supervisory board on 24 June 2022 to audit the financial statements of Company for the financial year ending on 31 December 2022.

In addition, during the Annual General Meeting, we have been elected as auditors for the following financial year and appointed by the supervisory board.

We have been auditors of the Company, without interruption, since the consolidated financial statements at 31 March 1999.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

ENGAGEMENT PARTNER

The engagement partner is Mr Mag. Gerold Stelzmüller.

Linz, 6 April 2023

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

qualified electronically signed:

Mag. Gerold Stelzmüller

Wirtschaftsprüfer

(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

This document was signed with a qualified electronic signature and only this electronic version is 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.

INDIVIDUAL FINANCIAL STATEMENTS 2022

STRABAG
SOCIETAS EUROPAEA

INDIVIDUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

Balance sheet as at 31 December 2022

	31.12.2022	31.12.2021
Assets	**€**	**T€**
A. Non-current assets:		
I. Tangible assets:		
Other facilities, furniture and fixtures and office equipment	1,026,912.46	1,050
II. Financial assets:		
1. Investments in subsidiaries	2,542,740,220.41	2,529,607
2. Investments in participation companies	24,366,674.57	24,140
3. Loans to participation companies	75,057,022.81	83,950
4. Other loans	23,587.30	23
	2,642,187,505.09	2,637,720
	2,643,214,417.55	**2,638,770**
B. Current assets:		
I. Accounts receivable and other assets:		
1. Trade receivables	2,601.43	34
2. Receivables from subsidiaries	519,616,259.74	619,495
thereof with a remaining term more than one year	*269,713,990.40*	*272,642*
3. Receivables from participation companies	5,696,050.21	5,167
4. Other receivables and assets	24,584,377.52	24,869
thereof with a remaining term more than one year	*20,919,428.57*	*24,406*
	549,899,288.90	649,565
II. Cash assets, including bank accounts	495,188.17	4,604
	550,394,477.07	**654,169**
C. Accrual and deferrals	**10,599,024.00**	**93**
D. Deferred tax assets	**12,343,328.00**	**15,778**
Group	**3,216,551,246.62**	**3,308,809**

Equity and liabilities	31.12.2022 €	31.12.2021 T€
A. Equity:		
I. Called up and paid in nominal capital (share capital):		
Subscribed nominal capital (share capital)	102,600,000.00	102,600
less nominal value of own shares	-1,694,816.00	0
	100,905,184.00	102,600
II. Capital reserves (committed)	2,159,447,129.96	2,159,447
III. Retained earnings:		
1. Legally required reserves	72,672.83	73
2. Voluntary reserves	214,834,055.87	21,211
	214,906,728.70	21,283
IV. Reserves for own shares	1,694,816.00	0
V. Unappropriated net profit	502,740,000.00	707,940
thereof profit brought forward	*502,740,000.00*	*0*
	2,979,693,858.66	**2,991,270**
B. Provisions:		
1. Provisions for taxes	728,407.00	1,012
2. Other provisions	18,393,587.00	22,495
	19,121,994.00	**23,507**
C. Accounts payable		
1. Bonds	0.00	200,000
thereof with a remaining term up to one year	*0.00*	*200,000*
2. Trade payables	1,926,285.34	1,703
thereof with a remaining term up to one year	*1,926,285.34*	*1,703*
3. Payables to subsidiaries	107,121,546.74	87,234
thereof with a remaining term up to one year	*107,121,546.74*	*87,234*
4. Payables to participation companies	586,441.87	398
thereof with a remaining term up to one year	*586,441.87*	*398*
5. Other payables	108,101,120.01	4,697
thereof taxes	*445,842.95*	*1,269*
thereof social security liabilities	*29,661.09*	*25*
thereof to shareholder with frozen shareholder rights	*41,325,001.45*	*0*
thereof with a remaining term up to one year	*108,101,120.01*	*4,697*
	217,735,393.96	**294,032**
thereof with a remaining term up to one year	*217,735,393.96*	*294,032*
Group	**3,216,551,246.62**	**3,308,809**

Income statement for the 2022 financial year

	2022 €	2021 T€
1. Revenue (Sales)	83,374,420.28	70,589
2. Other operating income		
a) Income from disposal of and reversal of impairment losses of non-current assets other than financial assets	0.00	22
b) Miscellaneous	23,428.36	11
	23,428.36	**33**
3. Cost of materials and services:		
a) Materials	-37,450.10	-34
b) Services	-23,300,615.58	-20,205
	-23,338,065.68	**-20,239**
4. Employee benefits expense:		
a) Salaries	-9,709,969.25	-9,865
b) Social expenditure	-1,264,051.80	-818
thereof contributions to employee benefit plans	*-111,211.37*	*-96*
thereof social security contributions, as well as payroll-related and other mandatory contributions	*-603,976.81*	*-514*
thereof other social expenditure	*-548,863.62*	*-208*
	-10,974,021.05	**-10,683**
5. Depreciation	-23,317.32	-22
6. Other operating expenses:		
a) Taxes other than those included in item 15	-292,451.90	-116
b) Miscellaneous	-31,570,690.47	-22,638
	-31,863,142.37	**-22,754**
7. Subtotal of items 1 through 6 (operating result)	**17,199,302.22**	**16,924**
8. Income from investments	251,950,432.35	569,284
thereof from subsidiaries	*245,971,104.16*	*561,812*
9. Other interest and similar income	8,290,579.79	8,913
thereof from subsidiaries	*4,012,294.10*	*4,612*
10. Income from disposal and write-up of financial assets and marketable securities	0.00	1,438
11. Expenses related to financial assets:		
a) Depreciation from subsidiaries	-3,330,365.28	-1,646
b) Other depreciation	-700,000.00	0
c) Other expenses from subsidiaries	-3,117,129.61	-4,500
d) Other	-150,000.00	-4,754
	-7,297,494.89	**-10,901**
12. Interest and similar income	-4,306,471.01	-4,578
thereof from subsidiaries	*-3,222,364.54*	*-729*
13. Subtotal of item 8 through 12 (financial result)	**248,637,046.24**	**564,156**
14. Result before taxes	**265,836,348.46**	**581,080**
15. Taxes on income and gains	-6,216,755.00	-2,751
thereof income tax	*-1,049,906.94*	*-840*
thereof tax allocation	*-1,732,184.06*	*2,501*
thereof deferred tax income	*-3,434,664.00*	*-4,413*
16. Income after taxes = net income for the year	**259,619,593.46**	**578,329**
17. Reversal of retained earnings (voluntary reserves)	0.00	129,611
18. Allocation to retained earnings (voluntary reserves)	-259,619,593.46	0
19. Profit for the period	**0.00**	**707,940**
20. Profit brought forward	502,740,000.00	0
21. Unappropriated net profit	**502,740,000.00**	**707,940**

NOTES TO THE 2022 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 2022 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 2022 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.

INFORMATION ON THE UKRAINE WAR

On 24 February 2022, Russia attacked Ukraine. STRABAG condemns this war of aggression by Russia on Ukraine in the strongest possible terms and has initiated and is financing extensive aid measures for Ukrainian refugees, especially in the most affected group countries of Poland, the Czech Republic and the Republic of Moldova.

STRABAG has no business activities in Ukraine itself. STRABAG SE is winding up its business in Russia.

Due to the existing shareholder structure – 27.8% of the share capital of STRABAG SE is held by MKAO "Rasperia Trading Limited", which is controlled by Oleg Deripaska – STRABAG has also been affected in other ways by Russia's aggression and the resulting sanctions.

To avert any potential harm to the company, the Management Board of STRABAG SE already decided on 15 March 2022 – at a time when two important markets for STRABAG, the United Kingdom and Canada, had imposed sanctions against Oleg Deripaska – to withhold dividend payments to MKAO "Rasperia Trading Limited".

At the same time, the existing syndicate agreement between the Haselsteiner, Raiffeisen/Uniqa and MKAO "Rasperia Trading Limited" shareholder groups was terminated by the Haselsteiner Familien-Privatstiftung with effect from 31 December 2022. The sanctions imposed by the EU against Oleg Deripaska on 8 April 2022, in particular the asset freeze, suspend any rights of MKAO "Rasperia Trading Limited" associated with its STRABAG SE shares. STRABAG SE has taken all the necessary steps to ensure compliance with the sanctions and to prevent Oleg Deripaska from exerting even indirect influence on STRABAG. Accordingly, Supervisory Board member Thomas Bull, who was delegated by MKAO "Rasperia Trading Limited", was recalled at the Extraordinary General Meeting on 5 May 2022. Supervisory Board member Dr. Hermann Melnikov, who had been nominated by MKAO "Rasperia Trading Limited", voluntarily resigned his post.

These actions were unavoidable in order to protect STRABAG and its image, especially in the countries of Central and Eastern Europe, or to minimise any harmful effects.

In the 2022 financial year, only the orders in Russia that had been in place before the start of the war in Ukraine continued to be fulfilled. New orders are no longer accepted.

NOTES ON MACROECONOMIC DEVELOPMENTS

The price increases for energy and construction materials triggered by the Ukraine war pose major challenges for the construction industry as well.

Fuel for the vehicle and construction equipment fleet accounts for a large part of energy costs. Despite intense consideration of alternatives, alternative power sources for the vehicle fleet and for construction machinery are not yet a feasible option.

After some very dynamic cost development in the first few months after the start of the war, prices began to stabilise to a certain extent, although at a high level – where they are likely to remain for the long term.

The availability of construction materials improved over the course of the year, and the main supply chains are again intact. The management is addressing supply chain risks with a high degree of decentralisation, the long-term procurement of raw materials, in-house production of construction materials and a proactive pricing policy.

The high construction prices and increased interest rates are bound to have an impact on demand. The group's broad diversification, however, will cushion these effects. Public sector orders in particular, most of which contain escalation clauses, will have a stabilising effect. Management expects the public sector to continue to place orders on a steady basis.

IMPACT OF CLIMATE CHANGE

The climate crisis is one of the most pressing challenges of our time, bringing with it increasing economic impacts and risks for businesses in the future.

Stricter legislation on energy standards within the EU and increasing requirements for the circularity of buildings are expected in the future. Public sector clients are starting to issue tenders that include sustainability as an evaluation criterion.

Demand is set to increase for sustainable buildings that take life-cycle considerations into account as well as for renovation work on existing buildings. This will lead to an increased demand for sustainable building materials, which, however, do not yet exist or are not yet available in sufficient quantities.

Stricter energy legislation along with delays in construction due to extreme weather events are expected to lead to increased costs and a further rise in construction prices.

The property and facility services business will increasingly offer green services using sustainable cleaning agents and environmentally friendly equipment in the future. The higher average temperatures are expected to result in an increased need for refurbishment and modernisation at IT locations for telecommunications and at data centres.

In the field of project development services, more projects related to renewable energies will be put out to tender in the future.

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.

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

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 / as of 2023 € 1,000.00) 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 future corporate income tax rate of 23 % respectively 24 % (previous year: 25 %). No deferred tax assets are recognized for tax loss carryforwards.

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).

Of the loans, an amount of € 5,381,330.00 (previous year: T€ 0) is due within the next year.

ACCOUNTS RECEIVABLE AND OTHER ASSETS

Receivables from subsidiaries involve 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 € 159,669.48 (previous year: T€ 399) which will be cash effective after the balance sheet date.

PREPAID EXPENSES

Prepaid Expenses mainly relate to an accrual for sponsoring in the amount of € 10,000,000.00 (previous year: T€ 0).

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:

	31.12.2022	31.12.2021
	€	T€
Property, plant and equipment	0.00	1
Financial assets	0.00	347
Remaining seventh from depreciation of participation	46,236,555.00	50,252
Provisions	7,204,000.00	10,480
Liabilities	216,667.00	2,031
Total	**53,657,222.00**	**63,111**
Resulting deferred taxes on 31.12. (23 % respectively 24 % / previous year: 25 %)	**12,343,328.00**	**15,778**

The deferred taxes developed as follows:

	2022	2021
	€	T€
Balance on 1.1.	**15,777,992.00**	**20,191**
Change in profit or loss	-3,434,664.00	-4,413
Balance on 31.12.	**12,343,328.00**	**15,778**

EQUITY

The fully paid-in share capital amounts to € 102,600,000.00 and is divided into 102,599,997 no-par bearer shares and three registered shares.

The following resolutions were passed among others at the 18th Annual General Meeting of STRABAG SE held on 24 June 2022:

The Management Board shall be authorised, in accordance with Section 65 Para 1 No 8 as well as Para 1a and 1b of the Austrian Stock Corporation Act (AktG), to acquire no-par value bearer or registered shares of the company on the stock exchange, by public tender or in any other manner to the extent of up to 10% of the share capital during a period of 30 months from the date of this resolution at a minimum price of € 1.00 per share (= calculated value of one share in proportion to the share capital) and a maximum price of € 42.00 per share. The purpose of the acquisition may not be to trade with own shares. This authorisation may be exercised once or several times, in full or in part or in several partial amounts, and in pursuit of one or several purposes by the company, by a subsidiary (Section 189a Para 7 of the Austrian Commercial Code (UGB)) or by third parties acting on behalf of the company. The authorisation will be exercised by the Management Board in such a way that the proportion of the share capital associated with the shares acquired by the company on the basis of this authorisation or otherwise may not exceed 10% of the share capital at any time.

An acquisition may be decided by the Management Board; the Supervisory Board must be subsequently informed of this decision.

The Management Board shall be authorised, with regard to the acquisition of no-par value bearer or registered shares of the company (resolution item 1), to exclude the shareholders' proportionate selling rights that may accompany such an acquisition (reverse exclusion of subscription rights). An acquisition under exclusion of the proportionate selling rights (reverse exclusion of subscription rights) is subject to the prior consent of the Supervisory Board.

The Management Board shall be authorised to withdraw, with the consent of the Supervisory Board, all or part of the own shares acquired by the company without a further resolution by the General Meeting.

The Management Board shall be authorised, for a period of five years from this resolution, to sell or assign its own shares, with approval by the Supervisory Board, in accordance with Section 65 Para 1b AktG in a manner other than on the stock market or through a public tender, to the exclusion of the shareholders' buyback rights (subscription rights), and to determine the conditions of sale. The authorisation may be exercised once or several times, in full or in part or in several partial amounts, and in pursuit of one or several purposes by the company, by a subsidiary (Section 189a Para 7 UGB) or by third parties acting on behalf of the company.

On 18 August 2022 Haselsteiner Familien-Privatstiftung, Dr. Hans Peter Haselsteiner and Klemens Haselsteiner, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and a group company as well as UNIQA Insurance Group AG and group companies, have concluded a new long-term syndicate agreement to continue the existing core shareholder syndicate for STRABAG SE.

The Management Board of STRABAG SE welcomes the continuation of the core shareholder group, which supports the company's successful strategic orientation and growth.

Mandatory offer by core shareholders

On 18 August 2022 Haselsteiner Familien-Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and UNIQA Österreich Versicherungen AG informed STRABAG SE of their intention, as bidders, to make a mandatory (anticipatory) public offer pursuant to Section 22 et seq of the Austrian Takeover Act (ÜbG) for the acquisition of all outstanding no-par value bearer shares of STRABAG SE (ISIN AT0000STR1) not held by the bidders or by legal entities acting in concert with the bidders, with an offer price of € 38.94 per STRABAG share.

The offer is also intended to remove the current restriction on voting rights of the bidders (and the legal entities acting jointly with them) to a total of 26%, which arose due to a passive acquisition of control because of the European sanction restrictions on MKAO "Rasperia Trading Limited".

Agreement on the acquisition of own shares by STRABAG SE

STRABAG SE has agreed with the bidders to acquire, as own shares, up to 10,260,000 of the shares included in the offer, representing up to 10% of the share capital, at the same price as the offer price (€ 38.94). The bidders will acquire these shares in the course of the offer in trust for STRABAG SE.

This agreement is based on the resolution adopted by the General Meeting on 24 June 2022 authorising the Management Board to buy back own shares.

By December 31, 2022, 1,694,816 shares had been bindingly tendered for sale in the tender offer, which is why these shares are to be presented as own shares in the financial statements. The acquisition costs for these shares amounting to € 65,996,135.04 were deducted directly from retained earnings and recognized as other liabilities.

STRABAG SE acquired 2,779,006 shares under the share purchase agreement on 9 February 2023. The acquisition costs for the own shares therefore amounted to a total of € 108,214,493.64.

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 € 7,400,000.00 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 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 € 1,335,661.20 (previous year: T€ 3,410) which will be cash effective after the balance sheet date.

Other liabilities to shareholder with frozen shareholder rights

The minority shareholder MKAO “Rasperia Trading Limited” is controlled by Russian businessman Oleg Deripaska, who was added to the sanctions lists in the following jurisdictions: Canada (on 6 March 2022), United Kingdom (on 10 March 2022), Australia (on 18 March 2022), European Union (on 8 April 2022), Switzerland (on 13 April 2022) and Poland (26 April 2022). Due to the EU sanctions against Oleg Deripaska, the shares of MKAO „Rasperia Trading Limited“ in STRABAG SE and all rights associated with these shares, including voting rights and dividend entitlements, are frozen. Since the EU sanctions came into force on 8 April 2022, MKAO “Rasperia Trading Limited” therefore no longer constitutes a related party.

A dividend of € 2.00 per share was approved at the Annual General Meeting of 24 June 2022. As the dividend claims from the shares held by MKAO “Rasperia Trading Limited” are frozen due to the sanctions imposed on Oleg Deripaska, the dividend attributable to MKAO “Rasperia Trading Limited” less capital gains tax in the amount of € 41,325,001.45 was not paid out but is recognised under other liabilities.

CONTINGENT LIABILITIES

	31.12.2022	**31.12.2021**
	€	**T€**
Sureties/Guarantees	124,438,751.58	145,288
Cash-Clearing Liabilities	1,417,872,284.50	1,266,505
Total	**1,542,311,036.08**	**1,411,793**
thereof with subsidiaries	1,478,565,080.67	1,341,800

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 2022 is € 438,960,935.88 (previous year: T€ 517,590).

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 2022 amount to € 978,911,348.62 (previous year: T€ 748,915).

Furthermore performance bonds in the amount of € 1,026,967,957.91 (previous year: T€ 688,245) 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 € 8,256,170.40 (previous year: T€ 7,468) for the 2023 financial year. The sum of all obligations for the next five years is € 41,280,852.00 (previous year: T€ 37,338).

OTHER FINANCIAL OBLIGATIONS

As a result of the obligation to purchase up to 10,260,000 shares, there is a financial obligation of € 42,218,358.60 as of the reporting date. The total obligation under the share purchase agreement amounts to € 108,214,493.64, of which € 65,996,135.04 has already been recognized as a liability as of December 31, 2022.

For more details, please refer to the explanations in equity.

IV. Notes to the income statement

REVENUES (SALES)

	2022 €	2021 T€
Domestic revenue	39,687,236.20	36,008
Foreign revenue	43,687,184.08	34,581
Total	**83,374,420.28**	**70,589**

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 2022 financial year amounted to T€ 9,815 (previous year: T€ 9,815).

In the financial year, a member of the Management Board received a pension benefit of T€ 80 (previous year: T€ 76) from his previous activity in a group company.

OTHER OPERATING EXPENSES

Supervisory Board member salaries in the period under review amounted to € 244,356.00 (previous year: T€ 270).

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

No material events occurred after the balance sheet date.

APPROPRIATION OF NET INCOME

The Management Board proposes to pay out a dividend in the amount of € 2.00 per share for the 2022 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 2023 financial year.

The expenses for the auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, for the financial year amount to T€ 889 (previous year: T€ 799), of which T€ 69 (previous year: T€ 64) are for the audit of the financial statements, T€ 730 (previous year: T€ 682) for other audit services and T€ 90 (previous year: T€ 53) for miscellaneous services.

In addition, T€ 88 (previous year: T€ 37) were calculated for miscellaneous services to subsidiaries.

Villach, 06 April 2023

The Management Board

Klemens Haselsteiner, BBA, BF m.p.

Mag. Christian Harder m.p.

