STRABAG
SOCIETAS EUROPAEA

YEARLY FINANCIAL REPORT

2023

Content
Yearly Financial Report

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Consolidated income statement

T€	Notes	**2023**	2022
Revenue	(1)	17,666,540	17,025,847
Changes in inventories		151,938	-4,851
Own work capitalised		9,747	15,865
Other operating income	(2)	302,314	236,760
Construction materials, consumables and services used	(3)	-11,275,080	-10,988,654
Employee benefits expense	(4)	-4,540,895	-4,133,734
Other operating expense	(5)	-1,086,601	-1,013,283
Share of profit or loss of equity-accounted investments	(6)	144,132	60,887
Net income from investments	(7)	46,218	58,369
EBITDA		**1,418,313**	**1,257,206**
Depreciation and amortisation expense	(8)	-538,116	-550,809
EBIT		**880,197**	**706,397**
Interest and similar income		119,194	50,742
Interest expense and similar charges		-75,068	-40,066
Net interest income	**(9)**	**44,126**	**10,676**
EBT		**924,323**	**717,073**
Income tax expense	(10)	-290,929	-236,944
Net income		**633,394**	**480,129**
attributable to: non-controlling interests		2,886	7,675
attributable to: equity holders of the parent (consolidated profit)		630,508	472,454
Basic earnings per share (€)	**(11)**	**6.30**	**4.60**

Statement of comprehensive income

T€	Notes	**2023**	2022
Net income		**633,394**	**480,129**
Differences arising from currency translation		5,760	1,095
Recycling of differences arising from currency translation		-2,115	673
Change in interest rate swaps		-1,604	66,508
Recycling of interest rate swaps		-14,158	5,297
Deferred tax relating to other comprehensive income	(10)	4,647	-19,468
Share of other comprehensive income of equity-accounted investments		-2,657	9,438
Total of items that will be subsequently reclassified to profit or loss (“recycled”)		**-10,127**	**63,543**
Change in actuarial gains/losses		17,269	34,661
Deferred tax relating to other comprehensive income	(10)	-3,401	-10,707
Share of other comprehensive income of equity-accounted investments		-82	164
Total of items that will not be subsequently reclassified to profit or loss (“recycled”)		**13,786**	**24,118**
Other comprehensive income		**3,659**	**87,661**
Total comprehensive income		**637,053**	**567,790**
attributable to: non-controlling interests		2,790	7,721
attributable to: equity holders of the parent		634,263	560,069

Consolidated balance sheet

T€	Notes	**31.12.2023**	31.12.2022
Goodwill	(13)	490,738	442,396
Rights from concession arrangements	(14)	452,850	473,155
Other intangible assets	(15)	33,227	24,847
Property, plant and equipment	(16)	2,884,391	2,743,463
Equity-accounted investments	(17)	541,026	411,172
Other investments	(18)	218,580	198,001
Receivables from concession arrangements	(21)	427,630	482,874
Other financial assets	(24)	319,152	405,653
Deferred tax	(19)	109,730	110,536
Non-current assets		**5,477,324**	**5,292,097**
Inventories	(20)	1,256,039	1,068,707
Receivables from concession arrangements	(21)	53,855	49,754
Contract assets	(22)	1,283,504	1,357,741
Trade receivables	(23)	1,693,301	1,680,994
Non-financial assets		166,481	193,916
Income tax receivables		64,306	85,632
Other financial assets	(24)	260,773	253,069
Cash and cash equivalents	(25)	3,450,622	2,701,849
Current assets		**8,228,881**	**7,391,662**
Assets		**13,706,205**	**12,683,759**
Share capital		102,600	102,600
Capital reserves		1,747,941	2,085,806
Retained earnings and other reserves		2,540,376	1,814,445
Non-controlling interests		18,443	22,392
Equity	**(26)**	**4,409,360**	**4,025,243**
Provisions	(27)	1,336,797	1,278,791
Financial liabilities[1]	(28)	626,208	656,332
Other financial liabilities	(30)	28,074	83,818
Deferred tax	(19)	236,666	174,821
Non-current liabilities		**2,227,745**	**2,193,762**
Provisions	(27)	1,156,902	1,129,106
Financial liabilities[2]	(28)	272,722	300,869
Contract liabilities	(22)	1,335,837	1,144,676
Trade payables	(29)	2,790,761	2,569,042
Non-financial liabilities		622,358	540,572
Income tax liabilities		102,719	58,192
Other financial liabilities	(30)	787,801	722,297
Current liabilities		**7,069,100**	**6,464,754**
Equity and liabilities		**13,706,205**	**12,683,759**

[1] Thereof non-recourse bank debt from concession arrangements in the amount of T€ 325,628 (2022: T€ 372,859)

[2] Thereof non-recourse bank debt from concession arrangements in the amount of T€ 184,040 (2022: T€ 235,115)

Consolidated cash flow statement

T€	Notes	2023	2022
Net income		633,394	480,129
Income tax expense		290,929	236,944
Net interest		-79,362	-14,460
Income from investments		-60,264	-63,979
Non-cash effective results from change in the consolidated group		-1,659	-2,265
Non-cash income/expense attributable to equity-accounted investments		-8,530	27,343
Other non-cash income/expense		24,197	-12,788
Depreciations/reversal of impairment losses		540,110	560,571
Change in non-current provisions		43,846	48,149
Gains/losses on disposal of non-current assets		-53,200	-51,179
Interest received		106,126	42,383
Interest paid		-21,099	-27,480
Dividends received		54,619	65,804
Taxes paid		-163,947	-227,587
Cash flow from earnings		**1,305,160**	**1,061,585**
Change in inventories		-185,807	-132,452
Change in receivables from concession arrangements, contract assets and trade receivables		141,133	-292,350
Change in non-financial assets		26,761	-50,548
Change in income tax receivables/liabilities		-2,050	-1,180
Change in other financial assets		47,212	4,662
Change in current provisions		29,700	64,156
Change in contract liabilities and trade payables		392,128	173,358
Change in non-financial liabilities		81,185	3,668
Change in other financial liabilities		-18,914	-18,042
Cash flow from operating activities[1]	**(34)**	**1,816,508**	**812,857**
Purchase of financial assets		-138,201	-26,726
Purchase of property, plant, equipment and intangible assets		-540,971	-630,523
Proceeds from asset disposals		86,235	81,681
Payments from other financing receivables		-500	-2,333
Proceeds from other financing receivables		47,505	18,063
Cash outflow from changes in the consolidated group[2]		-109,148	-1,300
Cash inflow from changes in the consolidated group[2]		210	715
Cash flow from investing activities		**-654,870**	**-560,423**
Proceeds from bank borrowings		12,631	34,458
Repayment of bank borrowings		-96,630	-97,046
Repayment of bonds		0	-200,000
Payments from lease liabilities		-63,052	-62,522
Proceeds from other financing liabilities		0	415
Repayment of other financing liabilities		-13,504	-5,440
Change in the consolidated group/due to acquisition of non-controlling interests		0	-151
Acquisition of own shares		-108,214	0
Distribution of dividends		-161,812	-173,369
Cash flow from financing activities	**(34)**	**-430,581**	**-503,655**
Net change in cash and cash equivalents		**731,057**	**-251,221**
Cash and cash equivalents at the beginning of the period		2,701,699	2,963,101
Effect of exchange rate changes on cash and cash equivalents		17,716	-10,181
Cash and cash equivalents at the end of the period	**(34)**	**3,450,472**	**2,701,699**

[1] Disclosure of interest, dividend and income tax payments was integrated into the consolidated cash flow statement during the financial year; the previous year's presentation was adjusted accordingly.

[2] See notes on the scope of consolidation.

Statement of changes in equity

T€	Share capital	Capital reserves	Retained earnings	IAS 19 reserves	Hedging reserves	Foreign currency translation reserves	**Group equity**	Non-controlling interests	**Total equity**
Balance as at 1.1.2023	**102,600**	**2,085,806**	**1,935,488**	**-79,326**	**18,260**	**-59,977**	**4,002,851**	**22,392**	**4,025,243**
Net income	**–**	**–**	**630,508**	**–**	**–**	**–**	**630,508**	**2,886**	**633,394**
Differences arising from currency translation	–	–	–	–	–	3,706	3,706	-61	3,645
Change in equity-accounted investments	–	–	–	-82	-7,260	4,603	-2,739	–	-2,739
Change in actuarial gains and losses	–	–	–	17,314	–	–	17,314	-45	17,269
Change in interest rate swap	–	–	–	–	-15,762	–	-15,762	–	-15,762
Deferred tax relating to other comprehensive income	–	–	–	-3,411	4,647	–	1,236	10	1,246
Other comprehensive income	**–**	**–**	**–**	**13,821**	**-18,375**	**8,309**	**3,755**	**-96**	**3,659**
Total comprehensive income	**–**	**–**	**630,508**	**13,821**	**-18,375**	**8,309**	**634,263**	**2,790**	**637,053**
Transfers due to changes in the consolidated group	–	–	177	-177	–	–	0	–	0
Reverse entry of the purchase obligation for own shares[1]	–	–	291,310	–	–	–	291,310	–	291,310
Distribution of dividends[2]	–	–	-199,642	–	–	–	-199,642	-3,495	-203,137
Capital adjustment[1]	1,900,000	-1,900,000	–	–	–	–	0	–	0
Capital reduction[1]	-1,900,000	996,620	–	–	–	–	-903,380	–	-903,380
Capital increase[1]	–	565,515	–	–	–	–	565,515	–	565,515
Transactions concerning non-controlling interests due to changes in the consolidated group	–	–	–	–	–	–	–	-3,244	-3,244
Balance as at 31.12.2023	**102,600**	**1,747,941**	**2,657,841**	**-65,682**	**-115**	**-51,668**	**4,390,917**	**18,443**	**4,409,360**

[1] See also the comments under item (26) Equity.