Dipl.-Ing. (FH) Jörg Rösler 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 2022

T€	Balance as at 1.1.2022	Acquisition and production costs Additions	Transfers	Disposals	Balance as at 31.12.2022
I. Tangible assets:					
Other facilities, furniture and fixtures and office equipment	1,318,105.20	0.00	0.00	0.00	1,318,105.20
	1,318,105.20	**0.00**	**0.00**	**0.00**	**1,318,105.20**
II. Financial assets:					
1. Investments in subsidiaries	2,739,627,166.45	18,772,448.67	0.00	2,409,203.00	2,755,990,412.12
2. Investments in participation companies	35,290,683.57	927,000.00	0.00	0.00	36,217,683.57
3. Loans to participation companies	83,949,578.46	3,465,664.84	0.00	12,358,220.49	75,057,022.81
4. Other loans	22,930.48	656.82	0.00	0.00	23,587.30
	2,858,890,358.96	**23,165,770.33**	**0.00**	**14,767,423.49**	**2,867,288,705.80**
Group	**2,860,208,464.16**	**23,165,770.33**	**0.00**	**14,767,423.49**	**2,868,606,811.00**

					Accumulated depreciation	Carrying amounts	
Balance as at 1.1.2022	**Additions**	**Reversal of impairment losses**	**Transfers**	**Disposals**	**Balance as at 31.12.2022**	**Carrying amount 31.12.2022**	**Carrying amount 31.12.2021**
267,875.42	23,317.32	0.00	0.00	0.00	291,192.74	1,026,912.46	1,050,229.78
267,875.42	**23,317.32**	**0.00**	**0.00**	**0.00**	**291,192.74**	**1,026,912.46**	**1,050,229.78**
210,019,825.43	3,330,365.28	0.00	0.00	99,999.00	213,250,191.71	2,542,740,220.41	2,529,607,341.02
11,151,009.00	700,000.00	0.00	0.00	0.00	11,851,009.00	24,366,674.57	24,139,674.57
0.00	0.00	0.00	0.00	0.00	0.00	75,057,022.81	83,949,578.46
0.00	0.00	0.00	0.00	0.00	0.00	23,587.30	22,930.48
221,170,834.43	**4,030,365.28**	**0.00**	**0.00**	**99,999.00**	**225,101,200.71**	**2,642,187,505.09**	**2,637,719,524.53**
221,438,709.85	4,053,682.60	0.00	0.00	99,999.00	225,392,393.45	2,643,214,417.55	2,638,769,754.31

List of participations

(20.00 % interest minimum)

Name and residence of the company:	Interest %	Equity/ negative Equity[1] T€	Result of the financial year[2] T€
Investments in subsidiaries:			
"A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH", Spittal an der Drau	100.00	14,300	5,758
"SBS Strabag Bau Holding Service GmbH", Spittal an der Drau	100.00	297,182	14,041
"Strabag Azerbaijan" Limited Liability Company, Baku	100.00	1,340	44
"Strabag" d.o.o. Podgorica, Podgorica	100.00	6,282	63
Asphalt & Beton GmbH, Spittal an der Drau	100.00	8,466	-644
Bau Holding Beteiligungs GmbH, Spittal an der Drau	65.00	1,428,748	84,056
BHG Sp. z o.o., Pruszkow	100.00	4,353	631
CML CHILE SPA, Vitacura	100.00	[4]	[4]
CML Construction Services AB, Stockholm	100.00	4	0
CML Construction Services, Antwerpen	100.00	49	-7
CML Construction Services A/S, Trige	100.00	83	-2
CML Construction Services d.o.o. Beograd, Belgrade	100.00	149	35
CML CONSTRUCTION SERVICES d.o.o., Zagreb	100.00	192	13
CML Construction Services EOOD, Sofia	100.00	-3	-6
CML Construction Services GmbH, Cologne	100.00	969	895
CML Construction Services GmbH, Schlieren	100.00	157	16
CML Construction Services GmbH, Vienna	100.00	240	-20
CML CONSTRUCTION SERVICES LIMITED, London	100.00	-58 [3]	-60 [3]
CML CONSTRUCTION SERVICES Sp. z o.o., Pruszkow	100.00	450	-16
CML CONSTRUCTION SERVICE S.R.L., Bologna	100.00	40	16
CML CONSTRUCTION SERVICES s. r. o., Bratislava	100.00	171	18
CML CONSTRUCTION SERVICES s.r.o., Prague	100.00	176	24
CML Construction Services Zrt., Budapest	100.00	286	50
DC1 Immo GmbH, Vienna	100.00	693	-121
DRP, d.o.o., Ljubljana	100.00	-8,431	0
ERRICHTUNGSGESELLSCHAFT STRABAG SLOVENSKO s.r.o., Bratislava-Ruzinov	100.00	8,395	331
Erste Nordsee-Offshore-Holding GmbH, Vienna	51.00	114	-1,123
KMG - KLIPLEV MOTORWAY GROUP A/S, Trige	100.00	2,187	264
Mazowieckie Asfalty Sp. z o.o., Pruszkow	100.00	-37 [3]	-4 [3]
Mineral Abbau GmbH, Spittal an der Drau	100.00	15,130	2,543
OOO "CML", Moscow	100.00	363	-7
PRZEDSIEBIORSTWO ROBOT DROGOWYCH SPOLKA Z OGRANICZONA ODPOWI WLIKWIDACJI, Choszczno	100.00	[4]	[4]
SAT REABILITARE RECICLARE SRL, Cluj-Napoca	100.00	3,552	1,180
SAT SANIRANJE cesta d.o.o., Zagreb	100.00	401	-9
SAT SLOVENSKO s.r.o., Bratislava	100.00	2,184	313
SF Bau vier GmbH, Vienna	100.00	2,658	-121
STRABAG A/S, Trige	100.00	0	-11
STRABAG AG, Schlieren	100.00	-25,298	7,299
STRABAG AG, Cologne	100.00	1,235,684	329,846
STRABAG Infrastruktur Development, Moscow	100.00	134	168
STRABAG Oy, Helsinki	100.00	-18	-197
STRABAG Real Estate GmbH, Cologne	28.40	157,784	35,580
Strabag RS d.o.o., Banja Luka	100.00	-793	-40
STRABAG Silnice a.s., Prague	100.00	2.798	69
TECH GATE VIENNA Wissenschafts- und Technologiepark GmbH, Vienna	94.00	8,565	1,996
TPA GmbH, Cologne	100.00	2,716	996
Zweite Nordsee-Offshore-Holding GmbH, Vienna	51.00	-9,066	-4,445

1 according to Para 224 Sec 3 UGB
2 net income/loss of the year
3 Financial statements as of 31.12.2021
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]
EPM PSO GmbH & Co KG, Spittal an der Drau	20.00	[4]	[4]
GDK Flight Management GmbH (formerly: Goldeck Flight Management GmbH), Spittal an der Drau	20.00	[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, Baden	50.00	[4]	[4]
SOCIETATEA COMPANIILOR HOTELIERE GRAND SRL, Bucharest	35.31	[4]	[4]
SRK Kliniken Beteiligungs GmbH, Baden	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 Para 224 Sec 3 UGB
2 net income/loss of the year
3 Financial statements as of 31.12.2021
4 no statement according to Para 242 Sec 2 UGB

Management and Supervisory Board

Management Board:

Klemens H a s e l s t e i n e r, BBA, BF (CEO since 1 January 2023)

Dr. Thomas B i r t e l (CEO until 31 December 2022)

Mag. Christian H a r d e r

Dipl.-Ing. (FH) Jörg R ö s l e r (since 1 January 2023)

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

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

Dipl.-Ing. Dr. Peter K r a m m e r (until 12 June 2022)

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

Mag. Kerstin G e l b m a n n

Mag. Gabriele S c h a l l e g g e r (since 24 June 2022)

Thomas B u l l (until 5 May 2022)

Dr. Hermann M e l n i k o v (until 13 April 2022)

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 I n é (works council until 5 May 2022 and since 24 June 2022)

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)

Miroslav Č e r v e n ý (works council until 5 May 2022)

GROUP MANAGEMENT REPORT

Important events

FEBRUARY

STRABAG continues upgrade of S19 expressway in Poland for € 85 million

The Group's Polish subsidiary received another major contract to expand the S19 expressway in Poland. The project comprises approximately 7.5 km of new roadway plus a further 6.2 km upgrade of the carriageway of the Międzyrzec Podlaski bypass as part of the second construction stage. The contract will be implemented over a period of 42 months as a design-and-build project.

MARCH

Core shareholder Haselsteiner Familien-Privatstiftung terminates syndicate agreement

On 15 March 2022, STRABAG was informed by its core shareholder Haselsteiner Familien-Privatstiftung that it had terminated as of 31.12.2022 the syndicate agreement in place with UNIQA Group, Raiffeisen Group and MKAO "Rasperia Trading Limited" after all efforts to acquire the Russian shares had failed. The syndicate agreement had been in effect since 2007 and, in addition to the nomination of Supervisory Board members, also provided for the coordination of voting results at the General Meeting.

STRABAG implements ÖGNI-certified Grünblick project in Vienna

STRABAG was commissioned by Value One to act as general contractor on the Grünblick residential project in Viertel Zwei in Vienna. Grünblick was already awarded the gold sustainability certificate by the Austrian Society for Sustainable Real Estate (ÖGNI). The urban development project, located directly at Vienna's Prater public park, involves the construction of 340 premium private flats on 27 floors, ranging in size from just under 44 m² to 134 m². The contract also includes retail space as well as a children's nursery on the ground floor and underground parking levels with around 220 parking spaces. The € 110 million project is scheduled for turnkey delivery to Value One in summer 2025.

The Grünblick project will be a residential tower in the car-free Viertel Zwei in the immediate proximity of Prater park and the Krieau Trabrennbahn (harness racing track)

APRIL

Sanctions against Oleg Deripaska

After Canada, the United Kingdom and Australia, the European Union on 8 April 2022 added Oleg Deripaska, who controls the STRABAG SE shareholder MKAO "Rasperia Trading Limited", to its sanctions list. The EU sanctions thus also apply to MKAO "Rasperia Trading Limited". STRABAG is not a sanctioned company, as STRABAG SE is not controlled by MKAO „Rasperia Trading Limited" (or indirectly by Oleg Deripaska) as defined by the sanction regulations.

MAY

Construction of headquarters for Volksbank Raiffeisenbank Bayern Mitte

STRABAG subsidiary ZÜBLIN was commissioned to build the company headquarters for Volksbank Raiffeisenbank Bayern Mitte in Ingolstadt, Germany. The building will be completed in an energy-efficient design with technologies such as concrete core temperature control and a photovoltaic system on the roof. Gold certification with the DGNB sustainability seal is also planned. The cooperation between Volksbank Raiffeisenbank Bayern Mitte and ZÜBLIN is based on the TEAMCONCEPT® partnering model, which focuses on the early involvement of the construction partner in the planning and a partnership-based handling of construction projects. Construction work should be completed by the end of 2024.

STRABAG Real Estate (SRE) is also involved in the DonauTower project: SRE was commissioned by the bank as a service developer in 2019, among other things to prepare the building site for construction in a project-related development plan.

Klemens Haselsteiner appointed new CEO

Klemens Haselsteiner succeeds Thomas Birtel as CEO

STRABAG received a new CEO effective from 1 January 2023. Klemens Haselsteiner succeeds Thomas Birtel, who was stepping down as CEO after ten years at the helm upon reaching the specified age limit. Haselsteiner has been on the Management Board since 2020, where he set up and established the Digitalisation, Corporate Development and Innovation portfolio. In addition to overseeing pilot projects, his focus as Chief Digital Officer was on the definition and implementation of a corporate-wide digitalisation and sustainability strategy.

JUNE

STRABAG subsidiary ZÜBLIN receives orders worth around € 283 million in Chile

With two new tunnelling contracts for the Candelaria Norte and El Teniente mines, the STRABAG Group is further advancing its successful mining business in Chile. The contracts have a total value of around € 283 million. Through its subsidiary ZÜBLIN, the company has spent the last 16 years developing the copper ore mine in the Atacama region, 650 km north of the capital Santiago. During this period, 140 km of tunnels in total have been built, and a further 40 km are to be constructed in the coming three-year contract period on behalf of client Lundin Mining.

The new contract also includes the loading and transport of more than three million tonnes of rock.

ZÜBLIN has been working for the client, the National Copper Corporation of Chile (CODELCO), at the El Teniente copper mine since 1992. The new two-year contract includes, among other things, the development of a tunnel system with a length of 13.4 km on different levels, 1,503 m of vertical shafts, and other infrastructure work. The company is currently working on seven major projects in Chile, including mining projects in Chuquicamata, Candelaria and El Teniente as well as laying 140 foundations for the largest wind farm in South America with a projected output of 778 MW. After its completion, the wind farm will cover the energy needs of around 700,000 households.

JULY

Federal Competition Authority requests review of antitrust decision

On 21 October 2021, the Vienna Higher Regional Court (OLG), sitting as the Cartel Court, issued a final decision in the antitrust proceedings against STRABAG AG and F. Lang u. K. Menhofer Baugesellschaft m.b.H & Co. KG and a fine of € 45.37 million was imposed on the two group companies. The Austrian Federal Competition Authority (BWB) subsequently requested that this decision should be reviewed. The Cartel Court rejected the motion. The BWB and the Federal Cartel Prosecutor have appealed against the ruling. A decision by the Austrian Supreme Court (OGH) is pending.

Modernisation of railway line between Zagreb and Rijeka for € 228 million

STRABAG signed a contract in Croatia for the modernisation of a 44 km railway line between Zagreb and the port city of Rijeka. The order includes, among other things, the upgrade of the existing track, construction of a new track and the modernisation of several stations and stops. The contract has a value of € 228 million and is mainly being co-financed through the European Union's Cohesion Fund.

AUGUST

Core shareholders of STRABAG SE agree on new syndicate

The core shareholders Haselsteiner Familien-Privatstiftung, the UNIQA Group and Raiffeisen Group concluded a new syndicate agreement on 18 August 2022. The Management Board of STRABAG SE welcomes the continuation of the core shareholder group, which supports the company's successful strategic orientation and growth.

Austrian core shareholders make mandatory offer required as a result of MKAO "Rasperia Trading Limited" asset freeze

The asset freeze imposed by the EU prohibits MKAO "Rasperia Trading Limited" from exercising all rights associated with its STRABAG SE shares. This had the following consequence in accordance with the Austrian Takeover Act: the remaining core shareholders – Haselsteiner Familien-Privatstiftung, the UNIQA Group and Raiffeisen Group – acquired passive control over STRABAG SE. By law, this triggered a restriction of the voting rights of the Austrian core shareholders to a combined 26% despite the fact that they effectively hold 57.8% of the shares.

To lift the legal restriction on voting rights, it was necessary for Haselsteiner Familien-Privatstiftung, the UNIQA Group and Raiffeisen Group to make an anticipatory mandatory offer. Pursuant to the Austrian Takeover Act, the voting right restriction will cease to apply following settlement of the offer.

SEPTEMBER

STRABAG gives itself new look, focuses on progress and sustainability

STRABAG is addressing the most pressing issues facing the construction industry in the future and is committing itself to becoming climate neutral along the entire value chain by 2040. In total, STRABAG is currently working on 250 innovation and 400 sustainability projects across the entire Group. All relevant information is summarised in the Work On Progress Hub at work-on-progress.strabag.com. The hub contains up-to-date details on the topics of digitalisation and innovation, the reduction of greenhouse gases, and materials and circularity. The site also offers further information on specific flagship and pilot projects that STRABAG is currently working on: building projects where STRABAG creates the walls using 3D concrete printing directly on site; asphalt that is recycled and reused in the construction of new roads; conveyor belts that generate their own electricity; an old oil port that STRABAG is redeveloping into a centre for urban mining.

OCTOBER

Upgrade of Berlin-Köpenick station for regional rail service

STRABAG Rail has been commissioned by DB Netz AG to upgrade the Köpenick railway station in southeast Berlin to handle regional rail traffic. The new station is a key element of Berlin's transport concept and part of the extensive project to modernise the west-east corridor from Berlin to the Polish border near Frankfurt an der Oder. STRABAG Rail GmbH is leading the comprehensive modernisation works together with STRABAG AG, STRABAG Fahrleitungen GmbH and ZÜBLIN Stahlbau GmbH. The contract value amounts to around € 154 million. Starting in 2027, the railway line will enable shorter travel times between the cities of Magdeburg, Potsdam, Berlin and Frankfurt an der Oder at speeds of up to 160 km/h.

Development of A3 motorway in Romania for € 85 million

STRABAG's Romanian subsidiary was awarded another key contract. Together with consortium partner GEIGER, STRABAG is building a 15.7 km long section of the A3 motorway between Câmpia Turzii and Chețani for € 85 million (STRABAG's share: 60%). Construction was scheduled to start in 2022 and will take around 18 months.

NOVEMBER **STRABAG Environmental Technology lays foundation for circular construction of the future with pilot project in Bremen**

The STRABAG Group launched a pioneering flagship project as part of its sustainability strategy in November with a symbolic groundbreaking ceremony that marked the start of remediation and construction work for the Circular Construction & Technology Center (C3) at Bremen's former oil port. As a pilot project, the competence centre for urban mining and construction waste processing will lay the foundation for the resource-saving, low-carbon construction of the future. The recycled building materials developed and obtained here will make a significant contribution to establishing closed material cycles in the construction industry in the Bremen region. Over the next two years, however, STRABAG Environmental Technology must first comprehensively and sustainably clean up the site of the former refinery tank farm, which was heavily contaminated with mineral oil. The step-by-step construction of the buildings and of the plant technology will begin in 2024; the facilities for recycling construction waste are also scheduled to go into operation that same year.

Visualisation of C3 in Bremen

DECEMBER **STRABAG expands facility services business through acquisition of Bockholdt GmbH & Co. KG**

With the acquisition of northern German cleaning service provider Bockholdt GmbH & Co. KG, STRABAG Property and Facility Services (STRABAG PFS) is expanding its activities in infrastructural facility management. With the acquisition, STRABAG PFS is significantly strengthening its own service volume and expanding its presence in northern Germany. The Lübeck-based family business was founded in 1959 and specialises in cleaning buildings, industrial facilities and hospitals. With around 3,600 employees, an inhouse training academy, and 13 locations, Bockholdt is one of the largest employers in northern Germany.

Country report

DIVERSIFYING THE COUNTRY RISK

STRABAG sees itself as a European technology group for construction services with a strong focus on Central and Eastern Europe. With a dense network of numerous subsidiaries in many European countries and on other continents, we are expanding our area of operation far beyond the borders of Austria and Germany. On the one hand, it is a tradition for the company to follow its clients into new markets; on the other hand, the existing country network with local management and established organisational structures makes it easier to export and to use the technology and the equipment in new regions with little expense. To diversify the country risk even further, and to profit from the market opportunities in other parts of the world, STRABAG is also active internationally, i.e., in countries outside of Europe.

The STRABAG Group recorded a 10% higher output of € 17,735.47 million in the 2022 financial year. The greatest increase in output volume in absolute figures was recorded in our home market in Germany, followed by Austria and the United Kingdom, where the two major projects are currently being executed, and the Czech Republic.

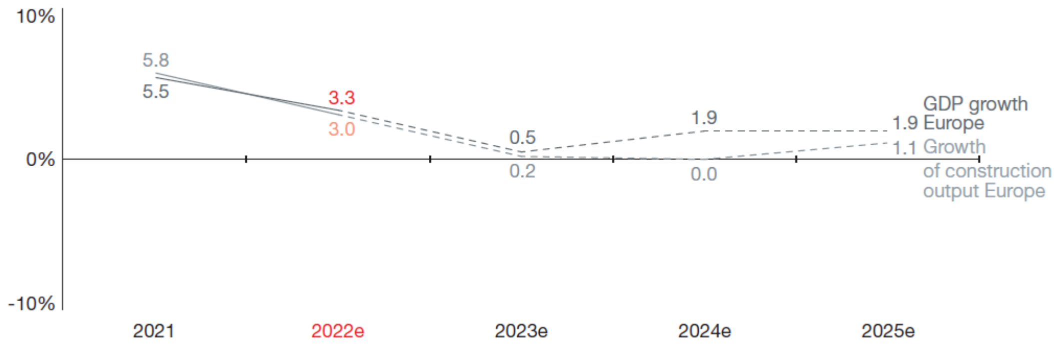
OUTPUT VOLUME BY COUNTRY

€ mln.	2022	% of total output volume 2022[1]	2021	% of total output volume 2021[1]	▲ %	▲ absolute
Germany	8,347	47	7,462	46	12	885
Austria	2,935	17	2,694	17	9	241
Poland	1,126	6	1,152	7	-2	-26
Czech Republic	1,093	6	948	6	15	145
Hungary	688	4	652	4	6	36
United Kingdom	578	3	390	2	48	188
Americas	558	3	482	3	16	76
Slovakia	351	2	289	2	21	62
Romania	315	2	264	2	19	51
Middle East	252	1	203	1	24	49
Croatia	238	1	177	1	34	61
Switzerland	197	1	192	1	3	5
Benelux	176	1	233	1	-24	-57
Sweden	152	1	121	1	26	31
Serbia	146	1	155	1	-6	-9
Asia	136	1	145	1	-6	-9
Rest of Europe	110	1	136	1	-19	-26
Slovenia	81	0	104	1	-22	-23
Bulgaria	68	0	82	1	-17	-14
Denmark	61	0	109	1	-44	-48
Russia[2]	59	0	46	0	28	13
Africa	47	0	35	0	34	12
Italy	21	0	58	0	-64	-37
Total	**17,735**	**100**	**16,129**	**100**	**10**	**1,606**

1 Rounding differences are possible.
2 STRABAG is in the process of winding up its activities in Russia.

GLOBAL ECONOMY SLOWED DOWN[1]

GROWTH COMPARISON CONSTRUCTION VS GDP EUROPE



Following a significant catch-up effect in 2021, global economic growth weakened noticeably in 2022 in the wake of numerous challenges such as the ongoing disruption of supply chains as a result of the pandemic and Russia's invasion of Ukraine. The war has led, among other things, to supply bottlenecks for gas and oil as well as to restrictions in global trade, which in turn resulted in sharp price increases, especially for energy. This also triggered a significant increase in the general price level, which could not be offset by wage increases. Continuing inflationary pressures were compounded by rising interest rates and tighter lending standards. Moreover, China's zero-Covid policy put further pressure on both the national and global economies.

At the same time, the impact of climate change is also becoming more noticeable in the individual economies. There is widespread agreement that measures for an energy transition away from fossil fuels are indispensable and that corresponding investments are urgently needed.

The IMF expects the global economy to grow by 3.2% in 2022 and by 2.7% in 2023. The weak level of growth is likely to persist for longer, as prices are expected to remain high over the long term, triggering additional monetary policy measures.

The OECD estimates the European Union's economic growth at 3.3% in 2022. The gross domestic product of the 19 Euroconstruct countries (EC-19) also rose by 3.3% in the same year. The growth rates of the individual countries vary greatly, however, ranging from +1.5% to +10.0%. The high energy prices will sharpen the focus on the energy transition in Europe in the future. GDP growth of only 0.5% is expected for the EC-19 region in 2023, followed by 1.9% in each of the two subsequent years.

WEAKER GROWTH IN THE CONSTRUCTION SECTOR

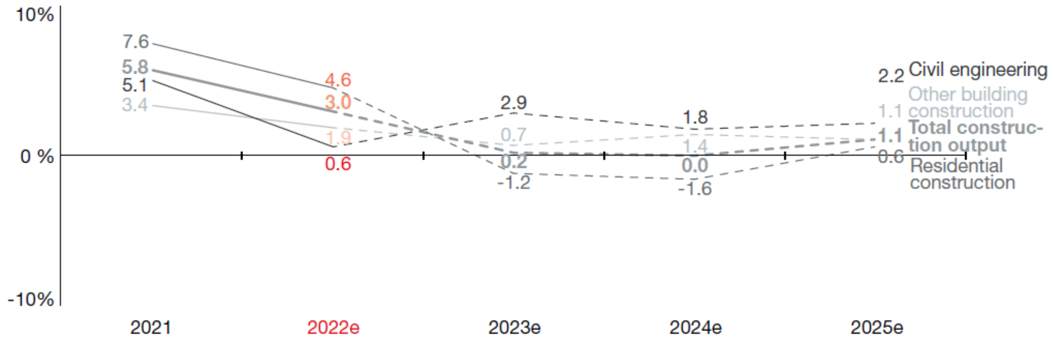
With growth of 3.0% in 2022, the construction industry in the EC-19 countries grew at a lower rate than in the previous year (2021: +5.8%). The tremendous changes in Europe, above all Russia's military aggression against Ukraine, significantly impacted the construction industry in the reporting year. The steadily rising construction costs and consumer prices, as well as the repeated interest rates hikes in the eurozone, led to many projects launches being postponed or cancelled entirely. Due to the uncertain economic outlook and rising property prices, a decline in consumer confidence was also observable. These negative effects were offset by positive influences from public subsidies, especially for renovation work.