[2] The total dividend payment of T€ 199,642 corresponds to a dividend per share of € 2.00 based on 99,820,994 shares.

T€	Share capital	Capital reserves	Retained earnings	IAS 19 reserves	Hedging reserves	Foreign currency translation reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2022	**102,600**	**2,085,806**	**2,067,758**	**-103,399**	**-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	–	9,602
Change in actuarial gains and losses	–	–	–	34,600	–	–	34,600	61	34,661
Change in interest rate swap	–	–	–	–	71,805	–	71,805	–	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	**–**	**–**	**472,454**	**24,073**	**65,469**	**-1,927**	**560,069**	**7,721**	**567,790**
Transactions concerning non-controlling interests due to changes in the consolidated group	–	–	–	–	–	–	0	-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**	**1,935,488**	**-79,326**	**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

2023

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 2023, 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 2023 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 2023.

	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)
IFRS 17 Insurance Contracts	1.1.2023	1.1.2023
IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1.1.2023	1.1.2023
Amendments to IAS 1 – Disclosure of Accounting Policies	1.1.2023	1.1.2023
Amendments to IAS 8 – Definition of Accounting Estimates	1.1.2023	1.1.2023
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1.1.2023	1.1.2023
Amendments to IAS 12 – International Tax Reform - Pillar Two Model Rules	1.1.2023	1.1.2023

The first-time adoption of the IFRS standards had no impact on the consolidated financial statements as at 31 December 2023.

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 2023 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
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]	minor
Amendments to IAS 7/IFRS 7 – Supplier Finance with Arrangements	1.1.2024	n. a.[1]	minor
Amendments to IAS 21 – Lack of Exchangeability	1.1.2025	n. a.[1]	minor

[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 2023 financial year, T€ 53,258 (2022: T€ 0) in goodwill arising from capital consolidation was recognised as assets. Impairment losses on goodwill in the amount of T€ 7,454 (2022: T€ 6,700) 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, the assets and liabilities of the former subsidiary are derecognised. The resulting profit or loss attributable to the former controlling interest is recognised in profit or loss. The amounts recognised in other comprehensive income are reclassified to the income statement or recognised directly against profit or loss brought forward. The profit or loss from deconsolidation is recognised as an amount in other operating income or expense.

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.

When a real estate project company is deconsolidated and sold under a share deal in the course of the project development business, the disposal profit is not presented as a deconsolidation gain but - from an economic point of view - as gross revenue and expenses from the project development. This ensures that asset deals and share deals are presented in the same way in the project development business.

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. There are no structured entities within the STRABAG SE Group.

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, the initial equity measurement of newly acquired entities resulted in goodwill in the amount of T€ 84,030 (2022: T€ 0), 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 2023 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 2023 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 2023, 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 2022 and 2023 financial years as follows:

	Consolidation	Equity method
Balance 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
Balance as at 31.12.2022	**266**	**22**
First-time inclusions in the reporting period	19	2
First-time inclusions in the reporting period due to merger/accrual of assets	8	0
Merger/Accrual of assets in the reporting period	-17	0
Exclusions in the reporting period	-15	-1
Balance as at 31.12.2023	**261**	**23**

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
Adolf List Bauunternehmung GmbH & Co. KG, Reutlingen	100.00	29.6.2023
Aspern Manufactory Projektentwicklung GmbH & Co KG, Vienna	100.00	1.1.2023[1]
Aspern Manufactory Projektentwicklung GmbH, Vienna	100.00	1.1.2023[1]
Bockholdt GmbH & Co. KG, Lübeck	100.00	28.2.2023
D+B Holding und Beteiligungs GmbH, Salzburg	100.00	8.8.2023
Hans Lohr Gesellschaft m.b.H., Vienna	100.00	20.1.2023
Obermayr Holzkonstruktionen Gesellschaft m.b.H., Schwanenstadt	100.00	27.9.2023
P&T Immobilière S.à r.l., Luxembourg	100.00	9.10.2023
SITEC Verkehrstechnik GmbH, Liebenfels	100.00	8.8.2023
STRABAG Invest HoldCo GmbH, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Vierzehn GmbH & Co KG, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Vierzehn GmbH, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Fünfzehn GmbH & Co KG, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Fünfzehn GmbH, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Sechzehn GmbH & Co KG, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Sechzehn GmbH, Vienna	100.00	1.1.2023[1]
STRABAG Vorrat Siebzehn GmbH & Co KG, Vienna	100.00	22.2.2023
STRABAG Vorrat Siebzehn GmbH, Vienna	100.00	22.2.2023
Wieser Verkehrssicherheit GmbH, Wals-Siezenheim	100.00	8.8.2023

Merger/Accrual of assets	Direct stake %	Date of Merger/ Accrual of assets
AWB Asphaltmischwerk Büttelborn GmbH & Co. KG, Büttelborn	100.00	19.9.2023[2]
AWB Asphaltmischwerk Büttelborn Verwaltungs-GmbH, Büttelborn	100.00	19.9.2023[2]
BSB Betonexpress Verwaltungs-GmbH, Berlin	100.00	17.8.2023[2]
Palaoro Elektrotechnik GmbH, Vienna	100.00	14.9.2023[2]
Rhein-Regio Neuenburg Projektentwicklung GmbH, Neuenburg am Rhein	100.00	30.8.2023[2]
Slabihoud GmbH, Vienna	100.00	19.9.2023[2]
SRE Erste Vermögensverwaltung GmbH, Cologne	100.00	22.8.2023[2]
STRABAG Beton GmbH & Co. KG, Berlin	100.00	21.9.2023[2]

Equity-accounted investments		
Innsbrucker Nordkettenbahnen Betriebs GmbH, Innsbruck	51.00	1.1.2023[3]
CMBlu Energy AG, Alzenau	14.71	23.10.2023[4]

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 2023.

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.

3 There are deviating contractual provisions concerning this joint venture.

4 Possibilities to exert influence exist that may differ from the ownership interest.

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.

With the purchase agreement from 21 December 2022, STRABAG acquired 100% of northern German cleaning services provider **Bockholdt GmbH & Co. KG, Lübeck**. After obtaining the necessary official approvals, the closing took place on 28 February 2023. The acquisition of the Bockholdt Group is aimed at reinforcing STRABAG's 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, and the environmentally friendly cleaning of solar and wind power plants, provided 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. The goodwill results primarily from the market expansion in northern Germany.

Additions to assets and liabilities from the first-time consolidation of Bockholdt GmbH & Co. KG are comprised as follows:

T€	**First-time consolidation**
Assets and liabilities acquired	
Goodwill	29,029
Other non-current assets	20,032
Current assets	15,826
Non-current liabilities	-1,810
Current liabilities	-21,408
Consideration (purchase price)	**41,669**
Cash and cash equivalents	-9
Net cash outflow from acquisition	**41,660**

STRABAG SE acquired the following **medium-sized companies in Austria** during the 2023 financial year.

The closing of the acquisition of 100% of the shares in Slabihoud GmbH, Hans Lohr GmbH as well as Palaoro Elektrotechnik GmbH, all based in Vienna, took place in January 2023. 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 electrical installations) is an important factor for ensuring sustainable building operations.

The acquisition of 100% of the shares in Wieser Verkehrssicherheit GmbH, Wals-Siezenheim, and the acquisition of 100% of the shares in SITEC Verkehrstechnik GmbH, Liebenfels, were closed in August 2023. Both companies are active in the field of traffic safety technology.

STRABAG acquired 100% of Obermayr Holzkonstruktionen GmbH, Schwanenstadt, by way of an assignment agreement dated 13 July 2023. The acquisition strengthens the company's expertise in timber construction. The closing took place in September 2023.

The goodwill arising from the acquisitions is attributable to the expansion of expertise and business areas.

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

T€	First-time consolidation
Assets and liabilities acquired	
Goodwill	22,599
Other non-current assets	12,713
Current assets	28,325
Non-current liabilities	-5,697
Current liabilities	-14,261
Consideration (purchase price)	**43,679**
Non-cash effective purchase price component	-35
Cash and cash equivalents acquired	-5,463
Net cash outflow from acquisition	**38,181**

Under a purchase and assignment agreement from March 2023, the STRABAG SE Group acquired 100% of the shares in **Adolf List Bauunternehmung GmbH & Co. KG, Reutlingen**. Antitrust approval was granted in June 2023. The company is active in the fields of road construction and ground engineering as well as in building construction and civil engineering for public and private customers and has around 110 employees.

Additions to assets and liabilities from the first-time consolidation of Adolf List Bauunternehmung GmbH & Co. KG are comprised as follows:

T€	First-time consolidation
Assets and liabilities acquired	
Goodwill	1,630
Other non-current assets	17,226
Current assets	11,349
Non-current liabilities	-1,570
Current liabilities	-6,140
Consideration (purchase price)	**22,495**
Cash and cash equivalents acquired	-2,394
Net cash outflow from acquisition	**20,101**

The other first-time consolidations had only an insignificant impact on assets and liabilities.

All companies which were consolidated for the first time in 2023 contributed T€ 122,409 (2022: T€ 17,469) to revenue and with a profit of T€ 3,548 (2022: profit T€ 4,121) to net income after minorities.

Assuming a theoretical first-time consolidation on 1 January 2023 for all new acquisitions, they would contribute T€ 173,136 (2022: T€ 17,469) to consolidated revenue and a profit of T€ 4,881 (2022: T€ 4,121) to net income.

Disposals from the consolidated group

As at 31 December 2023, the following companies were no longer included in the consolidated group:

Disposals from the consolidated group

BITUNOVA Romania SRL, Bucharest	Fell below material level
Dywidag Saudi Arabia Co. Ltd., Jubail	Fell below material level
EVOLUTION TWO Sp. z o.o., Warsaw	Fell below material level
I.C.S. "STRABAG" S.R.L., Chisinau	Fell below material level
Innsbrucker Nordkettenbahnen Betriebs GmbH, Innsbruck	Loss of control
Mitterhofer Projekt GmbH & Co. KG, Cologne	Fell below material level
Na Belidle s.r.o., Prague	Fell below material level
Ranita OOO, Moscow	Winding up Russia
STRABAG Bau GmbH, Vienna	Fell below material level
STRABAG BRVZ OOO, Moscow	Winding up Russia
STRABAG Development Belgium NV, Antwerp	Fell below material level
STRABAG Projektutveckling AB, Stockholm	Fell below material level
STRABAG REAL ESTATE EOOD, Sofia	Fell below material level
STRABAG SIA, Milzkalne	Fell below material level
Züblin Holding GesmbH, Vienna	Fell below material level

Merger/Accrual of assets[1]

AWB Asphaltmischwerk Büttelborn GmbH & Co. KG, Büttelborn	Accrual of assets
AWB Asphaltmischwerk Büttelborn Verwaltungs-GmbH, Büttelborn	Merger
BSB Betonexpress Verwaltungs-GmbH, Berlin	Merger
LIMET Beteiligungs GmbH & Co. Objekt Köln KG, Cologne	Accrual of assets
Palaoro Elektrotechnik GmbH, Vienna	Merger
Rhein-Regio Neuenburg Projektentwicklung GmbH, Neuenburg am Rhein	Merger
SAT Sp. z o.o., Olawa	Merger
Slabihoud GmbH, Vienna	Merger
SRE Erste Vermögensverwaltung GmbH, Cologne	Merger
STRABAG Beton GmbH & Co. KG, Berlin	Accrual of assets
STRABAG Building and Industrial Services GmbH, Stuttgart	Merger
STRABAG System Dienstleistungen GmbH, Fürstenfeldbruck	Merger
Z. Brückenbau Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets
Z. Holzbau Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets
Z. Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets
Z. Sander Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets
Z. Stahlbau Immobiliengesellschaft mbH & Co. KG, Cologne	Accrual of assets

Equity-accounted investments

SeniVita Social Estate AG, Bayreuth	Fell below material level

[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	
Other non-current assets	6,813
Current assets	40,585
Non-current liabilities	-854
Current liabilities	-31,467
Profit on deconsolidations recognised in profit or loss	374
Non-controlling interests	-3,244
Consideration received (purchase price)	**12,207**
Non-cash effective purchase price component	-12,207
Cash and cash equivalents disposed of	9,206
Net cash outflow from deconsolidation	**9,206**

Resulting profit in the amount of T€ 7,600 (2022: T€ 1,111) and losses in the amount of T€ 7,226 (2022: T€ 334) are recognised in profit or loss under other operating income or other operating expense. The deconsolidation earnings of companies whose functional currency differs from the euro also includes the recycled earnings of the currency translation differences recognised directly in equity up to the date of deconsolidation.

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 but - from an economic point of view - is recognised as revenues from the project development. No project companies were sold in 2023. In the previous year, revenues from project development in the amount of T€ 52,253 and corresponding expenses in the amount of T€ 40,673 were 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.

Winding up Russia

Starting with the 2022 financial year, only those 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 in the 2022 financial year as well. A provision in the amount of T€ 9,131 was made for the cost of severance payments to existing staff.

Existing orders were completed or sold in the 2023 financial year. This did not result in any significant impact on earnings. As at 31 December 2023, only a small order backlog of T€ 3,547 remained in Russia.

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.

Non-controlling interests

As at 31 December 2023, the amount of the non-controlling interests stood at T€ 18,443 (2022: T€ 22,392) 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 subsidiaries in the financial year changed only insignificantly or had insignificant impact. The changes are represented in the list of investments, which is included in the annual financial report.

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
- EXP HOLDING Kft., Budapest

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€ 3,645 (2022: T€ 1,768) were recognised directly in equity in the financial year.

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 generally depreciated using the straight-line method over the expected useful life. In individual cases, output-based depreciation is applied. 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 fair value 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.

A total of T€ 3,127 (2022: T€ 2,297) of the investment promotion bonus (“Investitionsförderungprämie”) was utilised, of which T€ 2,110 (2022: T€ 1,280) still remains outstanding as at the reporting date.

Additional energy cost subsidies totalling T€ 5,347 were granted in Austria and Germany. These are recognised in profit or loss.

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:

%	**2023**	2022
Growth rate	0.0–0.5	0.0–0.5
Cost of capital (after tax)	8.1–11.8	7.6–12.2
Cost of capital (before tax)	9.5–13.9	10.5–14.6

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 (FVPL)
- 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.

Upon initial recognition of equity instruments measured at fair value, there exists an irrevocable option to recognise value changes in other comprehensive income rather than in the income statement, provided the equity instrument is not held for trading purposes. 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. If the reasons for the previously recognised impairment loss no longer apply, these assets are written back through profit or loss. 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.

This item mainly includes undeveloped land as well as finished and unfinished buildings sold in the course of the project development business but for which there is not yet a specific investor.

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 individual 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. Unsold portions are held as inventories measured at cost.

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 an 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 an 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

Contingent assets are assets whose actual occurrence depends on future uncertain events that are not under the company's control. These must be disclosed in the notes if an inflow of economic benefits is not unlikely. Recognition in the financial statements is not permitted 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.

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.

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. The shift from private to public contracts is expected to continue in the short term. STRABAG is well positioned in this respect, as over 60% of its customers are in the public sector. In addition, the Group has a diversified portfolio in building construction and positive trends were recognisable in commercial and industrial construction. Residential construction activities account for less than 10% of the Group's total output.

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.

The STRABAG SE Group is heavily dependent on fossil fuels. Stricter regulations and higher prices resulting from CO_2 pricing present the risk of volatile and higher energy and commodity prices that cannot be fully passed on to customers.

Stricter environmental protection regulations and additional expenses for climate-friendly business processes are expected to lead to cost increases and a further rise in construction prices.

The risk exists that fewer contracts will be awarded, particularly for the construction of new roads, due to a change in public investment habits and stricter zoning laws, which will have to be compensated for by contracts in other business areas.

Demand is set to increase for sustainable buildings that take life-cycle considerations into account as well as for reconstruction, conversion and refurbishment work on existing buildings and the circularity of the built environment. Public sector clients are starting to issue tenders that include sustainability as an evaluation criterion. 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.

The increase in extreme weather events will lead to construction delays and increased insurance costs.

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. The sensitivity analyses carried out for this purpose show that the changes to the key assumptions considered possible by management do not require an impairment to be made.

Property, plant and equipment consists largely of construction equipment, machinery and the vehicle fleet, which are utilised on a decentralised basis for a wide variety of construction projects. 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. STRABAG is looking closely at alternative powertrain systems for its construction machinery and vehicle fleet. At present, however, it is not yet possible to equip most of the equipment and vehicle fleet with such alternatives.

In the case of inventories, particularly real estate projects without an investor, relevant environmental aspects such as energy efficiency, EU Taxonomy alignment, etc. 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. These aspects are taken into account in the measurement. This also applies to the formation of provisions.

This does not, however, give rise to any 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.

The increasing demand for climate-resilient construction and refurbishment as well as the development of new business models for the generation and use of renewable energy sources are seen as key opportunities in this regard.

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€ 1,818 (2022: T€ 592), while an isolated increase of the cost of capital by 1 percentage point would lead to an impairment of goodwill of T€ 7,219 (2022: T€ 2,940). These two effects together would trigger an impairment loss of T€ 9,275 (2022: T€ 6,681).