In a sector-by-sector comparison, residential construction performed best in 2022 with a plus of 4.6%, ahead of non-residential construction with +1.9% and civil engineering with +0.6%. The strongest growth was again seen in the Italian construction industry with a plus of 12.1%, followed by Ireland with +9.0%. Portugal brought up the rear with -2.5%, followed by Switzerland (-1.8%) and Germany (-0.5%). Construction in the 19 Euroconstruct countries is expected to decline significantly or stagnate in the coming years. Growth is projected to remain nearly flat at +0.2% in 2023 before stagnating entirely the following year (2024: 0.0%). A slight increase, of 1.1%, is not expected until 2025.

1 All growth forecasts as well as the particular national construction volumes are taken from the Euroconstruct and EECFA (Eastern European Construction Forecasting Association) winter 2022 reports. The indicated market share data are based on the data from the year 2022 and 2022 estimates from Euroconstruct and EECFA.

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

GROWTH COMPARISON CONSTRUCTION SECTOR EUROPE

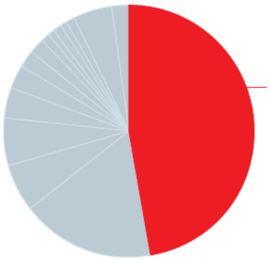


Residential construction, which continues to account for almost half of total European construction output, grew by 4.6% in 2022 with a volume of € 941.4 billion. The 15 western Euroconstruct countries, with growth of 4.7%, outperformed the eastern countries (+3.2%). In absolute terms, Germany was in the lead ahead of Italy, followed by the UK and France. Forecasts predict a decline in construction output in this segment for 2023 and 2024 (-1.2% and -1.6%, respectively), with a slight recovery of +0.6% expected in 2025.

Non-residential construction, which accounts for 30% of the European construction volume, grew at 1.9% in 2022, which represents a weaker rate than in the previous year. Germany is the largest market for this segment, followed by the UK, France and Italy. The strongest growth was seen in Sweden, the Czech Republic, France, Poland and the Netherlands. Non-residential construction grew most weakly in Switzerland, Germany and Belgium. Euroconstruct forecasts a slight increase of 0.7% and 1.4% for the segment in 2023 and 2024, respectively, followed by +1.1% in 2025.

Civil engineering, which contributes around 20% to European construction output, managed only slight growth in 2022 (+0.6%) after +5.1% in the previous year. Heavily dependent on public investors, the segment was hit especially hard by the sharp rise in prices for energy and building materials. The trend in the individual countries was quite different. Although Germany is the largest civil engineering market in the EC-19, ahead of France, it closed the reporting year negatively with -1.0%. Measured by the volume of construction output, the United Kingdom and Italy followed. The strongest growth was in Spain, Norway and Belgium, while the biggest decline was in Portugal. The growth rate for European civil engineering is expected to reach +2.9% in 2023 and +1.8% in 2024, with a plus of 2.2% projected for 2025. More than half of European civil engineering investments are in road and rail networks, followed by energy and water supply projects.

GERMANY



Overall construction volume:	€ 418.7 billion
GDP growth:	2022e: 1.5% / 2023e: -0.5%
Construction growth:	2022e: -0.5% / 2023e: 0.4%

The initially positive development of the German economy was severely dampened by Russia's invasion of Ukraine in February 2022. Businesses came under enormous pressure as a result of the sharp increases in fuel, gas and electricity prices and the skyrocketing prices for raw materials and intermediate products. The massive increase in energy prices resulted in noticeable financial losses for both private households and companies, despite a multitude of government aid measures. At the same time, the inflation rate reached 8.5%, the highest level in approximately 70 years. Euroconstruct expects GDP growth in 2022 to have reached 1.5%, but already anticipates a moderate decline in 2023 with 0.5%. In the medium term, growth should then level off again between +2.5% and +2.0% annually.

With a decline in construction output of only 0.5%, the German construction industry has come through the crisis relatively well so far. Construction companies continued to benefit from their full order books for the time being. In addition to the shortage of skilled labour, however, the sector remained beset by supply bottlenecks for building materials and the associated price increases. The changed interest rate level also had a dampening effect on growth. The new market environment led to a 16% increase in prices for construction services in 2022. Based on the existing order backlog, Euroconstruct still expects slight growth of 0.4% and 0.1% for the sector in 2023 and 2024, respectively, with a decline of 0.4% forecast for 2025. An end to real growth is not expected until the medium term for all areas of the construction industry.

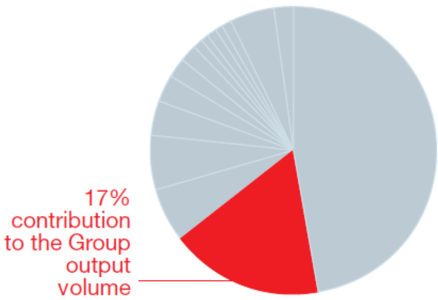
In residential construction, the volume increased only slightly by 0.2%. The sector recently benefited from the still low interest rates and the lack of investment alternatives. Repeated material bottlenecks, rising building material and energy costs, and the declining economic performance combined to inhibit growth. For the residential construction sector, Euroconstruct still expects a slight plus of 0.7% for 2023, followed by negative growth of -0.3% and -1.1% for 2024 and 2025, respectively.

Non-residential construction, which contracted by 1.7% in 2022, was increasingly affected by economic uncertainty and investment restraint on the part of businesses and the public sector, especially municipalities. In this segment, too, investment caution was exacerbated by the price increases for building materials as a result of temporary supply bottlenecks. Euroconstruct therefore sees only a slight increase of 0.4% and 0.6% for the sector in 2023 and 2024, respectively, followed by +0.4% in 2025.

The civil engineering sector recorded a slight decline of 1.0% in 2022. The long-term government investment programmes in rail and road infrastructure continue to have a positive effect. The energy sector is receiving new tailwind from investments in power plants based on renewable energies. Municipalities, on the other hand, have been holding back on road and water construction projects due to the sharp rise in construction prices. A slight minus of 0.2% is expected in civil engineering for 2023, followed by a plus of 1.0% in each of the subsequent two years.

The STRABAG Group has a market share of 2.0% of the total construction market in Germany. Its 16.9% share of the German road construction sector is significantly higher than that of the market as a whole. With € 8,346.74 million, around 47% of STRABAG's total Group output volume was generated in Germany in 2022 (2021: 46%). Most of the output is allocated to the North + West segment, while the property and facility services provided in Germany are allocated to International + Special Divisions.

AUSTRIA



Overall construction volume:	€ 51.2 billion
GDP growth:	2022e: 4.8%/2023e: 0.2%
Construction growth:	2022e: 0.2%/2023e: 0.3%

Following a strong expansion of the economy in the first half of 2022, Austria found itself in a downturn at the end of the year. Sharp increases in the global market prices for energy led to a slowdown in growth accompanied by a high inflation of 8.3%. This in turn led to a decline in real income and put a damper on private consumption. With inflation remaining high in 2023, Austria's economy is heading for stagflation for the first time since the 1970s. The GDP still managed to grow by 4.8% in 2022 but is forecast to stagnate at +0.2% in 2023. In the two following years, Euroconstruct expects only slightly higher growth rates of 1.0% and 1.1%, respectively.

The Austrian construction industry stagnated in 2022 with only marginal growth of 0.2%. The massive increase in construction costs of around 10% significantly dampened real growth in the sector. In combination with the expected downward trend in residential construction, only a low growth rate of 0.3% is projected for 2023 as well. Despite some clear economic impetus, the years 2024 and 2025 will also see only weak development with growth rates of 0.7% and 0.8%.

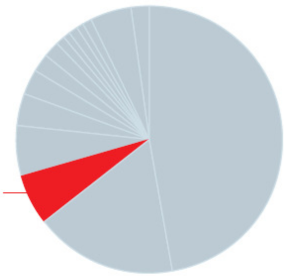
After nearly a decade of a continuously rising number of building permits, residential construction ushered in an already expected downward trend in 2022 with a decline of 2.1%. Decisive factors for this development included the sharp rise in energy prices combined with the great uncertainty regarding the further development of construction costs. While new construction registered the greatest losses, renovation still showed slight growth due to environmental and energy-related factors. Overall, declines of 1.1% and 0.3% are expected for residential construction in 2023 and 2024, respectively. The trend should then turn positive again in 2025 with slight growth of 0.7%.

Non-residential construction still exhibited clearly positive growth with a plus of 2.1%. While the economic environment remained stable in the first half of 2022, strong increases in construction prices dampened the segment's development over the course of the year. Construction price increases in non-residential construction reached a level last seen in the early 1970s, when prices grew by around 16% annually. It is therefore to be expected that some planned investments will be postponed or even cancelled due to this development. For 2023, Euroconstruct therefore forecasts growth of only 0.6% for the segment; in 2024 and 2025, growth should reach 1.0% and 1.2%, respectively.

Civil engineering exhibited positive growth of 2.0% in 2022 due to strong government investment activity in sustainability terms. In recent years, the segment had primarily benefited from public-sector investments in transport infrastructure. The further expansion of the road and, in particular, the rail network will continue to be a fixed item in the Austrian budget in the years to come. Investments in a nationwide broadband network as well as in construction projects in the energy sector and in environmental protection are becoming increasingly important. Growth is expected to rise to 3.0% in 2023, followed by +2.4% in 2024 and a slowdown to +0.2% in 2025.

The STRABAG Group generated 17% of the total Group output volume in its home market of Austria in 2022 (2021: 17%). Austria thus continues to be one of the Group's top three markets along with Germany and Poland. The output reached a volume of € 2,935.19 million in 2022. This gives STRABAG a 5.7% share of the construction volume in the overall market in Austria. In road construction, the market share stands at 44.0%.

POLAND



Overall construction volume: € 57.9 billion
GDP growth: 2022e: 4.6%/2023e: 1.7%
Construction growth: 2022e: 4.5%/2023e: 0.1%

Poland's economy achieved growth of 4.6% in 2022. Sharply rising consumer demand, supply chain problems and the war in neighbouring Ukraine, however, led to a very high inflation of 13.5%. The breakdown of trade with Russia and Ukraine and the decline in demand from major trading partners also had a negative impact on export performance. The National Bank of Poland raised the key interest rate in several steps to 6.75% in 2022, significantly above the key interest rate of the European Central Bank. Euroconstruct forecasts significantly slower economic growth of 1.7% for 2023, followed in 2024 and 2025 by more optimistic rates of around +3.1%.

The Polish construction industry continued to benefit from the strong growth of the past years in 2022, achieving another solid increase of 4.5%. In addition to the booming residential construction sector, non-residential construction and civil engineering also registered solid growth. In June, the European Commission gave a positive assessment of Poland's € 35.4 billion National Recovery and Resilience Plan as part of the NextGenerationEU instrument. The implementation of this plan is expected to contribute significantly to the decarbonisation of the Polish economy while strengthening the country's energy independence. Final approval of the plan is linked to clear commitments by Poland regarding the independence of the judiciary that must be fulfilled before any actual funds can flow. Against this backdrop, Euroconstruct forecasts the Polish construction sector to stagnate at +0.1% in 2023 and grow slightly (+1.3%) in 2024, before picking up some more momentum again in 2025 with +3.7%.

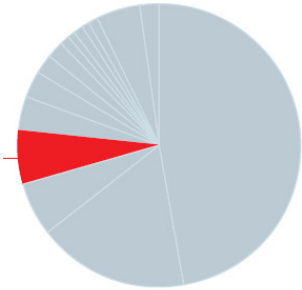
Poland's residential construction sector also benefited from the strong performance of the past few years for a plus of 6.0% in 2022. The massive increase in interest rates for housing loans had a negative impact, however. In the first three quarters of 2022, the country recorded a 44.7% decline in the number of housing loans compared to the same period of the previous year and a 40.8% decline in the overall volume of loans. In contrast, positive momentum is expected from the country's new construction legislation that came into force on 1 January 2023 with the aim of significantly simplifying and accelerating the investment and construction process. For 2023, Euroconstruct expects a clear minus of 4.2%, followed by -2.8% in 2024 before an upward trend with a plus of 3.0% takes hold in 2025.

Non-residential construction recorded a plus of 4.7% in 2022. The thriving business of online retailing led to an increased demand for warehouse space. Strong demand was seen especially in the education and health sectors, while demand for office premises, commercial buildings, restaurants, hotels as well as tourism and transport services decreased noticeably. At the same time, increased cost pressure, heightened uncertainty and stricter financing conditions prompted the first investors to postpone their construction projects. Euroconstruct still expects a slight increase of 1.1% in 2023. For the years thereafter, however, growth rates in the sector should again reach regularly solid values between +3.4% and +3.9%.

The civil engineering segment managed to grow by 3.0% in Poland in 2022. Rising public-sector spending on infrastructure projects, especially multi-year government programmes for the construction and modernisation of transportation infrastructure, is driving the development of the civil engineering sector in the country. The construction of long-distance pipelines and railway lines also showed above-average development. Euroconstruct therefore expects growth to return to +3.1% and +2.7% in 2023 and 2024, respectively, rising to +3.9% in the following year.

As the number two in the construction sector in Poland, STRABAG realised a construction volume of € 1,126.39 million here in 2021, representing 6% of the Group's total output volume (2021: 7%). Poland thus represents the third-largest market of the STRABAG Group. Its market share in the entire Polish construction market was 1.9% and its share of road construction was 10.5%.

CZECH REPUBLIC



Overall construction volume: € 26.3 billion
GDP growth: 2022e: 2.2% / 2023e: 1.1%
Construction growth: 2022e: 1.4% / 2023e: -1.8%

The Czech economy achieved growth of 2.2% in 2022. The Czech National Bank tried to counter the extreme rise in inflation with a strong increase in the key interest rate from 0.75% to 7.0%, which had a significant impact on the interest rates for ongoing loans and mortgages. The rising national debt was accompanied by massively increased energy prices and production declines in industry due to material shortages. Shortages were seen not only in raw materials but also in labour from Ukraine, which some sectors, including construction, are highly dependent on. If the fiscal situation stabilises, however, the coming years should bring at least slight growth. Euroconstruct forecasts growth of 1.1% in 2023, followed by +3.2% and +2.4% in the subsequent two years.

The Czech construction industry recorded a slight increase of 1.4% in 2022. The biggest challenges facing the sector are structural problems, such as the long duration of approval processes and the glaring shortage of labour. The country, which is almost exclusively dependent on imports for building materials, also had to deal with extreme price increases. Many experts, however, question to what extent these increases were due to the lack of raw materials or whether it was speculation. Euroconstruct forecasts a decline of 1.8% for the Czech construction industry in 2023, followed by a strong increase of 3.1% in 2024 and a slight slowdown to +1.9% in 2025.

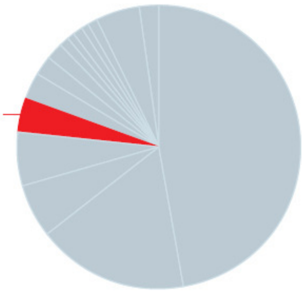
Residential construction recorded a slight decline of 0.7% in 2022, as high demand was dampened primarily by the high lending rates and high rate of inflation. The rising energy prices shifted household expenditure towards renovation works, especially thermal insulation. Against this backdrop, Euroconstruct predicts a significant decline of 3.9% for residential construction in 2023, followed by growth of 3.2% and 3.9% in 2024 and 2025, respectively.

Non-residential construction exhibited strong growth in 2022 with a plus of 5.9%. Many of the postponed private construction projects, investments in medical facilities and planned office buildings, especially in Prague and Brno, were finally realised. The higher volume of building permits issued in recent years was also reflected in this positive development. In the years to come, however, real growth is likely to slow once more due to high inflation and high energy prices, which are forcing investors to save. Euroconstruct expects an up-and-down progression in non-residential construction, with stagnant growth of 0.2% in 2023, a strong plus of 5.1% in 2024 and another slight increase of 0.6% in 2025.

Czech civil engineering showed a slight decline in 2022 with a minus of 0.1%. The government, as the largest investor, is attempting to strengthen the weakened economy through investments in transportation infrastructure and raised the funds earmarked for this purpose with the help of EU subsidies, so that only a slight decline of 0.8% is expected for 2023. Growth should then pick up again with a slight increase of 0.9% in 2024 and 0.5% in 2025.

STRABAG is the number two on the market in the Czech Republic. With an output volume of € 1,092.61 million in 2022, around 6% of the Group's total output (2021: 6%) was generated in the country. The market share in the entire construction market is 4.2% and in road construction amounts to 21.7%

HUNGARY



Overall construction volume:	€ 18.3 billion
GDP growth:	2022e: 3.0% / 2023e: 0.5%
Construction growth:	2022e: 0.7% / 2023e: -6.6%

The growth dynamic of the Hungarian economy, with a plus of 3.0%, was in line with the European average in 2022. The Hungarian central bank, projecting a crisis scenario for the coming years, has tried to decisively counteract high inflation and the persistent weakness of the national currency, but with little success. One of the largest net recipients of EU funds, the country also faces accusations of having violated key aspects of the rule of law. The European Commission has frozen billions in funding from several EU programmes on the basis of the so-called rule of law mechanism. These funds will be released if Hungary implements reforms to strengthen the independence of the judiciary, expand the fight against corruption and promote competition in public procurement. Against this background, Euroconstruct forecasts a plus of only 0.5% for 2023, followed by a more optimistic 3.5% and 3.6% for 2024 and 2025, respectively.

The Hungarian construction industry exhibited a slight increase of 0.7% in 2022. In the event of a partial agreement or no agreement on EU funds, the construction market is likely to face considerable difficulties. Should the public sector lose out on construction projects, all other players, including businesses and private individuals, will react to the supply shock by reducing their demand. As a result, Euroconstruct has further downgraded its growth forecasts – which are based on a timely agreement between the government and the EU and the associated release of subsidies. While at least residential construction and non-residential construction still recorded slight growth in 2022, Euroconstruct expects, given the aforementioned conditions, all sectors to decline sharply in 2023 and 2024 and that the entire Hungarian construction market will shrink massively by around 11% by 2024. Euroconstruct does predict that a recovery of +2.0% could set in by 2025.

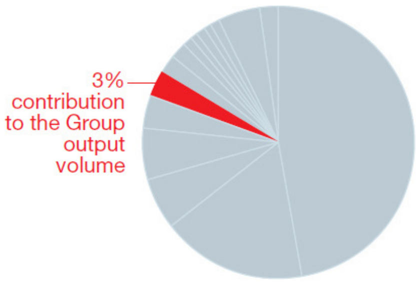
Supported by numerous government measures, residential construction was able to stabilise somewhat in 2022 with a plus of 2.5%. For 2023, Euroconstruct expects a sharp drop of 8.5% for the sector, whereby new construction, due to the decline in real wages and high inflation, could be much more affected than the renovation business. The continuing rise in inflation, driven by energy prices, means that a decline of 7.4% is also expected for residential construction in 2024. The trend should turn positive again in 2025, however, with a plus of 1.5%.

Non-residential construction was still able to grow slightly in 2022, posting a plus of 0.6%. For the development in the next few years, however, Euroconstruct is similarly cautious as with residential construction, especially as the government has temporarily suspended the start of construction on all publicly funded projects. According to an official announcement, all plans with a possible launch in 2025 are to be rescheduled. This decision affects projects in the education and health sectors in particular. For 2023 and 2024, the Euroconstruct experts forecast a massive decline of -7.4% and -5.8%, respectively; in 2025, the downward trend is expected to slow to -0.6%.

Civil engineering declined slightly by 0.7% in 2022. Assuming that Hungary manages to mend its conflict with the European Commission, the sector could recover in the next few years. Several mega-projects, two of them financed by a Chinese and a Russian loan each, are about to be implemented, but these projects are also dependent on EU funds. Based on this scenario, Euroconstruct predicts a decline of 3.7% and 0.2% in 2023 and 2024, respectively, with a solid +5.9% forecast for 2025.

The STRABAG Group generated € 687.90 million, or 4% of its output, in Hungary in 2022 (2021: 4%). This puts STRABAG in second place in the Hungarian construction market. Its share of the total market reached 3.8%, that in road construction 17.1%

UNITED KINGDOM



Overall construction volume:	€ 238.7 billion
GDP growth:	2022e: 4.4% / 2023e: -0.3%
Construction growth:	2022e: 2.8% / 2023e: -0.4%

With GDP growth of 4.4%, the British economy was still in a recovery phase in 2022. Massively rising energy prices, however, caused inflation to soar to its highest level in four decades this year, causing real wages to fall rapidly. The combination of high inflation and a slumping economy has already had a significant negative impact on the morale. The United Kingdom saw a wave of strikes across the country in the last quarter: in healthcare, postal services, railways, education, airports and other areas of public administration. Euroconstruct therefore projects a slight recession for the British economy in 2023, with a decline of 0.3%. In 2024 and 2025, the situation should ease somewhat with +1.0% and +1.6%, respectively.