An extended sensitivity analysis was performed due to the current uncertainties in the economic environment. 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€ 26,939 (2022: T€ 12,916).

The write-offs would affect Czech companies in the materials and concrete production business within the South + East segment in the amount of T€ 7,209 (2022: T€ 7,391), several German construction companies in the North + West segment in the amount of T€ 2,064 (2022: T€ 5,525), several Austrian construction companies in the South + East segment in the amount of T€ 9,436 (2022: T€ 0), as well as German companies in the facility management business in the International + Special Divisions segment in the amount of T€ 8,230 (2022: T€ 0).

(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 and in the course of the 2023 financial year, tunnel collapses were reported, the cause of which remain unclear. The incidents led to a temporary shutdown of the power plant in 2023. The resulting loss of production necessitated corresponding impairments and fair value adjustments in 2022. Clean-up following the collapses is ongoing and it remains unclear when the power plant can be put back into operation.

Further impairments were therefore recognised on non-current receivables in the 2023 financial year.

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, the project company is asserting claims against STRABAG due to the alleged failure to complete the project on time. Depending on the cause of the tunnel collapses, it is not possible to rule out that STRABAG may have to bear the costs of remediation. A final clarification of the circumstances was not foreseeable at the time of preparation of this report. For this reason, further provisions were formed in the 2023 financial year and the payment that was made on the performance bond – which STRABAG believes was drawn improperly – in November 2023 was recognised as an expense.

Due to the unclear cause of the damages and the complex legal circumstances, 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 **Holcim Cement CE Holding GmbH**. Holcim operates cement works in Austria, Hungary, the Czech Republic and Slovenia. The carrying amount of the investment amounted to T€ 201,980 on 31 December 2023 (2022: T€ 201,974). As earnings developed according to plan and because of the ongoing distributions, an impairment test was not required.

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

(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 carry forward 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 carry forward 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 or lower 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 2021, 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 appealed against this decision to the Austrian Supreme Court (OGH), which granted the appeal in a decision on 25 May 2023 on the grounds that the formal rejection of the Federal Competition Authority’s application without a substantive review by the Higher Regional Court was inadmissible.

In this context, it must be pointed out that the decision does not deprive STRABAG AG of its state’s witness status. Rather, the Supreme Court, referring to its previous rulings, clarified that the decision of the Federal Competition Authority to apply the state’s witness rule was made autonomously by the Federal Competition Authority and that the courts have no competence to review this decision.

Now it is up to the Higher Regional Court to review the merits of the Federal Competition Authority’s request. This means that the court must take the relevant evidence and consider both sides of the argument. The relevant proceedings before the Higher Regional Court are currently underway and a decision is not expected until Q4/2024 at the earliest.

The Management Board is firmly convinced that the petition is unfounded. STRABAG SE cooperated fully and thoroughly with the Federal Competition Authority under the terms of the state’s witness programme. This cooperation made a significant contribution to clarifying the matter. In addition, STRABAG has since enhanced its compliance system through corporate-wide certification and has implemented a new type of monitoring system.

Corresponding provisions were made in the consolidated financial statements for damage control and possible claims resulting from the cartel violations. The provision – with the exception of the time value of money – remained largely unchanged in the 2023 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 2023

T€	North + West	South + East	International + Special Divisions	Other	**Group**
Business					
Construction	**6,983,509**	**6,568,486**	**1,763,042**	**38,574**	**15,353,611**
Germany	6,525,689	225,476	72,108	0	6,823,273
Austria	29,146	2,427,186	38,341	0	2,494,673
Poland	0	1,129,359	0	0	1,129,359
Czech Republic	0	801,718	0	0	801,718
Great Britain	28,793	6,924	711,797	0	747,514
Hungary	0	587,054	0	0	587,054
Romania	24,681	445,098	271	0	470,050
Chile	0	0	454,060	0	454,060
Other countries, each below € 400 million	375,200	945,671	486,465	38,574	1,845,910
Construction materials	**185,195**	**634,454**	**2,247**	**0**	**821,896**
Facility management	**0**	**0**	**735,722**	**0**	**735,722**
Project development	**0**	**0**	**377,177**	**0**	**377,177**
Other	**111,483**	**141,123**	**106,290**	**19,238**	**378,134**
Total	**7,280,187**	**7,344,063**	**2,984,478**	**57,812**	**17,666,540**

Revenue 2022

Effective 1 January 2023, the construction activities in Switzerland were moved from South + East to the North + West segment, the construction activities in Poland were moved from North + West to the South + East segment and the building materials activities were moved from International + Special Divisions to the South + East segment. The previous year's figures have been restated with regard to segment allocation for better comparability.

T€	North + West	South + East	International + Special Divisions	Other	Group
Business					
Construction	**6,905,938**	**6,072,845**	**1,797,837**	**0**	**14,776,620**
Germany	6,377,878	149,566	97,070	0	6,624,514
Austria	36,455	2,249,462	29,117	0	2,315,034
Poland	1,321	994,523	8,177	0	1,004,021
Czech Republic	0	904,454	14,615	0	919,069
Great Britain	44,133	0	632,780	0	676,913
Hungary	0	519,942	2,124	0	522,066
Slovakia	0	434,430	4,904	0	439,334
Chile	0	0	365,947	0	365,947
Other countries, each below € 300 million	446,151	820,468	643,103	0	1,909,722
Construction materials	**160,353**	**589,940**	**1,663**	**0**	**751,956**
Facility management	**0**	**0**	**561,968**	**0**	**561,968**
Project development	**0**	**0**	**581,306**	**0**	**581,306**
Other	**90,970**	**126,191**	**119,199**	**17,637**	**353,997**
Total	**7,157,261**	**6,788,976**	**3,061,973**	**17,637**	**17,025,847**

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€ 63,482 (2022: T€ 58,099).

The interest income is calculated using the effective interest method.

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

In the 2023 financial year, revenue from approved claims in the amount of T€ 240,242 (2022: T€ 211,698) 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 an 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€ 66,749 (2022: T€ 49,788), exchange rate gains from currency fluctuations in the amount of T€ 16,452 (2022: T€ 15,019) as well as gains from the disposal of fixed assets without financial assets in the amount of T€ 59,898 (2022: T€ 57,200).

3 Construction materials, consumables and services used

T€	**2023**	2022
Construction materials, consumables	3,457,162	3,727,990
Services used	7,817,918	7,260,664
Construction materials, consumables and services used	**11,275,080**	**10,988,654**

Services used are mainly attributed to services of subcontractors and professional craftsmen as well as planning services, short-term rentals for equipment 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€	**2023**	2022
Wages	1,650,392	1,486,644
Salaries	2,095,948	1,921,033
Social security and related costs	721,632	657,761
Expenses for severance payments and contributions to employee provident fund	22,926	21,087
Expenses for pensions and similar obligations	6,055	9,236
Other social expense	43,942	37,973
Employee benefits expense	**4,540,895**	**4,133,734**

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€ 17,117 (2022: T€ 16,888).

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

Average number of employees (FTE)	**2023**	2022
White-collar workers	33,657	32,336
Blue-collar workers	43,479	41,404
Total	**77,136**	**73,740**

5 Other operating expense

Other operating expense of T€ 1,086,601 (2022: T€ 1,013,283) 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€ 71,545 (2022: T€ 68,941) are included.

Other operating expense includes losses from exchange rate differences from currency fluctuations in the amount of T€ 16,832 (2022: T€ 11,368).

The other operating expense in the financial year still includes impairments, losses and reversals of impairment losses on receivables in the amount of T€ 100,882 (2022: T€ 71,137). The changes in the impairments for expected credit losses under IFRS 9 in the financial year in the amount of T€ 486 as income (2022: expense T€ 2,157) 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€	**2023**	2022
Income from equity-accounted investments	53,681	29,985
Expenses arising from equity-accounted investments	-7,634	-17,140
Profit from construction consortia	169,037	134,115
Losses from construction consortia	-70,952	-86,073
Share of profit or loss of equity-accounted investments	**144,132**	**60,887**

7 Income from investments

T€	**2023**	2022
Income from investments	63,950	74,024
Expenses arising from investments	-21,117	-9,877
Gains on the disposal of investments	5,635	4,073
Impairment losses and reversal of impairment losses on investments	-1,993	-9,762
Losses on the disposal of investments	-257	-89
Net income from investments	**46,218**	**58,369**

8 Depreciation and amortisation expense

Amortisation and depreciation, including the amortisation of rights from concession arrangements, amounted to T€ 543,278 in the financial year (2022: T€ 533,960). In the reporting period impairments on intangible assets and on property, plant and equipment to the amount of T€ 5,884 (2022: T€ 10,149) and reversal of impairment losses in the amount of T€ 18,500 (2022: T€ 0) were made. Impairment on goodwill amounts to T€ 7,454 (2022: T€ 6,700). 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€ 68,474 (2022: T€ 65,082).

9 Net interest income

T€	**2023**	2022
Interest and similar income	119,194	50,742
Interest expense and similar charges	-75,068	-40,066
Net interest income	**44,126**	**10,676**

Included in interest and similar income are exchange rate gains amounting to T€ 2,259 (2022: T€ 9,074) and interest portions from the plan assets for pension provisions in the amount of T€ 3,752 (2022: T€ 835).