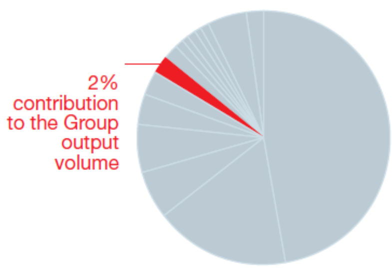
Supported by massive government initiatives, the British construction industry still managed a plus of 2.8% in 2022. In 2023, however a decline of 0.4% is expected for the sector as a whole, followed by slight growth of 1.2% in 2024 and 1.8% in 2025, respectively. Thanks to public subsidies in social housing, residential construction still recorded growth of 4.3% in 2022. For 2023, Euroconstruct predicts a decline of 1.5% for this segment before the trend turns positive again with +1.3% and +1.8% in 2024 and 2025, respectively.

Growth was also recorded in non-residential construction in 2022, with an increase of 3.8%, though the segment was not yet able to reach pre-crisis levels. The health sector as well as the industrial buildings and commercial buildings sectors performed well. Euroconstruct forecasts a slight increase of 0.5% for non-residential construction in 2023, with growth of 1.5% and 1.6% expected for 2024 and 2025, respectively.

Following the previous year's record growth of 25.6%, the British civil engineering segment suffered a decline of 2.1% in 2022. The segment was bolstered in part by the High Speed 2 railway project, which also includes STRABAG as a consortium partner. Euroconstruct forecasts only very slight growth of 0.2% and 0.3% for the segment in 2023 and 2024, respectively, before a return to stronger growth of 2.1% in 2025.

The output volume of the STRABAG Group in the United Kingdom amounted to € 578.38 million in 2022.

SLOVAKIA



Overall construction volume:	€ 4.9 billion
GDP growth:	2022e: 1.9% / 2023e: 0.6%
Construction growth:	2022e: -0.1% / 2023e: 3.4%

The strongly export-oriented Slovak economy grew by 1.9% in 2022 despite increasingly severe price pressures. Especially in the second half of the year, rising business costs due to high energy prices, along with supply chain problems, led to a decline in economic strength. The high inflation of 12.4% put pressure on private consumption. The negative impact will intensify in 2023, accompanied by nominally lower incomes, although a state family package is expected to offer some support. Positive impulses are also expected from the investments of the European recovery plan as well as the utilisation of EU structural funds. The development of exports continues to depend heavily on the security of the supply chains. For 2023, Euroconstruct expects GDP growth of 0.6%, followed by a plus of 1.7% and 2.3% in 2024 and 2025.

Construction output in Slovakia, which had already languished in previous years, declined by 0.1% in 2022. Rising prices for construction materials, labour and energy, supply chain problems, and the war in Ukraine exacerbated the already difficult situation: skilled labour was in short supply, and construction activity weakened as a whole because private and public clients were reluctant to invest. Nevertheless, Euroconstruct expects the situation to ease in the next few years, mainly due to the increased use of EU funds and various government measures. A plus of 3.4% is expected for 2023, with growth of 5.1% and 2.1% in the following two years.

Residential construction saw a slight increase of 1.7% in 2022, both for new buildings as well as for renovation and refurbishment. Due in part to the strong demand for housing in Bratislava and other larger cities, this segment will continue to recover in 2023 and 2024 with +2.6% and +4.7%, respectively. Slightly lower growth of 2.2% is then expected in 2025.

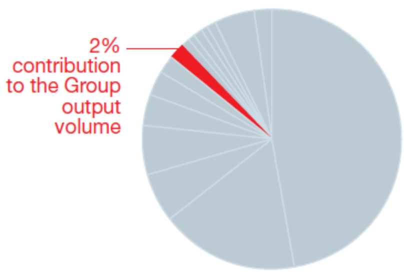
In non-residential construction, output increased by only 0.8% in the reporting year due to uncertainties in the markets and the high energy prices.

In the coming years, investments from the European recovery plan will contribute to the segment's growth. This primarily concerns the areas of education, health, offices, and historic and listed buildings. For 2023, Euroconstruct expects a plus of 2.7%, followed by +6.3% and +2.7%, respectively, for 2024 and 2025.

Construction output in civil engineering declined once again in 2022 with a minus of 2.6%. In the future, however, strong momentum is expected from public investments, especially in the road network, railway infrastructure and environmental construction. This is contrasted, on the other hand, by a lack of building materials, rising prices and inadequate project planning with lengthy public procedures. Growth of 5.0% is forecast for civil engineering in 2023, with +4.0% and +1.4% expected in the following years.

With a market share of 7.2% and an output volume of € 351.37 million in 2022, STRABAG is the leader in Slovakia. In road construction, STRABAG's share is 23.5%. In 2022, Slovakia contributed 2% to the Group's total output volume (2021: 2%).

ROMANIA



Overall construction volume:	€ 27.2 billion
GDP growth:	2022e: 4.6% / 2023e: 2.8%
Construction growth:	2022e: -3.4% / 2023e: -1.0%

The Romanian economy posted GDP growth of 4.6% in the reporting year. The growth rate is expected to slow down somewhat in 2023 to +2.8%, mainly due to a higher rate of inflation. In the following year, the measures taken to combat this inflation should already have had an effect and it should be possible to roll them back already as well. EECFA therefore forecasts GDP growth of 4.8% for 2024.

The Romanian construction industry (-3.4%) performed significantly weaker than the national economy in 2022. Although Romania does not maintain close trade relations with Russia, Ukraine or Belarus, the country is strongly connected to the international markets and so finds itself indirectly affected by Russia's invasion of Ukraine. For the construction industry, this means, among other things, a rapid raise in construction costs (+20.2% in the year under review) with constantly rising energy prices and a lack of building materials. This situation is exacerbated by delays in the implementation of EU programmes and – due to the country's good economic performance – less funding from the EU's recovery plan. EECFA therefore expects the construction industry to decline by 1.0% and 3.9% in 2023 and 2024, respectively.

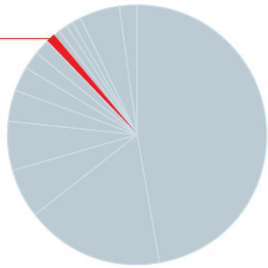
In residential construction, usually one of the most successful sectors of the Romanian construction industry, several factors contributed to slower growth in 2022. These include rising construction costs, more complicated lending standards and higher interest rates, as well as the lack of real wage growth. Residential construction therefore grew only marginally by 0.6% in the reporting year. This will be followed by a downward correction in 2023 (-3.6%) and stagnation in 2024 (0.0%).

In non-residential construction, construction output fell by 2.4% in 2022, and EECFA expects stagnation for the following two years at -0.1% and 0.0% respectively. The end of the pandemic related restrictions should have a positive impact on office, commercial, industrial and hotel construction, but higher financing and operating costs are expected to dampen growth. The health and education sector in particular grew strongly in 2022 thanks to high demand and the availability of EU funds. Increases were also seen in retail and wholesale buildings, hotels, industrial buildings and warehouses, while the office and transport construction sector presented a slowdown.

The Romanian civil engineering segment has not yet been able to fully exploit the large growth potential that would be available thanks to EU programmes and the EU recovery plan. Rising costs also weighed down on the segment. Construction output declined in all sectors in 2022, resulting in an overall minus of 10.1%. The looming deadline for the allocation of EU funds should bring new momentum in 2023 (+2.4%), especially in road construction, but also in port and airport construction. EECFA sees further positive impetus for the segment in light of the 2024 election year with parliamentary, presidential, EU and local elections. In the run-up to these elections, increased political activity is expected to exploit EU funds. A sharp downward correction (-13.4%) is forecast for Romanian civil engineering in 2024.

With an output of € 315.46 million in 2022, the STRABAG Group holds a 1.2% share in the entire Romanian construction market. In Romanian road construction, the share of the market stands 4.3%.

CROATIA



Overall construction volume: € 5.2 billion
GDP growth: 2022e: 6.0% / 2023e: 1.0%
Construction growth: 2022e: 0.4% / 2023e: 3.1%

The Croatian economy, which managed to rebound quickly from the effects of the pandemic, continued to grow significantly in 2022 (+6.0%). The tourism industry experienced an extraordinary upswing, and EU funds were utilised effectively by the government. Even if Russia's invasion of Ukraine resulted in some negative economic impacts, e.g., due to strong price increases, parts of the economy benefited from the capital flight involving wealthy citizens from Ukraine and other neighbouring countries. Croatia's entry into the Schengen and euro area at the beginning of 2023 is projected to bring significant growth impulses. The expected interest rate hike by the national bank, however, is dampening these growth prospects, so that EECFA expects GDP growth of only 1.0% and 1.7% for 2023 and 2024, respectively.

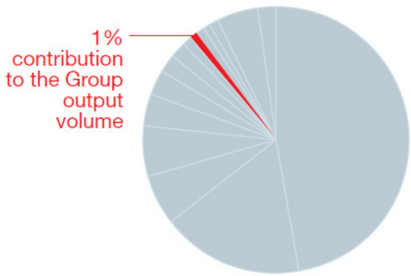
The Croatian construction industry felt the effects of Russia's war against Ukraine in 2022 in the form of cost increases and high energy prices. Buyers took advantage of real estate as a hedge against inflation, and projects ready to be financed were implemented sooner rather than later in anticipation of rising interest rates. At the same time, the construction boom that started after Croatia's independence in 1991 is gradually slowing down. Access to EU and other international funds continues to be of great importance. In the year under review, the Croatian construction industry grew by 0.4%, while a plus of 3.1% is forecast for 2023, followed by a slight minus of 0.4% in 2024.

Residential construction continued to develop positively in 2022 with +3.1%. Sharp price increases, higher interest rates and fewer buyer resources due to inflation are dampening the outlook, however. A plus of just 1.7% is forecast for 2023, followed by a decline of 3.3% in 2024. In non-residential construction, the industrial buildings and warehouses segment is proving to be the strongest segment overall. The segment as a whole grew by 3.8% in 2022, while EECFA predicts -0.5% and +0.7% for the two following years.

After a boom in the previous year, Croatia's civil engineering sector declined significantly in 2022 (-5.0%). This development had already become apparent in 2020 in the declining number of building permits. Only pipelines, communication and power line construction, as well as complex building construction on industrial sites, showed a highly positive performance. In the medium term, transport infrastructure will pick up speed again as well. The further development of civil engineering depends largely on how effectively and how quickly the government implements the EU partnership projects. For 2023 and 2024, EECFA again projects growth of 7.6% and 2.0%, respectively, for the segment.

The STRABAG Group generated € 238.26 million on the Croatian market in 2022.

SWITZERLAND



Overall construction volume:	€ 63.2 billion
GDP growth:	2022e: 2.3% / 2023e: 0.7%
Construction growth:	2022e: -1.8% / 2023e: 0.5%

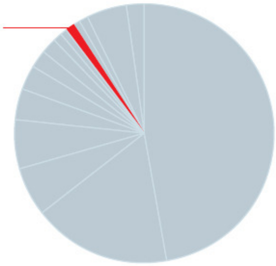
The Swiss economy proved itself robust in the reporting period, despite sharply rising energy prices, with growth of 2.3%. Positive factors included the high domestic demand (+4.0% in private consumption), low inflation (3.0%) compared to other countries, and a strong labour market. In addition, the decline in purchasing power was offset by higher nominal wages. Euroconstruct anticipates weaker growth (+0.7%) for 2023, with GDP gains of 2.1% and 1.3% forecast for each of the following years.

The Swiss construction industry recovered from the consequences of the Covid-19 crisis more slowly than expected and still recorded a minus of 1.8% in 2022. Rising prices for construction materials and energy worldwide, as well as the increasing shortage of skilled workers, weighed heavily on the sector. In the years from 2023 to 2025, construction output will gradually increase again with +0.5%, +0.9% and +1.9%. Residential construction, the strongest sector of the Swiss construction industry, has been in a cyclical downturn for several years and continued to decline by 2.6% in 2022. In the wake of the pandemic, however, demand for housing and especially home ownership is on the rise, while at the same time an ever-increasing share of the investment volume is going into renovation and modernisation. Euroconstruct expects a recovery in residential construction from 2023 onwards (+0.6%), with increases of 1.3% and 2.9% in 2024 and 2025.

Construction output in non-residential construction also fell in 2022, with a minus of 1.9% mainly due to the declines in industrial and office building construction. However, several large-volume healthcare and education construction projects will significantly stimulate the segment in 2023. Euroconstruct expects non-residential construction to grow slightly by 0.4% in 2023, with growth of 0.6% and 1.2% in the following years. In Switzerland's civil engineering sector, on the other hand, declines in road and rail infrastructure in particular led to zero growth in 2022. The segment should regain some momentum thanks to several ongoing and new transport infrastructure projects, including the capacity expansion and modernisation of the railway stations in Lausanne and Bern and the metro expansion in Geneva, as well as the final section of the A9 motorway in the canton of Valais and the northern Zurich bypass. Euroconstruct expects the Swiss civil engineering segment to grow by 0.3% in 2023, by 0.6% in 2024 and by 0.7% in 2025.

In 2022, Switzerland contributed € 196.82 million, or 1% (2021: 1%), to the total output volume of the STRABAG Group.

BENELUX (BELGIUM AND THE NETHERLANDS)



BELGIUM

Overall construction volume:	€ 52.5 billion
GDP growth:	2022e: 2.6% / 2023e: 0.5%
Construction growth:	2022e: 1.4% / 2023e: -0.1%

NETHERLANDS

Overall construction volume:	€ 101.3 billion
GDP growth:	2022e: 4.6% / 2023e: 1.5%
Construction growth:	2022e: 3.3% / 2023e: 1.2%

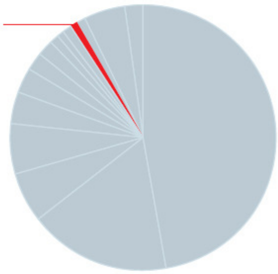
The economies of Belgium and the Netherlands recorded increased growth in 2022. Belgium's GDP grew by 2.6%, that of the Netherlands by 4.6%. Still, the impact of the war in Ukraine was felt clearly here as well, with sharply rising prices, inflation and uncertainties regarding global trade. Offsetting this are government measures to support household incomes as well as economic stimulus programmes and public investment in connection with the European recovery plan, all of which points to moderate growth in the coming years. Euroconstruct expects the GDP in Belgium and the Netherlands to grow by 0.5% and 1.5%, respectively, in 2023. In the following years, growth is projected at 1.9% and 1.2% for Belgium and 2.0% and 1.7% in the Netherlands.

After a significant recovery in the previous year, the Belgian construction industry was only able to grow slightly in 2022 with a plus of 1.4%. The strongest growth was in civil engineering with +5.1%. The necessary repair and reconstruction work after the flood disaster in the summer of 2021, as well as several important infrastructure projects such as the Oosterweelverbinding around the city of Antwerp, played a major role in this development. Due to the numerous existing or expected public sector projects, Euroconstruct forecasts solid growth of 2.6% and 2.9% for Belgium's civil engineering sector in 2023 and 2024, respectively, before a contraction of 1.8% in 2025. Residential construction also showed consistent positive growth of 2.3% in 2022. Economic stimulus and construction programmes are providing additional momentum in the renovations segment, so that residential construction will also grow by 1.6% in 2023 and by 2.2% and 0.7% in the following two years. The weakest development in the year under report was in non-residential construction, with a minus of 1.7%. Demand declined in almost all areas. The negative trend will continue in the coming years with -3.9% (2023), -0.6% (2024) and -1.1% (2025). Overall, Euroconstruct predicts stagnation for the Belgian construction industry at -0.1% in 2023, a slight increase of 1.4% in 2024 and -0.4% for 2025.

The Dutch construction industry, which had already proven to be quite stable in 2021 despite the effects of the Covid-19, continued to grow in the reporting year thanks to strong economic growth of 3.3%. Towards the end of 2022, however, increasing uncertainty in the economy, inflation and rising interest rates pointed to a slowdown of future growth. Euroconstruct therefore expects growth to fall to 1.2% for 2023 and 0.5% in each of the following two years. Good results were achieved in 2022, especially in Dutch building construction. Residential construction, for example, achieved a plus of 4.0% thanks to unabated high demand. Corresponding government measures for housing procurement will continue to strengthen the market. As a result, this segment is expected to grow between 2023 and 2025, albeit at a relatively slow pace of 2.5%, 1.9% and 1.0%, respectively. Non-residential construction proved to be the strongest market segment in the Netherlands in 2022, with a plus of 4.7% thanks to several large-scale greenhouse projects and numerous warehouses, new agricultural buildings and commercial buildings, as well as renovation and maintenance orders. For 2023, however, Euroconstruct expects growth in this segment to slow down to 0.9%, followed by a slight decline of 1.2% and 0.7% in 2024 and 2025, respectively. The Dutch civil engineering market was characterised by price increases, supply problems due to the pandemic and the Ukraine war with the associated budgetary pressure on clients. Construction output in this segment thus stagnated at +0.1% in the reporting year. For 2023, Euroconstruct expects a minus of 0.7%, followed by a plus of 0.1% and 1.1% in 2024 and 2025.

STRABAG achieved an output volume of € 176.24 million in the Benelux countries in 2022. This corresponds to a 1% share of the Group output volume (2021: 1%).

SWEDEN



Overall construction volume:	€ 61.9 billion
GDP growth:	2022e: 2.7% / 2023e: -0.1%
Construction growth:	2022e: 3.2% / 2023e: -6.6%

The Swedish economy grew by 2.7% in the year under review. Economists are seeing a clear reversal of the trend, however. Sweden is experiencing its highest inflation in 30 years, with high energy prices and rising interest rates. After a long period of low inflation, the expansionary monetary policy to stimulate the economy is now coming to an end. All of this is putting pressure on household confidence and, as a result, on consumer spending. Euroconstruct therefore expects a slight GDP minus of 0.1% for 2023 before a return to economic growth of 2.0% in 2024 and 2.5% in 2025.

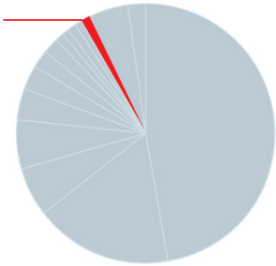
The Swedish construction industry also grew in 2022, gaining 3.2% after a strong upswing the previous year. The outlook for the next two years, however, is not very optimistic. Euroconstruct predicts a decline in construction output of 6.6% for 2023, before the situation eases again in 2024 with only a slight minus of 0.4%, followed by a significant plus of 4.2% in 2025. Especially in residential construction, a clear downturn soon became apparent after strong momentum in the first quarter of the reporting period (2022: -0.5%). While the need for houses and flats in Sweden remains high, demand is falling due to the high energy prices, interest rate pressures and high inflation. In this difficult environment, renovation and maintenance activities are often being postponed to a later date as well. All of this leads Euroconstruct to expect a dramatic slump in residential construction in 2023 (-14.2%), though the market should ease back somewhat in 2024 with a slight minus of 1.9% and then pick up significantly in 2025 with +4.4%.

Non-residential construction proved to be very robust in 2022 with an increase of 8.6%. Industrial buildings, warehouses and logistics buildings, as well as buildings in the healthcare sector, were the main contributors to this development. Demand for modern and climate-friendly office buildings remains high despite the trend to working from home. Overall, sustainable construction is becoming increasingly important in this segment. For 2023, Euroconstruct predicts a minus of 3.2% for non-residential construction, though the development for the following years is pointing upwards again with +0.3% and +3.6%.

Sweden's civil engineering sector managed to grow slightly in 2022 with a plus of 2.5%. In most regions of the country, the need for infrastructure expansion and maintenance is high, especially in the transport sector and in water and energy utilities. A state plan for urgently needed investments in infrastructure is in place, but the experts do not believe it will hold. This is because the new Swedish government elected in September 2022 has other priorities, in part given the country's aspiration to join NATO. The civil engineering sector will also be burdened by delays, higher costs for building materials and the expected cement shortage from the middle of 2023. Euroconstruct predicts a minus of 1.7% for Swedish civil engineering in 2023, followed by a slight plus of 0.4% in 2024. In 2025, the trend will move clearly upwards again with +4.5%.

The output volume of the STRABAG Group in Sweden amounted to € 151.72 million in 2022.

SERBIA



Overall construction volume: € 4.5 billion
GDP growth: 2022e: 2.9% / 2023e: 3.5%
Construction growth: 2022e: -8.7% / 2023e: -0.6%

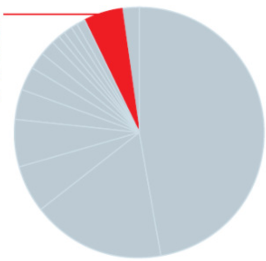
Serbia's economy has flourished for the past few years thanks to public and private investment, substantial wage growth and high employment levels. In 2022, however, geopolitical events weighed heavily on the situation, leading to double-digit inflation and high energy prices, among other things. Nevertheless, the country's GDP grew by 2.9% in the year under review, and EECFA forecasts increases of 3.5% and 4.5% for the following years.

Following tremendous growth in the previous years, the Serbian construction industry suffered a slump of 8.7% in the year under report. Economic uncertainty, interrupted supply chains, rising prices for building materials and cyclical developments played a significant role in this development. EECFA still expects a slight decline in the construction industry of 0.6% in 2023 before a return to growth of 4.3% in 2024. After the extraordinary increases in previous years, output in residential construction fell by 2.7% in 2022. A minus of 3.2% is also expected for 2023, followed by a slight plus of 0.4% for 2024.

The strong decline in non-residential construction (-13.3%) in 2022 is due mainly to the end of the growth cycle. After -3.4% in 2023, a plus of 0.5% is forecast for 2024, marking the beginning of the next cycle. The focus here should be on hotel and office buildings as well as buildings in the health and education sectors. In civil engineering, the growth engine of the Serbian construction industry, output also declined by 8.3% in the reporting year. There were declines in almost all sectors, after some strong increases in the previous year. EECFA is already predicting a plus of 1.6% for civil engineering in 2023, followed by growth of 7.2% in 2024.

The STRABAG Group generated an output volume on the Serbian market of € 146.36 million in 2022.

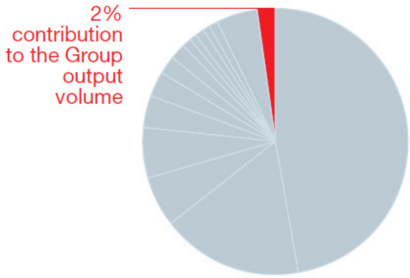
MIDDLE EAST, AMERICAS, AFRICA, ASIA



In order to make itself as independent as possible from the economic development of individual countries and so spread its country risk as widely as possible, STRABAG is also active outside of its main markets in Europe. As a rule, the company acts as a main contractor in direct export. With this in mind, the group has been present in Africa, Asia, Canada, Chile and the Middle East for many years, often even decades. STRABAG focuses on areas that are characterised by high technological expertise: civil engineering, industrial and infrastructure projects as well as tunnelling.

In 2022, the STRABAG Group generated € 992.47 million, or 6% of its total output, outside Europe (2021: 5%). The activities in non-European countries are – with a few exceptions – assigned to the International + Special Divisions segment.

SLOVENIA, BULGARIA, DENMARK, ITALY, REST OF EUROPE AND RUSSIA[1]



BULGARIA

Overall construction volume:	€ 9.7 billion
GDP growth:	2022e: 3.1% / 2023e: 1.1%
Construction growth:	2022e: 4.3% / 2023e: 2.0%

DENMARK

Overall construction volume:	€ 42.6 billion
GDP growth:	2022e: 2.2% / 2023e: -0.3%
Construction growth:	2022e: -0.3% / 2023e: -1.5%

SLOVENIA

Overall construction volume:	€ 4.0 billion
GDP growth:	2022e: 5.0% / 2023e: 1.4%
Construction growth:	2022e: 2.1% / 2023e: 1.5%

ITALY

Overall construction volume:	€ 255.3 billion
GDP growth:	2022e: 3.3% / 2023e: 0.2%
Construction growth:	2022e: 12.1% / 2023e: 0.6%

Slovenia

The Slovenian economy proved to be very robust in 2022, with a plus of 5.0%. The persistent inflation, however, along with a more restrictive monetary policy with rising interest rates, is weighing on the economy. This situation is compounded by high energy prices and disrupted supply chains as a result of Russia's war against Ukraine. EECFA therefore predicts GDP growth of only 1.4% for 2023 and 2.6% for 2024.

The Slovenian construction industry grew at a slower pace than the GDP, namely by +2.1%. The growth rate is expected to decline to 1.5% in 2023 before a decline in construction output of 0.2% in 2024. Residential construction still increased slightly by 0.7% in 2022. More restrictive lending standards and higher interest rates will cause demand in the segment to decline further, however, resulting in -1.1% in 2023 and -2.0% in 2024. Non-residential construction managed to grow by 2.1% in 2022, mainly due to the large demand for buildings in the health and education sectors, including the renovation of Slovenia's largest hospital. Both EU financing as well as the national budget, which emphasises health and the environment, are enabling the realisation of long delayed projects. EECFA therefore calculates a plus of 3.4% for non-residential construction for 2023, but only +0.4% for 2024.

Slovenia's civil engineering sector performed well in 2022, gaining 3.1%, thanks to several large projects. These include the extension of the railway to Koper and several large road projects financed by the EU recovery plan. EECFA forecasts the segment to grow by 2.4% in 2023 and another 0.7% in 2024.

The STRABAG Group achieved an output volume of € 80.66 million in Slovenia in 2022.

Bulgaria

The Bulgarian economy had performed better than expected in 2021 and continued to grow in 2022 with a plus of 3.1%. Although the high inflation of 12.8% in the reporting year is expected to decline starting in 2023, the country lacks a stable government with four parliamentary elections in less than two years. Moreover, Bulgaria has an ageing society with a declining population. EECFA therefore predicts lower GDP growth of 1.1% and 2.4% for 2023 and 2024, respectively.

The situation of the Bulgarian construction industry is largely dependent on the use of EU funds. Political instability, however, is currently delaying many investments. Nevertheless, the construction industry grew by 4.3% in 2022, especially due to the strong tailwind in residential construction. This sector benefited from low interest rates and high inflation, which made investments in real estate an attractive option, contributing to growth of 10.8% in 2022. The rise in construction and labour costs, the material bottlenecks and the higher interest rates, however, will lead to lower residential construction growth already in 2023 (2.8%) and to a minus of 3.7% in 2024.

Non-residential construction recovered after the decline of the previous years and reached a plus of 3.3% in 2022, with +1.4% and -0.6% expected for 2023 and 2024, respectively. Growth was particularly strong in the industrial buildings and warehouses sector. The Bulgarian civil

1 STRABAG is in the process of winding up its activities in Russia.

engineering segment grew by just 1.0% in 2022, with EECFA predicting growth of 1.8% and 3.1% for each of the following two years. This development will depend to a large degree on how quickly the EU funds can be utilised. Overall, growth of 2.0% and 0.2% is forecast for the Bulgarian construction industry for 2023 and 2024, respectively.

The STRABAG Group generated € 67.84 million on the Bulgarian market in 2022.

Denmark

The Danish economy showed itself to be stable and in consistently good shape at the beginning of 2022. The situation only became bleaker with the outbreak of the war in Ukraine in February. Despite the increasing inflation, however, coupled with rising interest rates, high energy prices and many additional uncertainties challenging politicians and the population, the GDP continued to grow with a plus of 2.2% in 2022. Euroconstruct forecasts a slight downturn for 2023 (-0.3%) but expects the GDP to return to growth in the following years, with +1.1% and +2.6% in 2024 and 2025, respectively.

After two years of strong growth, the Danish construction industry posted a slight decline of 0.3% in the reporting year. Euroconstruct expects another minus of 1.5% and 0.2% for 2023 and 2024, respectively, followed by a plus of 1.3% in 2025. Uncertainties existed at the time of the forecast with regard to the policies of the new government, which was elected in November 2022. This concerns the expansion of infrastructure as well as the future taxation of residential property.

Danish residential construction declined significantly in 2022 (-1.0%) after two boom years with double-digit growth rates. This trend will continue in 2023 and 2024 (with -3.9% and -1.7%, respectively), partly due to inflation, rising interest rates and higher construction costs. Residential construction should then pick up again in 2025 with slight growth of 1.4%. The mild growth in non-residential construction (2022: +0.4%) is largely due to the construction of educational and healthcare buildings as well as warehouses, while demand for office buildings has declined. The sector will continue to grow by only 0.5%, 0.9% and 1.1% in 2023 and the following years. Denmark's civil engineering sector showed a similar trend, with growth of 0.6% in the period under review. Growth of 1.4% and 1.7% is expected for 2023 and 2024, respectively, with a plus of 1.4% in 2025. Driving this development is, among other things, transportation infrastructure and wind power projects as well as the expansion of district heating.

The output volume of the STRABAG Group in Denmark amounted to € 61.49 million in 2022.

Italy

The Italian economy, which had managed to recover quickly from the Covid-19 fallout, continued to grow in 2022 with a plus of 3.3%. However, the outlook is being significantly clouded by the war in Ukraine, supply bottlenecks, rising prices, especially for construction materials, and the energy supply crisis. The strong dependence of Italian production companies on Russian gas is having a negative impact. The purchasing power of households is also declining. Euroconstruct therefore predicts only weak growth of 0.2% for the Italian economy in 2023, followed by a plus of 1.5% and 1.3%, respectively, for the following years.

The construction industry performed far better than the GDP, with growth of 12.1% in the reporting year. A significant part of this was due to residential construction, which, after a record result in 2021, was also able to generate a plus of 22.5% in 2022. A decisive factor here is the government's temporary "super bonus" with highly attractive tax breaks for the energetic, ecological and safety-related modernisation of residential buildings.

Once this boom is over, Euroconstruct expects a sharp decline for Italian residential construction in the following years (2023: -6.0%, 2024: -15.6%), followed by a less pronounced decline of -1.3% in 2025.

Non-residential construction recorded only a small increase of 1.3% in 2022. Publicly financed projects such as education and healthcare buildings should provide significant momentum as early as 2023. The modernisation of office buildings and the redevelopment of large urban areas will also have a positive impact. Euroconstruct expects non-residential construction to increase by 3.6% in 2023, with +5.2% in 2024 and +1.1% in 2025.

The energy crisis, rising material prices, and material and labour shortages interrupted the strong upward curve in Italian civil engineering in 2022 (-1.3%). The implementation of the National Recovery and Resilience Plan (NRRP in Italian) also proved to be highly complex. The EU-funded plan, however, is expected to provide powerful stimuli for the segment in the years to come. This applies in particular to the railways (+40.6%) and telecommunications (e.g., national ultra-broadband project) as well as renewable energy. The strong civil engineering growth of 17.9% forecast as a result in 2023 will continue more moderately in 2024 and 2025, with +5.4% and +5.7%, respectively. In view of the very different outlooks in the individual segments, Euroconstruct calculates a slight increase of 0.6% for the Italian construction industry as a whole in 2023, followed by a minus of 6.0% in 2024 and a slight plus of 1.0% again in 2025.

The output volume of the STRABAG Group in Italy amounted to € 20.59 million in 2022.

Russia

The STRABAG Group still generated an output volume of € 58.85 million in Russia in 2022. In the region, STRABAG was almost exclusively active in building and industrial construction. In March 2022, the Management Board of STRABAG SE made the decision to wind up all activities in the country.

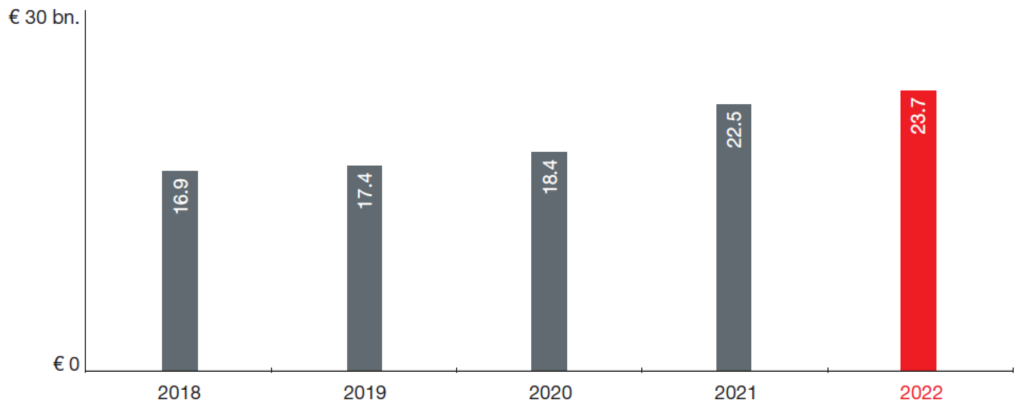
Order backlog

ORDER BACKLOG BY SEGMENT AS AT 31 DECEMBER 2022

€ mln.	Total 2022	North + West	South + East	International + Special Divisions	Other	Total 2021	▲ Total %	▲ Total absolute
Germany	11,154	9,815	211	1,116	12	10,724	4	430
Austria	2,992	73	2,535	384	0	2,663	12	329
United Kingdom	2,216	18	0	2,198	0	2,209	0	7
Poland	1,634	1,599	2	33	0	1,628	0	6
Czech Republic	993	0	973	14	6	930	7	63
Americas	883	0	0	883	0	815	8	68
Hungary	719	0	707	11	1	711	1	8
Romania	567	7	549	11	0	248	129	319
Croatia	408	0	408	0	0	242	69	166
Italy	374	0	9	365	0	61	513	313
Slovakia	320	0	302	18	0	290	10	30
Middle East	256	1	13	242	0	368	-30	-112
Asia	253	0	10	243	0	272	-7	-19
Benelux	220	209	0	11	0	232	-5	-12
Rest of Europe	184	11	172	1	0	173	6	11
Switzerland	101	0	98	3	0	102	-1	-1
Sweden	98	93	0	5	0	119	-18	-21
Slovenia	95	0	95	0	0	56	70	39
Russia[1]	86	0	85	1	0	122	-30	-36
Africa	72	0	55	17	0	107	-33	-35
Serbia	67	0	67	0	0	93	-28	-26
Bulgaria	31	0	30	1	0	178	-83	-147
Denmark	16	16	0	0	0	158	-90	-142
Total	**23,739**	**11,842**	**6,321**	**5,557**	**19**	**22,501**	**6**	**1,238**

1 STRABAG is in the process of winding up its activities in Russia.

DEVELOPMENT OF ORDER BACKLOG



Despite rising construction costs and the accelerated interest rate turnaround, the order backlog as at 31 December 2022 increased by 6% year-on-year to € 23,738.84 million, which is only slightly below the previous record level from the end of the first six months of 2022. Projects were successfully acquired in our home markets of Germany and Austria in particular, but also in Romania, Italy and Croatia. The order backlog declined in Bulgaria, Denmark and the Middle East.

The additions to the order books in Germany and Austria include the Grünblick sustainable housing project with 340 units in Vienna, the construction of the headquarters of Volksbank Raiffeisenbank Bayern Mitte in Ingolstadt and the upgrade of the Berlin–Köpenick railway station. The company was also awarded a contract in Croatia for the modernisation of the railway line between Zagreb and Rijeka and, in Romania, for the expansion of the A3 motorway over a length of 15.7 km. Contracts worth around € 283 million were acquired in Chile, enabling STRABAG to further expand its strong market position in the mining business in the region.

CONSTRUCTION SITES INCLUDED IN THE ORDER BACKLOG AS AT 31 DECEMBER 2022[1]

Category	Number of construction sites	Number of construction as % of total	Order backlog € mln[1]	Order backlog as % of total
Small orders (€ 0–1 mln.)	9,866	78	1,926	8
Medium-sized orders (€ 1–15 mln.)	2,230	18	4,179	18
Large orders (€ 15–50 mln.)	361	3	5,051	21
Very large orders (>€ 50 mln.)	154	1	12,583	53
Total	**12,611**	**100**	**23,739**	**100**

The total order backlog is comprised of 12,611 individual projects. More than 9,800 of these, or 78%, involve small orders with a volume of up to € 1 million each; the remaining proportion of 22% covers medium-sized to very large orders with contract volumes of € 1 million and up. A total of merely 154 projects have a volume above € 50 million.

The high number of individual contracts guarantees that the risk involved with one project does not, as far as possible, threaten the group success as a whole. The ten largest projects in the order backlog as at 31 December 2022 added up to 21% of the order backlog.

1 Rounding differences are possible.

SELECTED LARGE PROJECTS IN THE ORDER BACKLOG AS AT 31 DECEMBER 2022

Country	Project	Order backlog € mln.[1]	as % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1,420	6.0
United Kingdom	Woodsmith Project	723	3.1
Germany	US hospital, Weilerbach	703	3.0
Germany	Central Business Tower	432	1.8
Canada	Scarborough Subway Extension Line 2	346	1.5
Germany	Stuttgart 21, underground railway station	337	1.4
Croatia	Railway line Leskovac–Karlovac	254	1.1
Germany	PPP A49 motorway	220	0.9
Czech Republic	D1 Řikovice–Přerov	185	0.8
Germany	A1 Lohne–Bramsche	160	0.7
Total		**4,780**	**20.3**

Financial performance

The consolidated **group revenue** for the 2022 financial year amounted to € 17,025.85 million. As with the output volume, this corresponds to a plus of 11%. The ratio of revenue to output increased slightly year-on-year from 95% to 96%. The operating segments North + West contributed 47%, South + East 32% and International + Special Divisions 21% to the revenue.

The **changes in inventories** mainly involve real estate project developments. The business continued to be actively pursued. The disposals resulted mainly from successful sales and were almost entirely offset by existing and new project developments. The **own work capitalised** increased slightly from a low basis due to the realisation of several new corporate locations. The total of **expenses for construction materials, consumables and services used** and the **employee**, expressed in relation to the revenue, grew from 87% to 89%.

EXPENSES

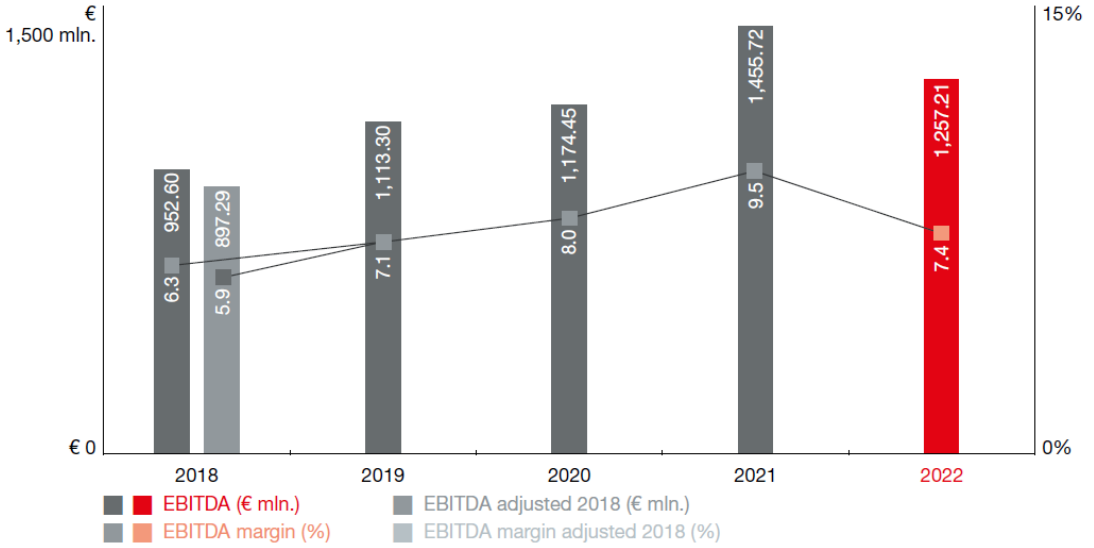
€ mln.	2022	2021	▲ %
Construction materials, consumables and services used	10,988.65	9,415.08	17
Employee benefits expense	4,133.73	3,843.58	8
Other operating expenses	1,013.28	823.82	23
Depreciation and amortisation expense	550.81	549.61	0

Following a significant increase in 2021, lower earnings from joint ventures and consortia in the reporting period in particular led to a reduction in **earnings from equity-accounted investments** to € 60.89 million. The **net income from investments**, which comprises the dividends and expenses of many smaller companies or financial investments, increased compared with the previous year.

In total, the **earnings before interest, taxes, depreciation and amortisation (EBITDA)** decreased by 13%, although, at € 1,257.21 million, this figure was still well above the € 1.0 billion mark for the fourth year in a row. The EBITDA margin decreased accordingly from 9.5% to 7.4%. The **depreciation and amortisation expense** amounted to € 550.81 million (+0.2%), roughly on a par with the previous year.

1 Rounding differences are possible.

DEVELOPMENT OF EBITDA AND EBITDA MARGIN[1]



Effective tax rate: 33.0%

Following exceptionally high **earnings before interest and taxes (EBIT)** in the previous year, characterised by numerous positive earnings influences in all segments, normalisation set in during 2022 as expected. Nevertheless, the EBIT of € 706.40 million was the second highest in the Group's history. The EBIT margin amounted 4.2% (2021: 5.9%), in line with the goal of achieving at least 4% on a sustainable basis starting from 2022.

Earnings per share: € 4.60

The **net interest income** was positive, at € 10.67 million, compared to € -12.57 million in the previous year, mainly due to the increased interest income. The exchange rate result included in this figure also turned positive in 2022 at € 3.20 million, after reporting € -3.88 million in the previous year.

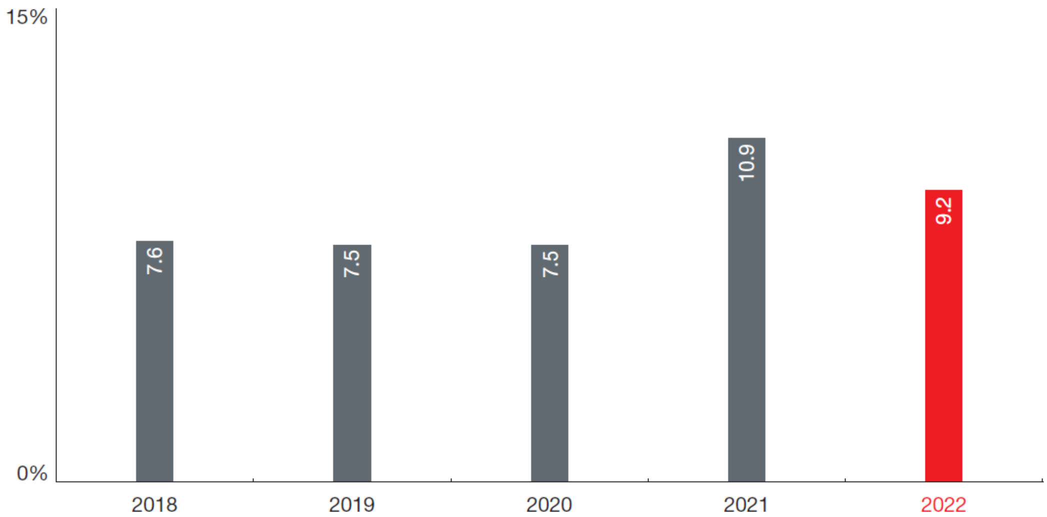
On balance, the **earnings before taxes** stood at € 717.07 million. The income tax rate, at 33.0%, was slightly higher than in the previous year. The **net income** amounted to € 480.13 million compared to € 596.40 million in 2021.

The earnings owed to minority shareholders amounted to € 7.68 million after € 10.69 million in the previous year. The **net income after minorities** – due to the exceptionally positive earnings effects in the previous year – was 19.3% lower in 2022, although with € 472.45 million it still posted the second-highest figure since the establishment of STRABAG SE. The earnings per share amounted to € 4.60 (2021: € 5.71).

The **return on capital employed** (ROCE)[2] came in at 9.2% after 10.9% in the previous year, well above the multi-year average.