Included in interest expense and similar charges are interest components from the allocation of severance payment and pension provisions amounting to T€ 18,733 (2022: T€ 5,102) as well as currency losses of T€ 18,166 (2022: T€ 5,877).

Interest from leases in the amount of T€ 7,630 (2022: T€ 7,326) 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€	**2023**	2022
Current tax	231,088	201,923
Deferred tax	59,841	35,021
Income tax expense	**290,929**	**236,944**

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

T€	**2023**	2022
Change in hedging reserves	4,647	-19,468
Actuarial gains/losses	-3,401	-10,707
Total	**1,246**	**-30,175**

The reasons for the difference between the Austrian corporate income tax rate of 24% (2022: 25%) valid in 2023 and the actual consolidated tax rate are as follows:

T€	**2023**	2022
EBT	**924,323**	**717,073**
Theoretical tax expense 24% (2022: 25%)	221,837	179,268
Differences against foreign tax rates	2,166	4,639
Changes in tax rates	-482	4,276
Non-tax-deductible expense	16,729	30,254
Tax-free income	-39,826	-30,844
Additional tax payments/tax refunds	-17,708	11,970
Change in valuation allowances on deferred tax assets	105,893	36,733
Other	2,320	648
Recognised income tax expense	**290,929**	**236,944**

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.

	2023	2022
Number of ordinary shares	102,600,000	102,600,000
Number of shares bought back	-2,779,006	0
Number of shares outstanding as at 31.12.	**99,820,994**	**102,600,000**
Profit or loss attributable to equity holders of the parent (consolidated profit/loss) T€	630,508	472,454
Weighted number of shares outstanding during the year	100,125,543	102,600,000
Earnings per share €	**6.30**	**4.60**

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 2023

	Acquisition and production cost							
T€	Balance as at 1.1.2023	Additions to the consolidated group	Disposals from the consolidated group	Currency translation	Additions	Transfers	Disposals	**Balance as at 31.12.2023**
I. Goodwill	**690,200**	**53,258**	**3,316**	**1,938**	**0**	**0**	**0**	**742,080**
II. Rights from concession arrangements	**551,793**	**0**	**0**	**0**	**0**	**0**	**0**	**551,793**
III. Other intangible assets								
1. Concessions, software, licences, rights	138,733	19,481	2,629	331	1,760	-111	9,794	147,771
2. Advances paid	299	0	0	0	22	111	0	432
Total	**139,032**	**19,481**	**2,629**	**331**	**1,782**	**0**	**9,794**	**148,203**
IV. Property, plant and equipment								
1. Land and buildings	1,700,659	10,120	6,904	3,649	42,359	87,198	23,548	1,813,533
2. Right-of-use assets	537,944	7,907	412	1,613	110,371	0	50,691	606,732
3. Technical equipment and machinery	3,159,667	20,771	9,609	5,623	216,888	69,658	171,021	3,291,977
4. Other facilities, furniture and fixtures and office equipment	1,450,276	12,154	6,363	3,558	225,299	1,396	121,040	1,565,280
5. Advances paid and assets under construction	192,764	50	34	179	54,528	-158,252	393	88,842
6. Investment property	137,445	0	0	-38	15,773	0	0	153,180
Total	**7,178,755**	**51,002**	**23,322**	**14,584**	**665,218**	**0**	**366,693**	**7,519,544**

	Accumulated depreciation, amortisation and impairment									
T€	Balance as at 1.1.2023	Additions to the consolidated group	Disposals from the consolidated group	Currency translation	Additions	Transfers	Disposals	**Balance as at 31.12.2023**	**Carrying amount as at 31.12.2023**	Carrying amount as at 31.12.2022
I.	**247,804**	**0**	**3,316**	**-600**	**7,454**	**0**	**0**	**251,342**	**490,738**	**442,396**
II.	**78,638**	**0**	**0**	**0**	**20,305**	**0**	**0**	**98,943**	**452,850**	**473,155**
III.										
1.	114,185	4,859	2,627	154	6,709	0	8,304	114,976	32,795	24,548
2.	0	0	0	0	0	0	0	0	432	299
III.	**114,185**	**4,859**	**2,627**	**154**	**6,709**	**0**	**8,304**	**114,976**	**33,227**	**24,847**
IV.										
1.	748,784	1,886	2,944	827	43,356	1	16,354	775,556	1,037,977	951,875
2.	185,550	0	284	460	68,474	0	26,331	227,869	378,863	352,394
3.	2,414,425	13,628	8,796	4,118	258,326	-3	163,154	2,518,544	773,433	745,242
4.	951,921	8,544	5,413	2,207	151,878	2	112,181	996,958	568,322	498,355
5.	0	0	0	0	0	0	0	0	88,842	192,764
6.	134,612	0	0	0	-18,386	0	0	116,226	36,954	2,833
	4,435,292	**24,058**	**17,437**	**7,612**	**503,648**	**0**	**318,020**	**4,635,153**	**2,884,391**	**2,743,463**

Impairment losses totalling T€ 13,338 and reversal of impairment losses of T€ 18,500 were recognised in 2023.

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

	Acquisition and production cost							
T€	Balance as at 1.1.2022	Additions to the consolidated group	Disposals from the consolidated group	Currency translation	Additions	Transfers	Disposals	Balance as at 31.12.2022
I. Goodwill	**688,161**	**0**	**0**	**2,039**	**0**	**0**	**0**	**690,200**
II. Rights from concession arrangements	**551,793**	**0**	**0**	**0**	**0**	**0**	**0**	**551,793**
III. Other intangible assets								
1. Concessions, software, licences, rights	140,763	669	3	-46	2,406	2	5,058	138,733
2. Advances paid	2	0	0	0	299	-2	0	299
Total	**140,765**	**669**	**3**	**-46**	**2,705**	**0**	**5,058**	**139,032**
IV. Property, plant and equipment								
1. Land and buildings	1,560,602	4,548	0	2,336	134,241	17,074	18,142	1,700,659
2. Right-of-use assets	476,015	0	0	412	106,788	0	45,271	537,944
3. Technical equipment and machinery	3,046,390	805	104	13,416	230,343	16,261	147,444	3,159,667
4. Other facilities, furniture and fixtures and office equipment	1,375,303	312	76	958	172,682	-3,108	95,795	1,450,276
5. Advances paid and assets under construction	99,635	0	0	123	123,541	-30,217	318	192,764
6. Investment property	137,389	0	0	46	138	-10	118	137,445
Total	**6,695,334**	**5,665**	**180**	**17,291**	**767,733**	**0**	**307,088**	**7,178,755**

	Accumulated depreciation, amortisation and impairment									
T€	Balance as at 1.1.2022	Additions to the consolidated group	Disposals from the consolidated group	Currency translation	Additions	Transfers	Disposals	Balance as at 31.12.2022	Carrying amount as at 31.12.2022	Carrying amount as at 31.12.2021
I.	**240,482**	**0**	**0**	**622**	**6,700**	**0**	**0**	**247,804**	**442,396**	**447,679**
II.	**58,964**	**0**	**0**	**0**	**19,674**	**0**	**0**	**78,638**	**473,155**	**492,829**
III.										
1.	112,370	644	3	-16	6,001	0	4,811	114,185	24,548	28,393
2.	0	0	0	0	0	0	0	0	299	2
III.	**112,370**	**644**	**3**	**-16**	**6,001**	**0**	**4,811**	**114,185**	**24,847**	**28,395**
IV.										
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**

Impairment losses totalling T€ 16,849 were recognised in 2022.

13 Goodwill

The composition of and changes in goodwill is shown under item (12) consolidated statement of changes in fixed assets.

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

T€	**31.12.2023**	31.12.2022
STRABAG Cologne (N+W)	131,118	131,118
STRABAG Cologne (S+E)	61,105	61,105
Czech Republic (S+E)	73,580	75,435
STRABAG Poland (S+E)	60,560	56,144
STRABAG PFS Germany (I+S)	39,650	39,650
Bockholdt GmbH & Co. KG (I+S)	29,029	0
Germany (various CGUs; N+W)	22,679	28,429
Austria (various CGUs; S+E)	22,599	0
Ed. Züblin AG (N+W)	17,057	17,057
STRABAG PFS International (I+S)	12,173	12,198
Construction materials (various CGUs; S+E)	9,209	9,466
Other	11,979	11,794
Total goodwill	**490,738**	**442,396**

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€ 7,454 (2022: T€ 6,700) 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€ 13,724 (2022: T€ 11,581).