1 2018 adjusted for a non-operating step-up profit in the amount of € 55.31 million
2 ROCE = (net income + interest on debt – interest tax shield (25 %)) / (average group equity + interest-bearing debt)

DEVELOPMENT OF ROCE



Financial position and cash flows

BALANCE SHEET

€ mln.	31.12.2022	% of balance sheet total[1]	31.12.2021	% of balance sheet total[1]
Non-current assets	5,292.10	42	4,989.56	41
Current assets	7,391.66	58	7,236.21	59
Equity	4,025.24	32	4,071.82	33
Non-current liabilities	2,193.76	17	2,146.39	18
Current liabilities	6,464.76	51	6,007.56	49
Total	**12,683.76**	**100**	**12,225.77**	**100**

The total of assets and liabilities increased year-on-year from € 12.2 billion to € 12.7 billion. An increase in property, plant and equipment – including the addition of real estate in Stuttgart for the expansion of the corporate location there – and in inventories as well as an output-related increase in trade receivables were offset by a decrease in cash and cash equivalents. The equity declined slightly, although it remained above the € 4 billion mark at € 4,025.24 million. This decrease results in particular from the fact that the buyback obligation for own shares, which existed as at 31 December 2022 due the anticipatory mandatory offer underway at the time and which amounted to a maximum of 10% of the share capital (€ 399.52 million), had to be deducted directly from retained earnings. As only 2.7% of own shares were ultimately purchased, the difference of € 291.31 million will have to be transferred to retained earnings in 2023. As a result, the **equity ratio** decreased at a high level from 33.3% to 31.7% in 2022.

KEY BALANCE SHEET FIGURES

	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022
Equity ratio (%)	31.6	31.5	33.9	33.3	31.7
Net debt (€ mln.)	-1,218.28	-1,143.53	-1,747.23	-1,937.18	-1,927.70
Gearing ratio (%)	-33.3	-29.7	-42.5	-47.6	-47.9
Capital employed (€ mln.)	5,552.09	5,838.71	5,815.14	5,750.63	5,407.37

1 Rounding differences are possible.

Net cash position remains at € 1.9 billion

A net cash position was reported as usual on 31 December 2022. At € 1.9 billion, this figure remained unchanged year-on-year.

The lower cash and cash equivalents were offset by a reduction in financial liabilities as a result of the bond repayment in the amount of € 200 million

CALCULATION OF NET DEBT[1]

€ mln.	**31.12.2018**	**31.12.2019**	**31.12.2020**	**31.12.2021**	**31.12.2022**
Financial liabilities	1,363.33	1,422.21	1,156.01	1,193.62	957.20
Severance provisions	114.68	124.68	122.55	108.36	91.38
Pension provisions	420.31	435.92	428.36	376.83	333.55
Non-recourse debt	-730.77	-665.53	-597.20	-652.74	-607.97
Cash and cash equivalents	-2,385.83	-2,460.81	-2,856.95	-2,963.25	-2,701.85
Total	**-1,218.28**	**-1,143.53**	**-1,747.23**	**-1,937.18**	**-1,927.70**

The **cash flow from operating activities** decreased as a result of lower cash flow from earnings and a noticeable increase in working capital from € 1,220.56 million to € 812.86 million compared with the same period of the previous year. In view of the rising interest rates, a significant reduction in advance payments and an associated increase in working capital, which had already begun in 2022, can be expected in the coming reporting periods.

The **cash flow from investing activities** was more negative, as expected, in particular due to higher investments in intangible assets and property, plant and equipment, including the expansion of the Stuttgart location. The **cash flow from financing activities** amounted to € -503.66 million, compared with € -743.90 million in the previous year. The reduction in the dividend payment – following a special dividend in the previous year – more than compensated for the repayment of the bond in the amount of € 200 million.

REPORT ON OWN SHARES

The company held no own shares as at 31 December 2022.

Capital expenditures

STRABAG had forecast net investments (cash flow from investing activities) of up to € 550 million for the 2022 financial year. In the end, they amounted to € 560.42 million.

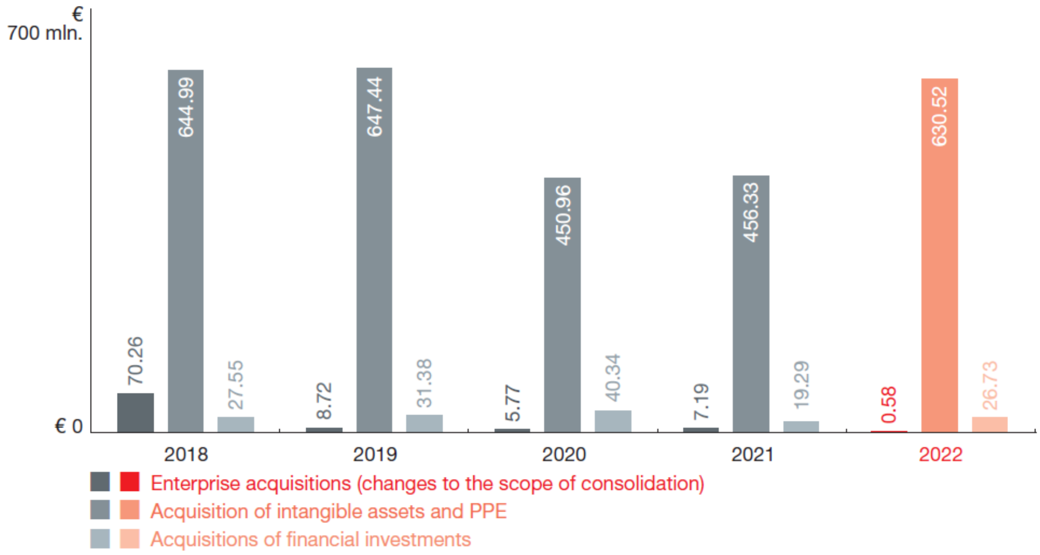
The gross investments (CapEx) before subtraction of proceeds from asset disposals stood at € 657.83 million. This figure includes **expenditures on intangible assets and on property, plant and equipment** not including the non-cash additions to right-of-use assets of € 630.52 million, the **purchase of financial assets** in the amount of € 26.73 million and € 0.58 million from changes to the scope of consolidation.

Particularly significant investments include the maintenance expenditures at our permanent establishments in the core markets of Germany, Austria and the Czech Republic as well as the additional investments in rail construction in several different countries. In addition, substantial investments were made as part of large-scale projects in a production plant for tunnel segments in the UK and in equipment technology in the mining sector in Chile.

Expenditures on intangible assets and on property, plant and equipment during the year under report must be seen against the depreciation and amortisation expense in the amount of € 550.81 million. At € 6.70 million, goodwill impairment was slightly higher than the previous year's value of € 5.67 million.

1 The non-recourse liabilities that were considered are related to three major projects. Non-recourse liabilities from other PPP projects had, based on their amount, only an immaterial impact and are therefore not subtracted in the calculation of net debt.

COMPOSITION OF CAPEX



Financing/Treasury

KEY FIGURES TREASURY

	2018	2019	2020	2021	2022
Interest and other income (€ mln.)	38.62	30.97	27.89	26.96	50.74
Interest and other expense (€ mln.)	-66.05	-56.32	-48.49	-39.53	-40.07
EBIT/net interest income (x)	-20.4	-23.8	-30.6	-71.3	66.2
Net debt/EBITDA (x)	-1.3	-1.0	-1.5	-1.3	-1.5

The number one objective for the treasury management of STRABAG SE is assuring the continued existence of the company through the maintenance of constant solvency. This objective is to be reached through the provision of sufficient short-term, medium-term and long-term liquidity. Liquidity for STRABAG SE means not only solvency in the strict sense but also the availability of guarantees. The activity of building requires the constant availability of bid, contract fulfilment, advance payment and warranty guarantees and/or sureties. The financial scope of action is thus defined by sufficient cash and cash credit lines, on the one hand, and by sufficient surety credit lines on the other.

The management of **liquidity risks** has become a central element of the corporate management at STRABAG. In practice, liquidity risks come in various forms:

- In the short term, all daily payment obligations must be covered in time and/or in their entirety.
- In the medium term, liquidity levels must be sufficient so that no transactions or projects become impossible due to a lack of sufficient financial means or guarantees or that they cannot be executed at the desired pace.
- In the long term, there should be sufficient financial means available to be able to pursue the strategic development targets.

In the past, STRABAG has always oriented its financing decisions according to the risk aspects outlined above and has organised the maturity structure of the financial liabilities in such a way as to avoid a refinancing risk. In this way, the company has been able to maintain a great scope for action, which is of particular importance in a difficult market environment. The respective liquidity needed is determined by targeted liquidity planning. Based on this, liquidity assurance measures are made, and a liquidity reserve is defined for the entire Group.

The medium- and long-term liquidity needs are also covered by the **issue of corporate bonds** when needed. STRABAG SE (and its predecessor FIMAG) has regularly issued bonds on the Austrian capital market since 2002. In the 2015 financial year, the company successfully placed a € 200 million tranche with a coupon of 1.625% and a term to maturity of seven years. This bond was repaid in 2022. No bonds were on the market at the end of 2022.

The existing liquidity of € 2.7 billion assures the coverage of the Group's liquidity needs. STRABAG SE has a total credit line for cash and surety loans in the amount of € 8.2 billion. The credit lines include a **syndicated surety credit line** in the amount of € 2.0 billion and a revolving **syndicated cash credit line** of € 0.4 billion, each with a term to maturity until 2026. The Group also has bilateral credit lines with banks. With a high degree of diversification regarding its surety and cash credit, STRABAG creates an adequate risk spread in the provision of the credit lines and se cures its comfortable liquidity position.

In June 2015, Standard & Poor's (S&P) raised STRABAG SE's investment grade rating by one level from BBB-, outlook stable, to BBB, outlook stable. This rating was again confirmed in August 2022. S&P sees STRABAG SE's strengths and opportunities above all in the stable margins in an otherwise quite cyclical market environment, the strategic access to construction materials, the strong market positions and the high reputation in the credit markets.

PAYMENT OBLIGATIONS

€ mln.	Book value 31.12.2022	Book value 31.12.2021
Bonds	0	200.00
Bank borrowings	624.76	687.76
Lease liabilities	332.44	305.85
Total	**957.20**	**1,193.61**

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 significantly compared with the previous year, growing by € 12.78 million from € 70.59 million in 2021 to € 83.37 million in 2022. This development is attributable to the pass-through of higher insurance premiums and an increase in intra-group allocations.

	2022	2021
Revenue in T€ (sales)	83,374	70,589
Earnings before interest and taxes in T€ (EBIT)	261,851	576,745
Return on sales in % (ROS)[1]	>100.0	>100.0
Return on equity in % (ROE)[2]	8.9	19.0
Return on investment in % (ROI)[3]	8.0	17.2

The earnings before interest and taxes (EBIT) decreased by € 314.90 million compared to the previous year, falling from € 576.75 million to € 261.85 million. This decrease was attributable exclusively to the investment income, which was at a lower level in 2022 than the extraordinarily high income from investments in the year before.

The operating earnings for the 2022 financial year remained stable, coming to rest at € 17.20 million compared to € 16.92 million in the previous year.

The decrease in financial earnings by € 315.52 million from € 564.16 million to € 248.64 million resulted from the sharp drop in profit transfers from subsidiaries. In contrast, a positive impact on earnings resulted from the lower expenses for financial assets compared to the previous year.

Net interest income showed a positive interest balance of € 3.98 million (2021: € 4.33 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 € 259.62 million for the 2022 financial year (2021: € 578.33 million).

The change in earnings is also reflected in the profitability indicators.

FINANCIAL POSITION AND CASH FLOWS

The total assets of STRABAG SE decreased slightly to € 3.2 billion in 2022 compared to the previous year's value (€ 3.3 billion). Worth mentioning is the decrease in receivables from subsidiaries due to reduced profit transfers and the repayment-related decrease in bond liabilities. A significant increase was recorded in other liabilities due to the commitment to buy back own shares and the sanction-related withholding of dividends to MKAO "Rasperia Trading Limited".

1 ROS = EBIT / revenue
2 ROE = EBT / avg. equity
3 ROI = EBIT / avg. total capital

	2022	2021
Net debt in T€[1]	203,472	267,736
Working capital in T€[2]	236,976	307,411
Equity ratio in %	92.6	90.4
Gearing ratio in %[3]	6.8	9.0

The net debt as at 31 December 2022 amounts to € 203.47 million and is significantly lower than the previous year's value (€ 267.74 million). This development results from the reduction of interest-bearing borrowings due to the repayment of the bond mentioned above. As the equity capital remained almost unchanged compared to the previous year, the gearing ratio of net debt to equity improved from 9.0% in the previous year to 6.8% in the year under review.

The working capital was also significantly lower, decreasing by € 70.43 million from € 307.41 million in 2021 to € 236.98 million in 2022. This decline was essentially based on the aforementioned reduction in receivables from profit transfers.

Due to the reduced total assets, the equity ratio increased to 92.6% compared to the previous year's 90.4% and remains at a very high level.

T€	2022	2021
Cash flow from operating activities	342,725	308,476
Cash flow from investing activities	-7,265	2,599
Cash flow from financing activities	-339,569	-682,253

The cash flow from operating activities of € 342.73 million is largely attributable to the cash flow from earnings. The decrease of the working capital also had a positive impact.

The cash flow from investing activities saw an inflow of € 10.12 million in cash and cash equivalents from the repayment of financing receivables in the reporting year. This is contrasted by the use of cash for additions to financial assets amounting to € 17.39 million. In total, the cash flow from investing activities amounts to € -7.27 million.

The build-up of liabilities from cash clearing resulted in a cash inflow of € 24.31 million in the cash flow from financing activities. After payment of the dividend for the 2021 financial year in the amount of € 163.88 million (the dividend attributable to the shares held by MKAO "Rasperia Trading Limited" was withheld due to the sanctions imposed on Oleg Deripaska) and the bond repayment in the amount of € 200.00 million, the result was a total cash outflow of € 339.57 million in the cash flow from financing activities in 2022.

REPORT ON OWN SHARES

The company held no own shares at the reporting date. By 31 December 2022, however, 1,694,816 STRABAG shares had been tendered for sale in the mandatory bid, which is why these shares are already to be presented as own shares in the annual financial statements.

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 2022, of which there are three operating segments, North + West, South + East and International + Special Divisions, and the segment Other, which encompasses the Group's central divisions and central staff divisions. In 2022, the segments were comprised as follows[1]:

NORTH + WEST
Management Board responsibility[2]: Alfred Watzl
Germany, Poland, Benelux, Scandinavia, Ground Engineering

Switzerland was added to the North + West segment with effect from 1 January 2023. As of 1 January 2023, Poland will be reported in the South + East segment.

SOUTH + EAST
Management Board responsibility[2]: Alfred Watzl[3]
Austria, Czech Republic, Slovakia, Hungary, South-East Europe, Switzerland, Environmental Technology

Poland was added to the South + East segment with effect from 1 January 2023. As of 1 January 2023, Switzerland will be reported in the North + West segment.

Management Board responsibility[2]: Klemens Haselsteiner
Winding up Russia

INTERNATIONAL + SPECIAL DIVISIONS
Management Board responsibility[2]: Siegfried Wanker
International, Tunnelling, Services, Real Estate Development, Infrastructure Development, Construction Materials

OTHER
Management Board responsibility[2]: Thomas Birtel, Christian Harder and Klemens Haselsteiner
Central Divisions, Central Staff Divisions

Construction projects are assigned to one of the segments (see chart below). Of course, projects may also be assigned to more than one segment. This is the case, for example, with PPP projects in which the construction part is assigned to its respective geographic segment, but the concession part is assigned to the concessions unit of International + Special Divisions. In projects which span more than one segment, the commercial and technical responsibility is generally assigned to that segment which has the higher share of the overall project value.

Geographic segments may be desirable, but they are not always possible. Particularly the specialty fields – e.g. tunnelling – are in demand all around the world. As it is therefore not possible to assign these to a certain country, such business fields are listed under the segment International + Special Divisions. At the same time, the two segments North + West and South + East may contain international business fields such as sports facilities. These are usually organised from a country assigned to one of the respective geographic segments.

1 Services may be performed in more than one segment. The activities and countries below have been assigned to those segments in which the most significant portion of the services was provided. Details are available in the table.

2 Situation as at 31 December 2022

3 Peter Krammer resigned from the Management Board effective 12 June 2022. Alfred Watzl took over the South + East segment on an interim basis from 13 June to 31 December 2022.

With only a few exceptions, STRABAG offers its services in all areas of the construction industry in the individual European markets in which it operates and covers the entire construction value chain. These services include:

	North + West	South + East	International + Special Divisions
Residential Construction	✓	✓	✓
Commercial and Industrial Facilities	✓	✓	✓
Public Buildings	✓	✓	✓
Engineering Ground Works	✓	✓	✓
Bridge Construction	✓	✓	✓
Power Plants	✓	✓	✓
Roads, Earthworks	✓	✓	✓
Protective Structures	✓	✓	✓
Sewerage Systems	✓	✓	✓
Production of Construction Materials	✓	✓	✓
Railway Construction	✓	✓	
Waterway Construction, Embankments	✓	✓	
Landscape Architecture and Development, Paving, Large-Area Works	✓	✓	
Sports and Recreation Facilities	✓	✓	
Ground Engineering	✓		
Environmental Technology		✓	
Production of Prefabricated Elements		✓	
Tunnelling			✓
Real Estate Development			✓
Infrastructure Development			✓
Operation/Maintenance/Marketing of PPP Projects			✓
Property and Facility Services			✓

SEGMENT NORTH + WEST: HIGH EBIT MARGIN MAINTAINED

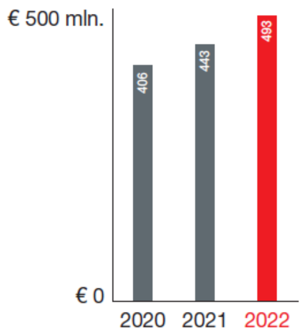
The North + West segment executes construction services of nearly any kind and size with a focus on Germany, Poland, the Benelux countries and Scandinavia. Ground engineering can also be found in this segment. Switzerland was added to the North + West segment with effect from 1 January 2023. As of 1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

€ mln.	2022	2021	▲ 2021-2022 %	▲ 2021-2022 absolute
Output volume	8,690.69	7,902.46	10	788
Revenue	8,032.71	7,317.95	10	715
Order backlog	11,841.89	11,628.13	2	214
EBIT	492.89	443.03	11	50
EBIT margin (% of revenue)	6.1	6.1		
Employees (FTE)	25,693	25,430	1	263

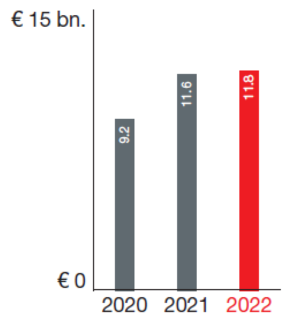
OUTPUT VOLUME NORTH + WEST

€ mln.	2022	2021	▲ 2021-2022 %	▲ 2021-2022 absolute
Germany	7,206	6,360	13	846
Poland	1,017	1,036	-2	-19
Benelux	143	218	-34	-75
Sweden	121	101	20	20
Denmark	56	90	-38	-34
Austria	50	24	108	26
United Kingdom	48	26	85	22
Romania	26	21	24	5
Rest of Europe	18	15	20	3
Hungary	5	9	-44	-4
Middle East	1	1	0	0
Switzerland	0	1	-100	-1
Total	**8,691**	**7,902**	**10**	**789**

EBIT



ORDER BACKLOG



Strong output growth in Germany

The North + West segment recorded a 10% year-on-year increase in output volume to € 8,690.69 million in 2022. This was attributable in particular to the home market of Germany, both in building construction & civil engineering and in transportation infrastructures, and to a lesser extent to the Swedish market. This growth was contrasted by declines in Poland, the Benelux countries and Denmark.

The revenue increased by 10% to € 8,032.71 million. Starting from a high level in the previous year, earnings before interest and taxes (EBIT) also grew by 11% to € 492.89 million, maintaining the very good EBIT margin of 6.1%. Earnings improvements were seen in the German building construction and civil engineering business, among others.

Order backlog expands slightly at a high level

The already high order backlog was expanded by 2% to € 11,841.89 million as at 31 December 2022, mainly due to growth in the home market of Germany. Notable additions to the order backlog in Germany include the construction of the corporate headquarters of Volksbank Raiffeisenbank Bayern Mitte in Ingolstadt and the expansion of Berlin-Köpenick railway station for regional traffic. An increase in the order backlog was also recorded in Poland. Here, STRABAG will continue to upgrade the S19 expressway in two sections.

Slight increase in number of employees

The number of employees in the entire North + West segment increased by 1% to 25,693 FTEs. The increase in the home market of Germany more than compensated for the declines in Poland, Denmark, the Benelux countries and Sweden.

Outlook: Slightly lower output expected

In view of the high order backlog, only a slight decline in output is expected in the North + West segment for 2023 despite the challenging business environment.

In the **German building construction** sector, material and energy prices are showing signs of normalising at a high level. Despite the higher prices, projects are still being brought to market. As a consequence of the interest rate turnaround, however, there is a noticeable shift from the private to the public sector.

A high order backlog is also reported in the **transportation infrastructures** business. This allows for a very selective approach to bidding. At the same time, output is expected to remain at a similarly high level as in the previous year.

Intense cut-throat competition prevails in the **Benelux** countries and in **Scandinavia**. The focus will remain as planned on stabilisation and consolidation as well as on the completion of large projects and selective bidding. The strategic and organisational changes introduced in **Switzerland** in the past are beginning to show positive results. The Group will continue to pursue and expand this successfully chosen path in the future.

SELECTED PROJECTS NORTH + WEST

Country	Project	Order backlog in € mln.	As % of total Group order backlog
Germany	US hospital, Weilerbach	703	3.0
Germany	Central Business Tower	432	1.8
Germany	Stuttgart 21, underground railway station	336	1.4
Germany	PPP A49 motorway	220	0.9
Germany	A1 Lohne–Bramsche	160	0.7

SEGMENT SOUTH + EAST: ORDER BACKLOG ABOVE GROUP AVERAGE

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

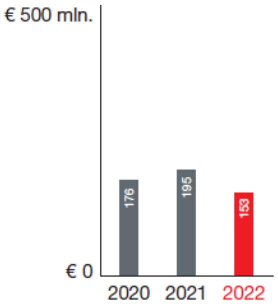
€ mln.	2022	2021	▲ 2021-2022 %	▲ 2021 -2022 absolute
Output volume	5,461.54	4,930.38	11	531
Revenue	5,495.54	4,924.60	12	571
Order backlog	6,320.72	5,596.97	13	724
EBIT	153.39	194.93	-21	-42
EBIT margin (% of revenue)	2.8	4.0		
Employees (FTE)	20,625	20,685	0	-60

OUTPUT VOLUME SOUTH + EAST

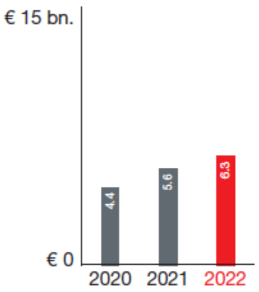
€ mln.	2022	2021	▲ 2021-2022 %	▲ 2021-2022 absolute
Austria	2,474	2,206	12	268
Czech Republic	895	782	14	113
Hungary	531	503	6	28
Slovakia	298	243	23	55
Romania	231	202	14	29
Croatia	220	162	36	58
Switzerland	193	186	4	7
Germany	184	152	21	32
Serbia	143	150	-5	-7
Rest of Europe	84	110	-24	-26
Russia[1]	70	43	63	27
Slovenia	66	94	-30	-28
Bulgaria	43	68	-37	-25
Italy	10	6	67	4
Africa	9	7	29	2
Poland	5	3	67	2
Asia	4	8	-50	-4
Middle East	1	4	-75	-3
Benelux	0	1	-100	-1
Total	**5,461**	**4,930**	**11**	**531**

1 STRABAG is in the process of winding up its activities in Russia.

EBIT



ORDER BACKLOG



Significantly higher output in Austria and the Czech Republic

The output volume in the South + East segment increased significantly by 11% to € 5,461.54 million in the past 2022 financial year. The largest increase in absolute terms was generated in our home market of Austria, followed by the Czech Republic and Croatia. With a few exceptions, including Bulgaria, the remaining countries of Central and Eastern Europe also recorded increases in output across the board.

The revenue increased by 12%, at a slightly higher rate than the output volume, to € 5,495.54 million. Due to provisions and as a result of strong cost inflation in Southern and Eastern Europe, the EBIT decreased to € 153.39 million, compared to € 194.93 million in 2021.

Order backlog: positive growth momentum continues

At € 6,320.72 million, the order backlog as at 31 December 2022 was 13% higher than on the previous year's reporting date. The largest additions to the order books were generated in Romania, Austria and Croatia. These include the expansion of the Romanian A3 motorway, the construction of the sustainable residential project Grünblick with 340 apartments in Vienna and the modernisation of the railway line between Zagreb and Rijeka. With the exception of Bulgaria and Serbia, the order backlog also increased in the other markets. The order volume in Switzerland remained virtually stable, while that in Russia decreased significantly as a result of STRABAG's ongoing exit from the market there.

Employees numbers remained constant

The number of employees remained virtually constant year-on-year at 20,625 FTEs. In line with the higher output volume, the number of employees increased mainly in Austria and in Hungary. Declines were recorded in Bulgaria and Slovakia in particular.

Outlook: Mixed trends

Stable year-on-year performance is expected in the South + East segment for the 2023 full year.

Thanks to the good order backlog, another solid output can be expected in **Austria** in 2023, both in building construction and in transportation infrastructures. In view of the significantly higher construction costs and interest rates, however, demand for residential construction can be expected to decline in the future. It should be possible to partially compensate for this with special buildings, for example in the health, sports and education sectors. The increasing stabilisation of energy and subcontractor prices at a high level should have a positive effect on the earnings development.

The **Polish economy** is strongly affected by the fallout from the Russian invasion of Ukraine. The country is also dealing with a comparatively high rate of inflation. Sharply increased energy and commodity prices as well as rising interest rates are impacting the entire economy, including the construction and real estate sectors. The European Commission's decision to withhold structural funds from Poland is delaying planned investments, especially in railway construction and in the energy and environmental sectors. Despite agreed price escalation clauses with public sector clients, it must be assumed that the massive increase in input costs cannot be fully compensated.

The **Hungarian economy** is suffering greatly as a result of the high inflation, the weakness of the forint and the frozen funds from several EU programmes. These factors are significantly reducing the country's construction output, especially in the infrastructure sector. Large-scale projects, such as the railway construction between Budapest and Belgrade, will therefore remain an exception. On a positive note, there are orders from the private sector and from German automotive manufacturers and suppliers who produce here.

The **Czech transportation infrastructures** sector is experiencing a period of increased competition. The high interest rate level could lead to declines in building construction, especially residential construction. Investments in industrial and logistics complexes have not yet shown any significant changes. Due to the comfortable order backlog in the Czech Republic, STRABAG expects this market to make a solid contribution to the Group's output volume in 2023.

In **Slovakia**, the number of projects tendered by the public sector in transportation infrastructures seems to be increasing again, while output in the building construction sector is expected to remain stable despite the challenging business environment. Early elections this autumn could have a positive effect on construction momentum. Growth is currently being curbed by the sharp rise in labour costs, which is further boosting the already high level of inflation.

In the markets of **South-East Europe**, an increasing number of new projects are also expected to come onto the market in 2023. In Romania, STRABAG is currently participating in tenders for projects in transportation infrastructures; in the country's building construction sector, public contracts for hospitals and military facilities are on the rise. In Croatia, infrastructure projects financed with EU funds offer opportunities for STRABAG, as does the tourism sector. Private investors here are concentrating on the construction of logistics centres and housing projects. In Slovenia, there are opportunities in the infrastructure sector, while industrial construction in particular is booming in building construction. In Serbia, North Macedonia and Montenegro, strong pressure can be felt from companies from China, the USA, Turkey and Azerbaijan – a challenge that affects the entire region.

SELECTED PROJECTS SOUTH + EAST

Country	Project	Order backlog in € mln.	As % of total Group order backlog
Croatia	Railway line Leskovac–Karlovac	254	1.1
Czech Republic	D1 Řikovice–Přerov	185	0.8
Romania	Mihail Kogălniceanu Airport	145	0.6
Czech Republic	Pankrác–Olbrachtova underground line	135	0.6
Hungary	Railway line Békéscsaba–Lökösháza	126	0.5

SEGMENT INTERNATIONAL + SPECIAL DIVISIONS: FLUCTUATIONS IN THE PROJECT BUSINESS

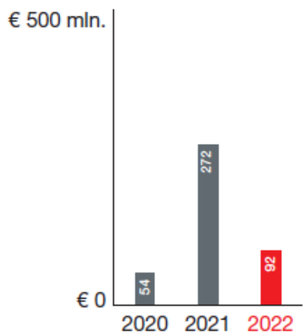
The International + Special Divisions segment includes the field of tunnelling as well as the concessions business, which, especially in transportation infrastructures, operates worldwide. In the markets of the United Kingdom and Chile, STRABAG offers tunnelling as well as a variety of country-specific services. Regardless of the location, all construction materials activities – with the exception of asphalt – are also part of this segment, with a dense network of production plants. The real estate business, which stretches from project development and planning to construction and operation and also includes the property and facility services business, completes the wide range of services in this segment. Additionally, most of the other services in non-European markets are also bundled in this segment.

€ mln.	2022	2021	▲ 2021-2022 %	▲ 2021-2022 absolute
Output volume	3,445.12	3,161.46	9	284
Revenue	3,479.97	3,039.14	15	441
Order backlog	5,556.81	5,268.22	5	289
EBIT	91.95	272.08	-66	-180
EBIT margin (% of revenue)	2.6	9.0		
Employees (FTE)	20,405	20,610	-1	-205

OUTPUT VOLUME INTERNATIONAL + SPECIAL DIVISIONS

€ mln.	2022	2021	▲ 2021-2022 %	▲ 2021-2022 absolute
Germany	924	906	2	18
Americas	556	479	16	77
United Kingdom	530	364	46	166
Austria	386	435	-11	-49
Middle East	250	198	26	52
Czech Republic	185	159	16	26
Asia	132	137	-4	-5
Hungary	127	120	6	7
Poland	90	107	-16	-17
Romania	56	40	40	16
Slovakia	52	42	24	10
Africa	38	28	36	10
Benelux	33	13	154	20
Sweden	29	18	61	11
Croatia	18	13	38	5
Slovenia	15	10	50	5
Italy	11	52	-79	-41
Bulgaria	10	6	67	4
Rest of Europe	8	9	-11	-1
Denmark	5	18	-72	-13
Serbia	2	3	-33	-1
Switzerland	2	2	0	0
Russia[1]	-14	2	n. a.	-16
Total	**3,445**	**3,161**	**9**	**284**

EBIT

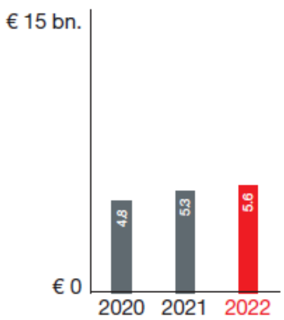


Significant revenue growth

The International + Special Divisions segment generated an output volume of € 3,445.12 million in 2022, 9% higher than in the previous year. This is mainly attributable to the ongoing fulfilment of large orders in the United Kingdom, Chile and the Middle East.

With an increase of 15%, the revenue rose faster than output to € 3,479.97 million. Due to the existence of several large projects, the segment experiences regular fluctuations. In this respect, the diversification of the facility management portfolio and the infrastructure development business, among other things, made a positive contribution to earnings, although it could not compensate for adverse effects in the volatile international project business. Accordingly, after an extraordinarily high increase in the previous year, there was now a reduction in EBIT to € 91.95 million, so that the EBIT margin fell from 9.0% to 2.6%.

ORDER BACKLOG



Italy and Americas driving order backlog

The order backlog increased by 5% to € 5,556.81 million as at 31 December 2022 compared to the same time in the previous year. As already reported in the 2022 half-year report, Italy contributed mainly to the growth of the order situation thanks to contracts won in transportation infrastructures and in road maintenance. In addition, the construction of 140 wind farm foundations in Chile opened up a new business segment. Meanwhile, a significant decline was registered in the Middle East.

Employees numbers down slightly

In view of the relative size of the individual projects in the International + Special Divisions segment, the number of employees in the different countries varies greatly. Overall, the number of employees decreased by 1% to 20,405 FTEs. This decline is partly related to the foreseeable

1 STRABAG is in the process of winding up its activities in Russia.

completion of the tunnelling works for the Alto Maipo hydropower plant megaproject in Chile. Alternatively, in the UK, employee levels increased due to the execution of the HS2 high-speed railway line and the Woodsmith Project.

Outlook: output growth expected in a challenging environment

For the full year 2023, the International + Special Divisions segment is expected to generate a higher output volume than in the previous year. This forecast is well supported by the high order backlog.

Due to the size of the projects, the **tunnelling business** is subject to constant volatility. Growing demand for tunnelling works can be seen globally, especially in metropolitan regions. Mining companies are also increasingly opting for tunnel-based development. While the number of construction companies specialising in large-scale tunnelling projects seems to be decreasing worldwide, the intensity of competition in the German-speaking region remains high. In view of the significantly greater project size, consideration of the risk profile of these projects is growing in importance.

In the **international business**, especially the markets in the United Kingdom and Canada are being followed with continued interest. Demand for construction services should persist in the Middle East as long as oil prices stay at a higher level. Chile holds opportunities in the mining business and for construction services for renewable energy, while the focus in Central America and Colombia will be on infrastructure projects. In Africa, STRABAG will examine projects on a selective basis, although the local conditions remain very challenging.

The **property and facility services business**, which is currently undergoing a process of digitalisation and efficiency enhancement, can look to the future with optimism. As a not insignificant share of carbon emissions can be attributed to building operations, this business segment is becoming increasingly important within the construction industry. STRABAG PFS aims to grow in Germany, Austria and Poland, both organically and through acquisitions.

In **infrastructure development**, STRABAG offers infrastructure services in all European countries. The strongest demand for these services can currently be found in Germany, though overall the number of projects put out to tender remains modest. Central and South America could prove interesting for road concessions in the future.

Real estate development is adversely affected by persistently high construction prices and the turnaround in interest rates. Land acquisitions, material and subcontractor services as well as disruptions in the supply chains require careful management. STRABAG Real Estate's very prudent market development in the past could prove to be a strength in the current environment. Our real estate subsidiary is currently benefiting from the robust development in residential construction. Office properties, on the other hand, could show weaker development overall due to the economic development and the trend towards working from home. As a result of its strong development and implementation competence with regard to sophisticated sustainability and new work concepts, STRABAG Real Estate expects competitive advantages in this asset class.

The **building materials business** is also showing a satisfactory trend overall. This business contributes a 7% share to the Group's total output volume. This segment is also proving to be a strategic advantage for the Group, especially in times of strained supply chains. In the current situation, our dense network of building materials operations and materials-based services remains an important basis for self-supply within the Group and thus for greater competitiveness.

SELECTED PROJECTS INTERNATIONAL + SPECIAL DIVISIONS

Country	Project	Order backlog € mln.	As % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1.419	6.0
United Kingdom	Woodsmith Project	723	3.1
Canada	Scarborough Subway Extension Line 2	346	1.5
Chile	Candelaria Norte 2022	156	0.7
Chile	El Teniente main access tunnel	115	0.5

SEGMENT OTHER (SERVICE COMPANIES AND CENTRAL STAFF DIVISIONS)

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

€ mln.	2022	2021	▲ 2021-2022%	▲ 2021 -2022 absolute
Output volume	138.12	134.62	3	4
Revenue	17.64	16.85	5	1
Order backlog	19.42	7.53	158	12
EBIT	1.00	0.69	45	0
EBIT margin (% of revenue)	5.7	4.1		
Employees (FTE)	7,017	6,881	2	136

Risk management

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

RISK MANAGEMENT AS A CORE TASK OF MANAGEMENT

Risk management is a core task of the management. Risk identification and risk assessment are the responsibility of the respective management level. Our risk management process involves our integrated quality management system, supporting central divisions and central staff divisions with technical, legal and administrative service and consulting activities and the internal audit department as a neutral and independent auditing entity.

Responsibility for implementation of the project risk management systems in the divisions has been assigned to the commercial division managers. The central division Project Risk Management System/System Development/International BRVZ Coordination handles the continuous improvement and development of the risk management system for the procurement and execution of construction projects.

All STRABAG leadership employees, within the scope of their duties and responsibilities, and in accordance with the Rules of Procedure and relevant company regulations, are obliged to

- work with the employees to set risk identification measures,
- monitor the risks,
- introduce countermeasures, and
- pass on relevant information about risks to other units or levels within the company. This requirement especially applies to all employees of the STRABAG Group.

The STRABAG SE Management Board prohibits engaging in business transactions whose realisation could endanger the company's existence.

RISK MANAGEMENT USING DEFINED RISK GROUPS

The Group's internal risk reporting defines the following central risk categories:

- External risks
- Operating and technical risks

- Financial risks
- Ethical risks
- Human resource risks
- IT risks
- Investment risks
- Legal risks
- Political risks

Additional risks exist with regard to work safety, environmental protection, quality, business continuity and supply chain.

Following ISO 31000 and the Committee of Sponsoring Organisations of the Treadway Commission (COSO), our risk management system forms part of our integrated management system. We deal with the risks identified by us as follows:

EXTERNAL RISKS COUNTERED THROUGH DIVERSIFICATION

The entire construction industry is subject to **cyclical fluctuations** and reacts to varying degrees depending on region and sector. Overall economic growth, development of the construction markets, the competitive situation, the conditions on the capital markets and technological changes in construction can all result in risks. These risks are continually observed and monitored by the central departments and operating units. Changes in external risks lead to adjustments in STRABAG's organisation, its market presence and its range of services and to the adaptation of its strategic and operational planning. STRABAG further counters market risk through geographic and product related diversification in order to minimise the influence of an individual market or the demand for certain services on the success of the company.

OPERATING AND TECHNICAL RISKS REDUCED THROUGH BINDING MINIMUM STANDARDS

These risks primarily include the complex risks associated with project selection and execution along with the technical risks that need to be assessed for each project, such as subsoil, geology, construction methods, technology, building materials, equipment, design, work planning, etc. An integral part of the project risk management system are minimum standards with corporate-wide validity for the procurement and execution of construction projects (common project standards). These comprise clearly defined criteria for the evaluation of new projects, a standardised process for the preparation and submission of bids, and integrated internal control systems serving as a filter to avoid loss-making projects. Business transactions requiring approval are reviewed and approved in accordance with the internal rules of procedure.

Depending on the risk profile, bids must be analysed by **internal commissions** and reviewed for their technical and economic feasibility. The construction and project teams can contact the experts at the central divisions BMTI, TPA, ZT and SID for assistance in assessing the technical risks and working out innovative solutions to technical problems. Project execution, monitored by **monthly target/performance comparisons,** is managed by the construction or project team on-site using documented procedures. At the same time, our central controlling department provides constant back-office support for the project, ensuring that risks of individual projects do not jeopardise the continued existence of the company.

FINANCIAL RISK: ACTIVE LIQUIDITY AND RECEIVABLES MANAGEMENT

Under financial risks, STRABAG understands risks in financial matters and in accounting, including instances of manipulation. Special attention is paid to the **liquidity and receivables management,** which is secured through continuous financial planning and daily status reports. Compliance with internal commercial guidelines is ensured by the central accounting and controlling departments, which are also responsible for internal reporting and the periodic planning process. Risks from possible instances of manipulation (acceptance of advantages, fraud, deception or other infringements of the law) are monitored by the central divisions in general and the **internal audit department** in particular.

STRABAG is subject to interest, currency, credit and liquidity risks with regard to its assets, liabilities and planned transactions. The goal of financial risk management is to minimise these risks through ongoing financial activities. The basic principles of the financial policy are determined by the Management Board and monitored by the Supervisory Board. The implementation of the financial policy and responsibility for the ongoing risk management are the domain of the Group's treasury department. Detailed information can be found in the Notes under item 35 Financial Instruments.

ETHICAL RISKS COUNTERED WITH AN ETHICS AND BUSINESS COMPLIANCE SYSTEM

Given the risk of corruption and anti-competitive behaviour in the construction industry, STRABAG has implemented a set of tools that have proven effective in combating these problems. The rules for proper business behaviour are conveyed by the **STRABAG Ethics Business Compliance System.** These have corporate-wide validity. The STRABAG business compliance model is based on the Business Compliance Management System (BCMS) along with supplementary management directives, the Code of Conduct and the personnel structure defined for enforcement, consisting of the Chief Compliance Officer, the Corporate Business Compliance Officers and the Regional Business Compliance Officers as well as the internal ombudspersons and the external ombudsman. Details on the ethical risks are available in the Consolidated Non-Financial Report pursuant to Sec 267a of the Austrian Commercial Code (UGB).

HUMAN RESOURCE RISKS: COUNTERMEASURES WITH CENTRAL HUMAN RESOURCE MANAGEMENT AND NEEDS-ORIENTED HUMAN RESOURCE DEVELOPMENT

Material human resource risks, such as recruiting bottlenecks, skilled labour shortages, fluctuation and labour law risks, are countered with a **central human resource administration** and **long-term, needs-oriented human resource development.** Human resource risks are to be reduced to a large extent through targeted recruiting of qualified specialists and leaders, extensive training activities, performance-based remuneration under compliance with labour law, and early succession planning. Additionally, systematic potential management is in place to ensure the development and career planning of company employees. Complementary initiatives to promote employee health, improve employment conditions and raise employee satisfaction further contribute to the company's appeal and prestige. Details on the human resource risks are available in the Consolidated Non-Financial Report pursuant to Sec 267a UGB.

IT RISKS: IT USAGE GUIDELINES AND CONTINUOUS REVIEW OF SECURITY CONCEPTS TO COUNTER CYBERCRIME

With the increasing threat of IT risks, different measures are being implemented in the form of multistep security and anti-virus concepts, user access rights, password-controlled access, expedient data backups and independent power supply. The Group is also working together with professional **specialty service providers** to ensure an efficient defence against cybercrime and is constantly reviewing its security concepts. By issuing IT usage guidelines and repeatedly informing on the necessity of risk awareness when working with information and communication technologies, we aim to ensure the security, availability, performance and compliance of the IT systems. Project ideas to improve and develop IT-related processes and control systems are evaluated and prepared through cooperation between the central divisions SID and BRVZ Information Technology.

INVESTMENT RISKS: SECTOR-TYPICAL MINORITY HOLDINGS OF MIXING PLANTS

The shares in mixing companies typically involve **minority interests,** as is usual in this sector. With these companies, economies of scope are at the fore.

LEGAL RISKS AVOIDED THROUGH EXTENSIVE RISK ANALYSIS

The central division CML Construction Services supports the risk management of the operating entities in matters of construction management and construction operation in all project phases **(Contract Management)** and provides, organises and coordinates legal advice **(Legal Services)** in this regard. Its most important tasks include comprehensive reviews and consultation in project acquisition – e.g., analysis and clarification of tender conditions, performance specifications, pre-contract agreements, tender documents, draft contracts and framework conditions – as well as support in project management.

POLITICAL RISK: INTERRUPTIONS AND EXPROPRIATIONS CONCEIVABLE

The Group also operates in countries experiencing political instability. Interruptions of construction activity, restrictions on ownership by foreign investors, and even expropriations are among the possible consequences of political changes which could have an impact on the Group's financial structure. These risks are analysed during the tendering phase and assessed by **internal commissions.**

MANAGEMENT SYSTEM FOR OCCUPATIONAL SAFETY AND HEALTH PROTECTION

In order to control the risks related to employee safety and health, STRABAG has implemented a work safety and health management system in accordance with **ISO 45001** and/or **SCC.** Moreover, the company works to maintain this system and ensures a suitable emergency organisation. Specially appointed officers and representatives ensure that the corporate-wide work safety standards are followed. In 2020 and 2021, the country-specific safety and hygiene regulations in connection with Covid-19 had to be implemented in particular. The infection figures could be kept at a very low level in most of the Group countries due to the strict implementation. The aspects of work safety and health also form part of the evaluation of subcontractors and suppliers. Details on the risks related to employee safety and health are available in the Consolidated Non-Financial Report pursuant to Sec 267a UGB.