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** **31.12.2023**	Methodology 31.12.2023	Detailed planning period 31.12.2023	Growth rate 31.12.2023	Discount rate after tax 31.12.2023
STRABAG Cologne (N+W)	131,118	FV less cost of disposal (Level 3) [2022: FV less cost of disposal (Level 3)]	4 (2022: 4)	0 (2022: 0)	9.25% (2022: 9.77%)
STRABAG Cologne (S+E)	61,105	FV less cost of disposal (Level 3) [2022: FV less cost of disposal (Level 3)]	4 (2022: 4)	0 (2022: 0)	9.89% (2022: 10.17%)
Czech Republic (S+E)	73,580	FV less cost of disposal (Level 3) [2022: FV less cost of disposal (Level 3)]	4 (2022: 4)	0 (2022: 0)	10.20% (2022: 10.46%)
STRABAG Poland (S+E)	60,560	FV less cost of disposal (Level 3) [2022: FV less cost of disposal (Level 3)]	4 (2022: 4)	0 (2022: 0)	11.01% (2022: 11.26%)
STRABAG PFS Germany (I+S)	39,650	FV less cost of disposal (Level 3) [2022: FV less cost of disposal (Level 3)]	4 (2022: 4)	0 (2022: 0)	9.25% (2022: 9.54%)

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 an 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 under item (12) 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€ 339,847 (2022: T€ 353,412) 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.

A total of T€ 17,135 (2022: T€ 15,769) in research and development costs incurred in the 2023 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 2023 financial year break down as follows:

T€	**31.12.2023**	31.12.2022
Interest expense on lease liabilities	7,630	7,326
Repayment of lease liabilities	63,052	62,522
Variable lease payments	7,485	6,394
Payments for short-term leases	7,605	8,435
Total lease payments	**85,772**	**84,677**

Additionally, expenses for short-term equipment rentals that do not meet the leasing criteria in the amount of T€ 203,805 (2022: T€ 207,529) 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€ 2,445 (2022: T€ 2,363) and is shown in other operating income.

The carrying amount of this building as at 31 December 2023 is T€ 62,088 (2022: T€ 64,230) 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€ 85,769 (2022: T€ 106,684) 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 (2022: T€ 0).

Investment property

The development of investment property is shown under item (12) Consolidated statement of changes in fixed assets.

In the 2023 financial year, the decision was made to implement a real estate hold investment strategy. This will close a gap in the value chain by holding properties while covering the full life cycle of buildings. The plan is to build up a property portfolio that retains or increases in value in an attractive market environment.

A project previously reported under inventories was therefore reclassified to investment property at the end of 2023. Initial recognition was carried at cost.

The fair value of investment property as at 31 December 2023 amounts to T€ 45,467 (2022: T€ 2,833). 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 2023 financial year amounted to T€ 10,700 (2022: T€ 6,573) and direct operating expenses totalled T€ 8,491 (2022: T€ 8,267). Due to implementation of the real estate hold investment strategy, rental income will increase in the next year and in the following five years; rental income from existing projects will remain more or less 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€ 0 (2022: T€ 991) and losses from asset disposals in the amount of T€ 0 (2022: T€ 9) were achieved.

A reversal of impairment losses in the amount of T€ 18,500 was made in the 2023 financial year (2022: T€ 0).

17 Equity-accounted investments

T€	**2023**	2022
Carrying amount as at 1.1.	**411,172**	**403,163**
Changes in the consolidated group	2,104	0
Acquisitions/contributions	120,050	16,954
Income and expenses from equity-accounted investments	46,047	12,845
Distributions received	-37,518	-40,188
Repayments of capital	-3,000	0
Share of other comprehensive income	-2,739	9,602
Adjustment for expenses not covered by the carrying amount	4,910	8,796
Carrying amount as at 31.12.	**541,026**	**411,172**

As at 31 December 2023, provisions for equity-accounted investments amounting to T€ 9,044 (2022: T€ 11,244) are reported under other current provisions. Changes in provisions recognised in profit or loss are reported under income or expenses from equity-accounted investments.

Notes on associates

Holcim 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€	**2023**	2022
Revenue	308,075	299,723
Net income from continuing operations	42,328	24,635
Other comprehensive income	-13,945	-8,005
Total comprehensive income	**28,383**	**16,630**
attributable to: non-controlling interests	-69	8
attributable to: equity holders of the parent	28,452	16,622
	31.12.2023	31.12.2022
Non-current assets	551,205	564,252
Current assets	128,722	109,632
Non-current liabilities	-148,165	-149,750
Current liabilities	-144,764	-137,090
Net assets	**386,998**	**387,044**
attributable to: non-controlling interests	4,008	4,077
attributable to: equity holders of the parent	382,990	382,967

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

T€	**2023**	2022
Group's share of net assets as at 1.1.	**114,890**	**123,403**
Group's share of net income from continuing operations	12,538	7,273
Group's share of other comprehensive income	-4,003	-2,286
Group's share of total comprehensive income	8,535	4,987
Dividends received	-8,529	-13,500
Group's share of net assets as at 31.12.	**114,896**	**114,890**
Goodwill	87,084	87,084
Equity-method carrying amount as at 31.12.	**201,980**	**201,974**

Another significant associate is **CMBlu Energy AG**, Alzenau. The STRABAG SE Group acquired 14.71% of the company in the 2023 financial year. The shares are classified as those of an associate because STRABAG has the right to appoint a member to the company's Supervisory Board.

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

T€	**2023**
Net income from continuing operations	-31,795
Other comprehensive income	24
Total comprehensive income	**-31,771**
attributable to: non-controlling interests	0
attributable to: equity holders of the parent	-31,771
	31.12.2023
Non-current assets	9,674
Current assets	106,809
Non-current liabilities	-8,747
Current liabilities	-4,473
Net assets	**103,263**
attributable to: non-controlling interests	0
attributable to: equity holders of the parent	103,263

The financial information presented here can be transferred to the equity carrying amount of CMBlu Energy AG in the consolidated financial statements as follows:

T€	**2023**
Group's share of net assets as at 1.1.	**15,969**
Group's share of net income from continuing operations	-779
Group's share of other comprehensive income	0
Group's share of total comprehensive income	-779
Dividends received	0
Group's share of net assets as at 31.12.	**15,190**
Goodwill	84,030
Equity-method carrying amount as at 31.12.	**99,220**

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€	**2023**	2022
Total of equity-method carrying amounts as at 31.12.	104,566	94,578
Group's share of net income from continuing operations	30,602	7,700
Group's share of other comprehensive income	1,837	5,535
Group's share of total comprehensive income	32,439	13,235

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€	**2023**	2022
Total of equity-method carrying amounts as at 31.12.	135,260	114,620
Group's share of net income from continuing operations	3,686	-2,128
Group's share of other comprehensive income	-573	6,353
Group's share of total comprehensive income	3,113	4,225

Notes on accumulated losses from equity-accounted investments

Proportionate losses from equity-accounted investments in the amount of T€ 4,845 (2022: T€ 7,801) 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 2023 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 IBBENBÜREN, Germany (IBBE)	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 2023 financial year on these consortia is presented 100% and 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	Current liabilities
A49	199,983	5,229	645,654	90,479	650,883
WEIL	130,743	41	35,568	7,148	35,609
CAMP	127,944	0	39,043	27,125	39,043
DAM	125,986	2,666	431	20	3,097
U2	98,831	12,604	23,867	1,184	36,471
KOS	96,555	0	123,760	25,391	123,760
FHT	94,537	6,602	382,733	18,316	389,335
HER	81,529	187	833	3,114	1,020
JVA	53,883	325	29,154	29,025	29,479
IBBE	49,759	14,084	7,835	54	21,919

In the 2023 financial year, the share of profit or loss of equity-accounted investments recorded for the above-mentioned consortia included T€ 41,862 in profits from consortia and T€ 37,623 in losses from consortia including impending losses.

The financial information in the 2022 financial year on these consortia is presented 100% and 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	Current liabilities
A49	176,087	6,521	432,625	67,114	439,146
WEIL	32,911	0	49,861	14,696	49,861
CAMP	76,323	0	36,267	31,921	36,267
DAM	93,939	5,052	7,242	262	12,294
U2	89,173	6,665	18,224	5,864	24,889
KOS	36,772	0	61,292	23,370	61,292
FHT	114,892	8,813	298,918	28,376	307,731
HER	107,150	394	18,050	1,245	18,444
JVA	60,217	373	39,632	38,495	40,005
IBBE	28,369	3,889	6,487	5,318	10,376

In the 2022 financial year, the share of profit or loss of equity-accounted investments recorded for the above-mentioned consortia included T€ 27,700 in profits from consortia and T€ 55,591 in losses from consortia including impending losses.