CERTIFIED ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEM DESIRED

STRABAG is committed to reducing the negative environmental impact of its activities as far as this is technically possible and economically feasible. The company has implemented and is maintaining an environmental and energy management system based on **ISO 14001** or **EMAS, ISO 50001** or equivalent and – wherever possible – seeks to minimise the use of natural resources, avoid waste and promote recycling. Details on the environmental risks are available in the Consolidated Non-Financial Report pursuant to Sec 267a UGB. Risks from the effects of climate change are presented in the Notes.

QUALITY MANAGEMENT AS A COMPONENT OF THE INTEGRATED MANAGEMENT SYSTEM

In accordance with its vision and values, it is the Group's aim **to realise construction projects on schedule, of the best quality and at the best price.** This quality of the company's processes, services and products must therefore be ensured at all times. To achieve this goal, quality management forms an integral component of an integrated management system. This system is documented in the Management Manual, in Group directives and in subordinated provisions.

BUSINESS CONTINUITY: RIGOROUS INCLUSION OF CENTRAL DIVISIONS

The failure of equipment and production facilities, subcontractors and suppliers, human resources, the IT system or office buildings and accommodation must not be allowed to jeopardise the continued existence of the company. For this reason precautions are taken under a business continuity management system to ensure that incidents or **disasters only temporarily interrupt business**

activity – if at all. This includes the consistent involvement of the Group's own specialised central divisions, which can, for example, procure equipment, accommodation, IT systems or staff on short notice, build up long-term strategic partnerships with selected subcontractors and suppliers, and arrange for the audit of emergency scenarios in IT.

EVALUATION OF PARTNER COMPANIES TO REDUCE RISKS IN THE SUPPLY CHAIN

In the interest of quality and efficiency, STRABAG not only taps its own skills and resources to work off its orders, but also relies on the support of proven subcontractors and suppliers. The company focuses on long-term partnerships, a clear, transparent and complete description of the services and products to be procured, and an agreement on acceptance criteria for the products and services. STRABAG also systematically **evaluates subcontractors, service providers** and **suppliers** as part of its **decision-making foundation for future orders.**

A review of the current risk situation reveals that there were no risks which jeopardised the company's existence, nor were there any visible future risks.

REPORT ON KEY FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN RELATION TO THE FINANCIAL REPORTING

Introduction

The control structure as defined by COSO (Committee of Sponsoring Organisations of the Treadway Commission) provides the basis for describing the key features of the internal control and risk management systems with regard to the financial reporting process in the management report. The COSO framework consists of five interrelated components: control environment, risk assessment, information and communication, control activities and monitoring activities. On this basis, the STRABAG Group has set up a corporate-wide risk management system in accordance with generally accepted principles. The aim of the internal control system is to support the management in such a way that it is able to ensure internal controls with regard to financial reporting which are effective and which are improved on an ongoing basis. The system is geared to the compliance with rules and regulations and to creating conditions which are conducive to performing specific controls in key accounting processes.

Control environment

The corporate culture determines the control environment in which management and employees operate. STRABAG is constantly working to improve its communication and to convey its corporate values as defined in its Code of Conduct and its Business Compliance Management System (BCMS) in order to ensure moral standards, ethics and integrity within the company and in its dealings with others. The implementation of the internal control system with regard to the financial reporting process is based on internal rules and regulations. Responsibilities for internal control have been adapted to fit the corporate organisation. The internal audit department carries out periodic reviews – announced as well as unannounced – of all relevant business units as part of its responsibility for monitoring compliance with the law and corporate guidelines in the technical and commercial areas. The internal audit department also monitors the effectiveness of business compliance. During these reviews, the internal audit department analyses the legality and correctness of individual actions. The department also conducts regular, independent reviews of compliance with internal guidelines in the area of accounting. The head of the internal audit department reports directly to the CEO. The effectiveness of the work of the internal audit department is reviewed periodically by the financial auditor. The last review was carried out in the 2019 financial year.

Risk assessment

The management identifies and monitors risks relating to the financial reporting process, with a focus on those risks that are typically considered to be material.

The preparation of the financial statements requires regular forecasts, with the inherent risk that the actual future development will deviate from the expectation. This especially affects the following matters/items of the Consolidated Financial Statements: assessment of unfinished construction projects, recognition and measurement of provisions (including social capital), the outcome of legal disputes, the collectability of receivables as well as the recoverability of investments and goodwill. In individual cases, external experts are called in or publicly available sources are considered in order to minimise the risk of a false assessment.

Control activities

All control activities are applied in the ongoing business process to ensure that errors or deviations in financial reporting are avoided or detected and subsequently corrected. The control activities range from a review of the period results to the specific monitoring of accounts and cost centres to the analysis of ongoing accounting processes. It is the responsibility of the Management Board to design the levels of hierarchy in such a way that an activity and the control of that activity are not performed by the same person **(four-eyes principle).** This separation of functions encompasses a separation between decision-making, implementation, review and reporting. The organisational units of the BRZV central division support the Management Board in this task.

Processes which are relevant to financial reporting are increasingly automated. **IT security** control activities therefore represent a cornerstone of the internal control system. The separation of sensitive activities, for example, is supported by a restrictive allocation of IT authorisations. For its accounting and financial reporting, the company mainly uses self-developed software which reflects the unique features of the construction sector. The effectiveness of the financial reporting system is further assured through automated IT controls included in the system.

Information and communication

The management regularly updates the rules and regulations for financial reporting and communicates them to all employees concerned. In addition, regular discussions regarding the financial reporting and the rules and regulations in this context take place in various committees. These committees are composed of the corporate **management** as well as the **department head** and **senior staff from the accounting department.** The committees' work aims, among other things, to ensure compliance with accounting rules and regulations and to identify and communicate weak points and potential areas for improvement in the financial reporting process. Furthermore, accounting employees receive regular training with regard to innovations in national and international financial reporting in order to identify risks of unintended misreporting at an early stage.

Monitoring

The Management and Supervisory Boards bear responsibility for the ongoing company-wide monitoring. Additionally, the remaining management levels are responsible for the monitoring of their respective areas of responsibility. Controls and plausibility checks are carried out at regular intervals. The internal audit department is also involved in the monitoring process. The top management receives monthly summarised financial reports on the development of the output volume and earnings of the respective segments and countries and of the liquidity. Financial statements to be published are reviewed internally by several instances within management, receiving a final appraisal by the senior accounting staff and the Chief Financial Officer before being passed on to the Audit Committee of the Supervisory Board.

Research and development

As a technology partner for the construction of tomorrow, STRABAG recognises new trends at an early stage, finds innovative solutions and actively works on the development of promising new technologies. In this context, it uses the full knowledge, organisational and relationship potential of its employees.

The STRABAG Group does business in a rapidly changing environment. The growing crossover between industries confronts the company with ever more rapidly shifting challenges. Ecological demands and technological developments in information and communication technology go hand in hand with increased customer expectations. For this reason, the systematic innovation management established in 2014 was transferred into the STRABAG central division Innovation and Digitalisation (SID) in 2020. The division functions as an innovation and digitalisation hub within the Group.

The cooperation among the various divisions facilitates and promotes new developments across the individual business units. A special focus in 2022 was again on the continued digitalisation of processes in planning and in logistics. **Generative design**, a method for the algorithm-based optimisation of planning options, gives us the opportunity to investigate urban development, building and spatial concepts as well as building physics requirements by means of rapidly generated variants. Meanwhile, the **platform-based tracking of prefabricated parts,** such as stairs or façade elements, is being used in additional large construction projects. Countless time-consuming, error prone paper-based entries during the construction process – related to work safety inspections, work status, concrete deliveries and reinforcement performance levels – are now being performed via app. The data is entered on mobile end devices suitable for construction sites, with logs and target/actual comparisons generated automatically and made available to the construction offices and back offices involved. This significantly reduces the time required for construction-related administrative tasks. In transportation infrastructures, the focus is on the road as a driver of innovation. Pilot projects have been carried out here to investigate the possibilities associated with self-driving vehicles or the use of pavement sensors to monitor road conditions.

Cooperation with international universities and research institutions, joint development activities with partner companies around the world, and internal research and development projects have also been a routine part of the Group's daily activities for years. In overall charge of the planning and implementation of these projects within the STRABAG Group are the central divisions **Innovation & Digitalisation (SID), Zentrale Technik (ZT), TPA Gesellschaft für Qualitätssicherung und Innovation GmbH (TPA)** and **EFKON GmbH,** each of which report directly to a member of the Management Board.

With around 425 highly qualified employees at more than ten locations, **SID** takes the lead in initiating developments and providing expert support while maintaining a full overview of corporate-wide innovation activities and their measurable results. Because digitalisation must not be an end in itself, operating needs have priority and digital tools should be made available without delay. Work is also being done on the latest topics in the industry, such as robotics and automation to increase productivity. TPA is the Group's competence centre for asphalt, concrete, earthworks, geotechnics and environmental engineering, quality management and applied R&D projects for transportation infrastructures as well as building construction and civil engineering. Its main tasks include ensuring the quality of the construction materials, structures and services, the safety and improvement of the processes, as well as developing and reviewing standards for the handling and processing of construction materials. TPA employs 975 people at 135 locations in 15 countries, making it one of the largest private laboratory companies in Europe.

TPA is a partner in the multi-year joint research project ROBOT Road Construction 4.0 on the use of autonomous machinery in road construction. The project received € 1.7 million in funding from the German Federal Highway Research Institute. Together with the Technical University of Cologne, the Technical University of Darmstadt, MOBA Mobile Automation AG and 3D Mapping Solutions GmbH, TPA is pursuing the overarching goals of improving occupational and road safety as well as reducing the strain on the workers in road construction. These goals were essentially realised through the automation of all work functions of an asphalt road paver. In the future, the paver will function in a connected manner, autonomously and exclusively under the control of the machine operator. In order to achieve the process reliability of the overarching goals, research activities are being continued together with European partner organisations in the EU-funded project InfraROB (2021–2025).

The new **ELMAR research project** is one of the ways in which TPA is breathing life into our Work On Progress mission. The aim of the project is to transform the Eigenrieden quarry operated by

Mineral Baustoff GmbH into STRABAG's first climate-neutral quarry using digital planning, new machine technology and alternative forms of energy.

EFKON GmbH – a subsidiary of STRABAG – is active in intelligent traffic telematics systems, especially with regard to electronic toll collection and enforcement, a business field that requires intensive research, development and innovation activities. The focus last year was on the further development of complex toll collection and enforcement systems that blend unobtrusively into the cityscape (example: Norway, environmental zones) or can be used efficiently on motorways and expressways (example: national tolling system in Belgium). Here EFKON is increasingly using high-performance machine vision components, developed in-house, that are capable of identifying and classifying vehicles across multiple lanes. Another focus was on the more extensive vehicle integration of toll communication equipment. Several renowned vehicle manufacturers in Asia use EFKON technology in their vehicles, integrating it directly during assembly in their manufacturing plants.

In 2022, EFKON successfully completed the development of an intelligent luminance meter for use in road tunnels. The device is used to measure the brightness at tunnel entrances and adapt the light intensity of tunnel lighting to the brightness perception of motorists through intelligent control. This new development expands our product range for increasing road safety.

The STRABAG Group spent about € 16 million on research, development and innovation activities during the 2022 financial year (2021: approx. € 16 million) The majority of the **development activity** is triggered by **construction projects** in all our business areas. Here challenges or specific questions regularly arise that require a technologically new process or an innovative solution on-site. In many cases, support is offered by the aforementioned central divisions. Some issues require medium-term research and development projects, often with partner organisations.

Website Corporate Governance Report

The STRABAG SE Consolidated Corporate Governance Report is available online at www.strabag.com > Investor Relations > Corporate Governance > Corporate Governance Report.

Disclosures under Sec 243a Para 1 UGB

One share - one vote

1. The share capital of STRABAG SE amounts to € 102,600,000 and consists of 102,600,000 fully paid-in, no-par value shares with a pro rata value of € 1 per share of the share capital. 102,599,997 shares are bearer shares and are traded in the Prime Market segment of the Vienna Stock Exchange. Three shares are registered shares. Each bearer share and each registered share accounts for one vote (one share – one vote). The nomination rights associated with registered shares No. 1 and No. 2 are described in more detail under item 7.

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

3. The syndicate agreement concluded in 2007 between Haselsteiner Group (Haselsteiner Familien-Privatstiftung, Dr Hans Peter Haselsteiner, Klemens Peter Haselsteiner), the Raiffeisen Group (RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H., BLR-Baubeteiligungs GmbH), the UNIQA Group (UNIQA Insurance Group AG, UNIQA Beteiligungs-Holding GmbH, UNIQA Österreich Versicherungen AG, UNIQA Erwerb von

Beteiligungen Gesellschaft m.b.H.) and MKAO "Rasperia Trading Limited" (controlled by Oleg Deripaska) was terminated by Haselsteiner Familien-Privatstiftung on 15 March 2022 and ended on 31 December 2022. As a result of the sanctions against Oleg Deripaska, any rights of MKAO "Rasperia Trading Limited" under the syndicate agreement are frozen in accordance with these sanction provisions. The syndicate agreement from 2007 had governed (1) nomination rights regarding the Supervisory Board, (2) the coordination of voting during the Annual General Meeting, (3) restriction on the transfer of shares and (4) joint development of the Russian market as a core market. The Haselsteiner Group, the Raiffeisen Group together with the UNIQA Group, and MKAO "Rasperia Trading Limited" each had the right to nominate two members of the Supervisory Board. The syndicate agreement also required the syndicate partners to exercise their voting rights from syndicated shares unanimously at the Annual General Meeting of STRABAG SE. The syndicate agreement further foresaw restrictions on the transfer of shares in the form of mutual rights of first refusal as well as a minimum shareholding on the part of the syndicate partners.

Despite termination of the syndicate established in 2007, the right of first refusal of the Haselsteiner Group, the Raiffeisen Group, the UNIQA Group and MKAO "Rasperia Trading Limited" remain valid as long as each holds at least 8.5% of the share capital of STRABAG SE. Since – as explained – the EU Sanctions Regulation applies to MKAO "Rasperia Trading Limited", it is not entitled to sell the shares it holds in STRABAG SE or to acquire the shares of the other parties and therefore, in the long term and in accordance with the EU Sanctions Regulation, the right of first refusal with respect to MKAO "Rasperia Trading Limited" does not apply.

4. Haselsteiner Familien-Privatstiftung, Dr Hans Peter Haselsteiner and Klemens Peter Haselsteiner, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and Group company, and UNIQA Insurance Group AG and Group companies on 18 August 2022 concluded a new syndicate agreement that requires them to exercise their voting rights from syndicated shares unanimously at the Annual General Meeting of STRABAG SE. This syndicate agreement also governs rights of first refusal and recourse, a minimum shareholding obligation, and nomination rights regarding the Supervisory Board. According to the agreement, the Haselsteiner Group has the right to nominate two members of the Supervisory Board, while the Raiffeisen Group and UNIQA Group each have the right to nominate one member of the Supervisory Board. With the new syndicate agreement, the parties continue their controlling interest in STRABAG SE. As at 31 December 2022, the company held no own shares. By 31 December 2022, however 1,694,816 STRABAG shares had been tendered for sale in the mandatory bid, which is why these shares are already to be presented as own shares in the annual financial statements (UGB). On 18 August 2022, Haselsteiner Familien Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. and UNIQA Österreich Versicherungen AG announced their intention to make a mandatory (anticipatory) public offer pursuant to Sec 22 et seq of the Austrian Takeover Act (ÜbG) for the acquisition of all outstanding no-par value bearer shares of STRABAG SE (ISIN AT000000STR1) not held by themselves nor by MKAO "Rasperia Trading Limited", with an offer price of € 38.94 per STRABAG share. In connection with the announcement of the mandatory offer, STRABAG SE entered into a share purchase agreement with the bidders on 18 August 2022, pursuant to which STRABAG SE agreed to acquire, as own shares, up to 10% of the share capital tendered into the mandatory offer at the same price as the offer price. Within the framework of this share purchase agreement, STRABAG SE, on 9 February 2023 acquired 2,779,006 shares (2.7% of the share capital) on the basis of authorisation granted by the Annual General Meeting of 24 June 2022 pursuant to Sec 65 Para 1 No 8 of the Austrian Stock Corporation Act (see item 10). The rights from these 2,779,006 shares are therefore now suspended in accordance with Sec 65 Para 5 AktG .

5. To the knowledge of STRABAG SE, the following shareholders held a direct or indirect interest of at least 10.0% of the share capital of STRABAG SE on 31 December 2022:

- Haselsteiner Group ………………….. 28.3%
- Raiffeisen Group…………………….. 14.2%
- UNIQA Group……………………….. 15.3%
- MKAO „Rasperia Trading Limited“…. 27.8%

6. As at 31 December 2022, the remaining shares of STRABAG SE, amounting to around 14.4% of the share capital, were in free float. The company held no own shares at the reporting date. By 31 December 2022, however 1,694,816 STRABAG shares had been tendered for sale in the mandatory bid, which is why these shares are already to be presented as own shares in

the annual financial statements (UGB). As stated in item 4, however, the company acquired 2,779,006 of its own shares on 9 February 2023.

7. Three shares of STRABAG SE are – as mentioned in item 1 – registered shares. Registered shares No. 1 and No. 2 allow their bearers to nominate a member each to the Supervisory Board of STRABAG SE; disposition of these registered shares, including their full or partial sale and pledging, requires the consent of the Supervisory Board. Registered share No. 1 is held by Klemens Peter Haselsteiner. Registered share No. 2 is held by MKAO "Rasperia Trading Limited". Since – as explained in item 2 – the EU Sanctions Regulation applies to MKAO "Rasperia Trading Limited", its right from registered share No. 2 to nominate a member of the Supervisory Board is currently suspended.

8. No employee stock option programmes exist.

9. No further regulations exist beyond items 4 and 7 regarding the nomination and recall of members of the Management and Supervisory Boards or regarding changes to the Articles of Association which are not a direct result from relevant law and legislation.

10. The Management Board of STRABAG SE was authorised by resolution of the 18th Annual General Meeting on 24 June 2022 (i) to acquire own shares, in accordance with Sec 65 Para 1 No 8 as well as Para 1a and 1b of the Austrian Stock Corporation Act (AktG), on the stock exchange, by public tender or in any other manner to the extent of up to 10 % of the share capital, excluding any proportionate selling rights that may accompany such an acquisition (reverse exclusion of subscription rights), (ii) to reduce the share capital by withdrawing own shares acquired without a further resolution by the General Meeting, and (iii) to sell or assign own shares, in accordance with Sec 65b Para 1 AktG, in a manner other than on the stock market or through a public tender, even to the exclusion of the shareholders' buyback rights (subscription rights).

11. As already stated in item 4, the company has made partial use of the authorisation to acquire own shares granted by the Annual General Meeting on 24 June 2022 with the acquisition of 2,779,006 own shares on 9 February 2023.

12. With the exception of the agreements over a syndicated surety loan and a syndicated cash credit line, there exist no significant agreements to which STRABAG SE is party and which would become effective, change or end due to a change of control in STRABAG SE following a takeover offer.

13. No compensation agreements exist between STRABAG SE and its Management and Supervisory Board members or employees in the event of a public takeover offer.

Related parties

Business transactions with related parties are described in item 38 of the Notes.

Outlook

The Management Board expects to be able to maintain the output volume at a high level in 2023 despite the challenging environment; specifically, the forecast is for € 17.9 billion. All three operating segments should make a solid contribution to this amount.

An EBIT margin (EBIT/revenue) of at least 4% is expected for the 2023 financial year. This value is in line with our goal to generate an EBIT margin of at least 4% on a sustainable basis from 2022 onwards.

Net investments (cash flow from investing activities) in 2023 will likely not exceed € 600 million.

Events after the reporting period

The material events after the reporting period are described in item 41 of the Notes.

Villach, 6 April 2023

The Management Board

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

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

Dipl.-Ing. (FH) Jörg Rösler m.p.
Responsibility Segment North + West

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

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

AUDITOR’S REPORT

REPORT ON THE FINANCIAL STATEMENTS

Audit Opinion

We have audited the financial statements of

STRABAG SE,

Villach, Austria,

which comprise the Balance Sheet as at 31 December 2022, 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 2022 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 notes.

Risk for the Financial Statements

Investments (TEUR 2,542,740) in and receivables (TEUR 519,616) from affiliated companies represent a major portion of the assets (TEUR 3,216,551) reported in the annual financial statements of STRABAG SE as of 31 December 2022.

Investments in and receivables from affiliated companies are tested for impairment annually and whenever there is an indication that these 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. If the carrying amount exceeds the proportionate share in equity, an impairment test of the investment based on discounted cashflows, which significantly depends on future revenue, margin projections and discount rates, is performed. 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 cover age of the carrying amount by the proportionate share in equity) for the investments in affiliated companies. In addition, we have discussed with the Management Board whether there were any other indications of a significant decrease in the fair value of investments in and receivables from affiliated companies.

- In cases where the analysis revealed indications of a significantly reduced fair value, following extended considerations have been made:

  - We have 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 have assessed the appropriateness of the assumptions used to determine the cost of capital by comparing them with market and industry-specific values and 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 have assessed the accuracy of the planning figures by comparing the planned figures made in prior periods with the actual values for that period.

- If receivables from affiliated companies have not been covered by the valuation of investments in affiliated companies, the available multi-year plan has been used 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 have 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 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

Based on our knowledge gained in the course of the audit of the financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the management report.

Additional Information in accordance with Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on 14. June 2022 and were appointed by the supervisory board on 24. June 2022 to audit the financial statements of Company for the financial year ending on 31 December 2022.

In addition, during the Annual General Meeting, we have been elected as auditors for the following financial year and appointed by the supervisory board.

We have been auditors of the Company, without interruption, since the 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, 6 April 2023

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

qualified electronically signed:

Mag. Gerold Stelzmüller

Wirtschaftsprüfer

(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

This document was signed with a qualified electronic signature and only this electronic version is 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

STRABAG
SOCIETAS EUROPAEA

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, 6 April 2023

The Management Board

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

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

Dipl.-Ing. (FH) Jörg Rösler m.p.
Responsibility Segment North + West

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

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