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

T€	**2023**	2022
Work and services performed	1,025,947	958,228
Work and services received	31,441	13,751
Receivables as at 31.12.	389,333	409,721
Liabilities as at 31.12.	325,912	330,158

18 Other investments

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

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

T€	Balance as at 1.1.2023	Currency translation	Changes in the consoli-dated group	Additions	Transfers	Disposals	Impair-ment losses/ Reversal of impairment losses	**Balance as at 31.12.2023**
Investments in subsidiaries	92,929	-827	11,605	6,380	0	-10,274	-3,383	96,430
Investments	105,072	498	4,118	11,771	0	-699	1,390	122,150
Other investments	**198,001**	**-329**	**15,723**	**18,151**	**0**	**-10,973**	**-1,993**	**218,580**

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

T€	Balance as at 1.1.2022	Currency translation	Changes in the consoli-dated group	Additions	Transfers	Disposals	Impair-ment losses/ Reversal of impair-ment 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**

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 1.1.2023	Currency translation	Changes in the consoli-dated group	Other changes	**Balance as at 31.12.2023**
Intangible assets and property, plant and equipment	50,875	354	-105	25,952	77,076
Financial assets	1,893	4	0	11,511	13,408
Inventories	27,493	114	0	11,374	38,981
Receivables and other assets	66,924	-466	-17	34,045	100,486
Provisions	160,553	65	599	59,233	220,450
Liabilities	22,165	1,329	-397	-6,678	16,419
Tax loss carryforwards	73,238	0	0	-10,353	62,885
Deferred tax assets	**403,141**	**1,400**	**80**	**125,084**	**529,705**
Offsetting of deferred tax assets and liabilities relating to the same taxation authority	-292,605	0	0	-127,370	-419,975
Deferred tax assets offset	**110,536**	**1,400**	**80**	**-2,286**	**109,730**
Intangible assets and property, plant and equipment	-81,505	323	-205	-20,565	-101,952
Financial assets	-11,685	0	-6,891	4,274	-14,302
Inventories	-27,025	-566	0	-23,225	-50,816
Receivables and other assets	-297,023	1,709	97	-124,733	-419,950
Provisions	-2,265	-243	0	-3,061	-5,569
Liabilities	-47,923	4	0	-16,133	-64,052
Deferred tax liabilities	**-467,426**	**1,227**	**-6,999**	**-183,443**	**-656,641**
Offsetting of deferred tax assets and liabilities relating to the same taxation authority	292,605	0	0	127,370	419,975
Deferred tax liabilities offset	**-174,821**	**1,227**	**-6,999**	**-56,073**	**-236,666**

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.

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€ 52,469 (2022: T€ 62,691) for the STRABAG SE tax group. This contains deferred tax assets on open amortisation over seven years in the amount of T€ 52,469 (2022: T€ 62,691). 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.

As at 31 December 2023, there were differences of T€ 1,086,560 (2022: T€ 1,135,051) between the carrying amount and the equity of subsidiaries recognised in the Group. No deferred taxes were recognised as STRABAG determines the disposal and dividend policy of the subsidiaries. STRABAG can therefore control the timing of the reversal of the temporary differences. The Management Board assumes that there will be no reversals in the foreseeable future.

In January 2022, a gradual reduction of the corporate income tax rate from 25% to 23% was decided in Austria. The tax rate was lowered to 24% in 2023 and will be lowered to 23% in 2024. An adjustment of the existing deferred taxes to the tax rate of the reversal was already made in 2022. The resulting tax expense in the amount of T€ 4,213 was recognised in profit or loss. The existing deferred taxes in Austria as at 31 December 2023 are recognised at 23%.

Based on the rules developed by the OECD for the introduction of a global minimum tax, the EU on 22 December 2022 adopted a directive on a global minimum level of taxation. The individual member states had until 31 December 2023 to transpose the directive into national legislation. As a result, the OECD's so-called Pillar II rules become applicable for accounting periods starting with the 2024 financial year. The basic idea of the rather complex rules is that in jurisdictions in which the effective tax rate determined in accordance with Pillar II is below 15%, additional taxes must be levied either in that jurisdiction itself or at the level of the highest parent company.

With Hungary, Bulgaria, Montenegro, Bosnia and the United Arab Emirates, the STRABAG SE Group operates in countries with a nominal tax rate below 15%, meaning that additional tax expense is to be expected for the 2024 financial year as a result of the Pillar II rules. As the majority of the operating business is conducted in countries with higher tax rates (in particular Germany and Austria), however, the additional tax expense will not be of any material significance. In accordance with the provisions of IAS 12, the exemption from recognising deferred taxes due to Pillar II is applied.

With regard to deferred taxes, these can only be taken into account for Pillar II purposes provided that the deferred tax assets and liabilities in the financial accounts of all business entities in a tax jurisdiction for the transition year have been demonstrably recognised or disclosed in financial statements.

The following table therefore shows all unrecognised deferred taxes on losses carried forward and temporary differences. In the absence of a reversal of deferred taxes in the next five years, an impairment was made with regard to these losses carried forward and temporary differences in the consolidated financial statements. Determination of the impairment took into account the fact that losses carried forward exist in project companies with only limited business activities in subsequent years and that losses carried forward are recognised multiple times in the investment chain due to tax-effective investment write-downs and that their use would lead to tax-effective write-ups.

Of the non-capitalised losses carried forward, T€ 3,004,650 (2022: T€ 3,144,913) have unrestricted use. Non-capitalised losses carried forward in the amount of T€ 260,625 (2022: T€ 117,980) can theoretically be used for up to 20 years (2022: 20 years).

The unrecognised deferred taxes are as follows:

	31.12.2023					31.12.2022				
	not recognised in the future due to lack of usability									
T€	**Losses carried forward**	**Deferred tax**	**Temporary differences**	**Deferred tax**	**Deferred tax total**	Losses carried forward	Deferred tax	Temporary differences	Deferred tax	Deferred tax total
Austria	1,231,924	283,342	0	0	283,342	1,244,206	286,167	0	0	286,167
Austria - open amortisation over seven years	372,542	85,685	0	0	85,685	296,000	68,080	0	0	68,080
Chile	424,840	114,706	119,642	32,304	147,010	300,032	81,009	160,360	43,297	124,306
Netherlands	211,760	54,633	26,878	6,934	61,567	222,335	57,362	45,760	11,806	69,169
Sweden	159,562	32,870	6,267	1,291	34,161	233,396	48,079	3,232	666	48,745
Denmark	138,226	30,410	53,001	11,660	42,070	128,993	28,378	59,183	13,020	41,399
Germany	113,751	18,001	34,828	10,736	28,737	131,705	20,744	23,748	7,320	28,064
Germany - German trade tax (Gewerbesteuer)	87,333	13,100	0	0	13,100	107,483	16,203	0	0	16,203
Hungary	103,732	9,336	104,141	9,373	18,709	104,932	9,444	96,172	8,655	18,099
Canada	84,388	22,363	55,873	14,806	37,169	17,989	4,767	0	0	4,767
Switzerland	80,241	14,443	0	0	14,443	82,254	14,806	18	3	14,809
Slovakia	68,550	14,396	20,434	4,291	18,687	74,126	15,567	23,426	4,919	20,486
Italy	53,996	12,959	71,668	17,200	30,159	48,748	11,700	77,606	18,625	30,325
Belgium	50,311	12,578	5,590	1,398	13,976	65,541	16,385	5,960	1,490	17,875
Russia	39,863	7,973	16,791	3,358	11,331	89,803	17,961	45,693	9,139	27,099
Great Britain	15,505	3,876	0	0	3,876	40,546	10,136	0	0	10,136
Other	28,751	5,307	350,627	67,982	73,289	74,804	13,478	165,257	31,956	45,434
	3,265,275	**735,978**	**865,740**	**181,333**	**917,311**	**3,262,893**	**720,266**	**706,416**	**150,898**	**871,164**

20 Inventories

T€	**31.12.2023**	31.12.2022
Construction materials, auxiliary supplies and fuel	264,494	280,687
Finished buildings	167,644	122,647
Unfinished buildings	341,019	187,303
Undeveloped land	421,005	400,905
Finished goods and work in progress	27,643	22,230
Advances paid	34,234	54,935
Inventories	**1,256,039**	**1,068,707**

For qualifying assets, interest on borrowings was recognised in the amount of T€ 694 (2022: T€ 121).

21. Forderungen aus Konzessionsverträgen

STRABAG besitzt 100 % an der ungarischen M5-Autobahnkonzessionsgesellschaft AKA Alföld Koncessziós Autópálya Zrt., Budapest (AKA).

Im Konzessionsvertrag mit dem ungarischen Staat verpflichtete sich AKA zur Entwicklung, Planung und Finanzierung sowie zum Bau und Betrieb der Autobahn M5. Die Autobahn selbst steht im Eigentum des Staats; auch sämtliche Ausrüstungsgegenstände und Fahrzeuge für den Betrieb sind nach Ablauf des Konzessionszeitraums unentgeltlich an den Staat zu übergeben.

AKA erhält als Gegenleistung laufend eine verkehrsunabhängige Availability Fee des ungarischen Staats für die Zurverfügungstellung der Autobahn. Das Betreiberrisiko durch Sperren der Autobahn und die Nichteinhaltung von vertraglich festgelegten Fahrbahnkriterien trägt AKA.

Die Strecke beträgt insgesamt 156,5 km und wurde in drei Phasen errichtet. Der Konzessionszeitraum läuft bis 2031. Eine einmalige Verlängerung von bis zu 17,5 Jahren ist möglich.

Sämtliche erbrachten Leistungen aus diesem Konzessionsvertrag werden unter dem gesonderten Posten Forderungen aus Konzessionsverträgen erfasst. Die Forderungen sind mit dem Barwert der vom Staat zu leistenden Vergütungen angesetzt. Die jährlichen Aufzinsungsbeträge werden in den Umsatzerlösen erfasst.

Der Vertrag enthält auch die Verpflichtung von Zinsausgleichszahlungen des ungarischen Staats, womit der Staat das Zinsrisiko aus der Finanzierung der AKA trägt. Diese Zinsausgleichszahlungen stellen ein gesondertes Sicherungsgeschäft (Zinsswap) dar. Die Darstellung erfolgt als Cashflow Hedge, womit die Wertänderungen des Zinsswaps im sonstigen Ergebnis (OCI) erfasst werden.

Der Marktwert des Zinsswaps in Höhe von T€ 174 (2022: T€ 377) wird unter den kurzfristigen Forderungen (2022: langfristigen Forderungen) aus Konzessionsverträgen ausgewiesen.

Den aktivierten Forderungen aus Konzessionsverträgen stehen Non-Recourse-Finanzierungen in Höhe von T€ 32.933 (2022: T€ 98.489) gegenüber, die gemäß ihrer Fristigkeit in den kurzfristigen Finanzverbindlichkeiten enthalten sind. Die daraus resultierenden Zinsaufwendungen werden in den sonstigen betrieblichen Aufwendungen erfasst.

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€	**31.12.2023**	31.12.2022
Contract assets (gross)	7,643,852	8,094,379
Advances received	-6,360,348	-6,736,638
Contract assets	**1,283,504**	**1,357,741**
Contract liabilities (gross)	-8,379,871	-7,327,361
Advances received	9,715,708	8,472,037
Contract liabilities	**1,335,837**	**1,144,676**

In the 2023 financial year, revenue was recognised in the amount of T€ 1,101,805 (2022: T€ 1,053,684) that had been included under contract liabilities at the beginning of the financial year.

As at 31 December 2023, there are unsatisfied performance obligations from construction contracts with customers and project developments (order backlog) in the amount of T€ 18,938,369 (2022: T€ 19,814,930). The recognition of revenue from these performance obligations is expected with T€ 9,968,076 (2022: T€ 11,080,832) in the following financial year and with T€ 8,970,293 (2022: T€ 8,734,098) in the next four financial years.

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

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

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

23 Trade receivables

Trade receivables are comprised as follows:

		31.12.2023		31.12.2022
T€	**Total**	**thereof current**	Total	thereof current
Trade receivables	1,365,315	1,365,315	1,314,939	1,314,939
Receivables from consortia	255,712	255,712	262,899	262,899
Advances paid to subcontractors	72,274	72,274	103,156	103,156
Trade receivables	**1,693,301**	**1,693,301**	**1,680,994**	**1,680,994**

24 Other financial assets

Other financial assets are comprised as follows:

			31.12.2023			31.12.2022
T€	**Total**	**thereof current**	**thereof non-current**	Total	thereof current	thereof non-current
Securities	27,359	0	27,359	26,018	0	26,018
Receivables from subsidiaries	110,663	107,343	3,320	95,300	91,173	4,127
Receivables from participation companies	135,099	71,095	64,004	146,664	74,512	72,152
Other financial assets	306,804	82,335	224,469	390,740	87,384	303,356
Other financial assets	**579,925**	**260,773**	**319,152**	**658,722**	**253,069**	**405,653**

25 Cash and cash equivalents

T€	**31.12.2023**	31.12.2022
Securities	26	10
Cash on hand	945	1,332
Bank deposits	3,449,651	2,700,507
Cash and cash equivalents	**3,450,622**	**2,701,849**

26 Equity

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

The fully paid-in share capital as at 31 December 2023 amounts to € 102,600,000.00 and is divided into 102,599,997 no-par bearer shares and three registered shares.

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 was also intended to remove the restriction on voting rights of the bidders (and the legal entities acting jointly with them) that existed at the time 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”.

STRABAG SE agreed with the bidders of the mandatory offer to acquire, as own shares, up to 10,260,000 of the shares tendered into the offer, representing up to 10% of the share capital, at the same price as the offer price (€ 38.94). This required a current financial liability in the amount of the maximum theoretical purchase obligation of T€ 399,524 to be deducted directly from retained earnings effective 31 December 2022.

With the share purchase agreement dated 9 February 2023, STRABAG SE acquired 2,779,006 own shares (2.7% of the share capital) in the amount of T€ 108,214 on the basis of this arrangement. The theoretical purchase obligation of T€ 291,310 deducted directly from equity effective 31 December 2022 was therefore reversed with no effect on profit or loss.

Various capital measures were approved at the **Annual General Meeting of STRABAG SE held on 16 June 2023**. These resolutions are summarised as follows:

a) Resolution concerning the capital adjustment from company funds

The share capital of the Company of currently € 102,600,000.00 shall be increased by € 1,900,000,000.00 to € 2,002,600,000.00 from company funds through conversion of the corresponding portion of the committed capital reserves reported in the annual financial statements for the year ending 31 December 2022 pursuant to Section 1 et seq. KapBG with retroactive effect to the beginning of the current financial year without the issue of new shares.

b) Resolution concerning the ordinary reduction of the share capital of the Company for the purpose of allocation to non-committed reserves

The share capital of the Company shall be reduced in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG from the amount of the share capital after the capital adjustment of € 2,002,600,000.00 by € 996,620,004.30 to € 1,005,979,995.70 for the purpose of allocation to non-committed reserves of the Company, whereby the reduction of the share capital of the Company shall be effected by reducing the pro-rata amount of the share capital of the Company attributable to the individual no-par share without reverse stock split (“capital reduction for allocation to non-committed reserves”).

c) Resolution concerning the ordinary reduction of the share capital of the Company for the purpose of distribution to the shareholders

The share capital of the Company shall be reduced in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG from the amount of the share capital after the ordinary capital reduction for allocation to non-committed reserves in the amount of € 1,005,979,995.70 by € 903,379,995.70 to € 102,600,000.00 for the purpose of repaying the reduction amount to the shareholders of the Company ("capital reduction for the purpose of distribution") according to the following specifications and under the following conditions:

(i) The reduction of the share capital of the Company shall be effected by reducing the pro-rata amount of the share capital attributable to each no-par share to the minimum amount of € 1.00 pursuant to Section 8 Para 3 AktG without reverse stock split.

(ii) The distribution entitlement resulting from the capital reduction in accordance with the conditions set out in this resolution in the amount of € 9.05 per no-par share entitled to distribution ("distribution entitlement") shall be paid in cash or, at the option of each shareholder, in new shares of the Company issued in connection with the non-cash capital increase to be resolved under item d).

(iii) For the distribution entitlement and its payment, the following conditions apply:

a. The condition precedent of the fulfilment of the legal payment requirements pursuant to Section 178 Para 2 AktG.

b. The condition precedent that shareholders of the Company, in respect of shares entitled to distribution that together represent at least approximately 57.78% of the share capital of the Company, have elected the payment of the distribution from the capital reduction in new shares of the Company and the contribution in kind determined in the resolution concerning the ordinary capital increase (item d)) is raised through waiver of the distribution entitlements for these shares within the determined implementation period.

c. The resolutory condition if the implementation of the non-cash increase of the share capital (item d)) is not entered in the commercial register pursuant to Section 156 AktG by 31 March 2024 at the latest.

If one of the conditions precedent (a. or b.) does not occur, no distribution entitlement arises and no payment can be made and, accordingly, the distribution entitlement cannot be used to raise the non-cash contribution of the ordinary capital increase (item d)). In these cases, the alternative purpose of the ordinary capital reduction shall be to transfer the amount of the capital reduction to non-committed reserves of the Company.

If the resolutory condition (c.) occurs, the distribution entitlement from the capital reduction shall lapse accordingly and no payment can be made and the alternative purpose of the ordinary capital reduction shall be to transfer the amount of the capital reduction to non-committed reserves of the Company. This purpose shall then also apply to that amount of distribution entitlements already waived to raise the non-cash contribution of the ordinary capital increase (item d)).

d) Resolution concerning the ordinary non-cash increase of the share capital of the Company

The share capital of the Company shall be increased by up to € 24,955,248.00 through the issue of up to 24,955,248 new no-par bearer shares (ordinary shares), each with a pro-rata amount of the share capital of € 1.00 (hereinafter "new shares"), against non-cash contributions through the waiver of distribution entitlements from the ordinary capital reduction for the purpose of distribution (item c)) according to the following specifications and under the following conditions:

(i) The new shares shall be issued at an issue price of € 1.00 per share (minimum issue price pursuant to Section 8 Para 3 AktG), thus at a total issue price of up to € 24,955,248.00.

(ii) The new shares shall participate in the profits from the beginning of the financial year, for which, at the time of the issue of the new shares, no resolution has yet been passed on the appropriation of the balance sheet profit.

(iii) The shareholders shall be granted the legal subscription rights. The subscription ratio shall be set at 1:4 (1 new share for 4 existing shares) ("subscription ratio") and the subscription price per new share at € 36.20 ("subscription price"). The contribution in kind to be made for the subscription of each new share will therefore comprise 4 distribution entitlements in the nominal amount of € 9.05 per share entitled to distribution. The subscription price and the subscription ratio are based on an business value of the Company with a valuation date of 16 June 2023 (date of the Annual General Meeting of the Company), from which a pro-rata business value per share of the Company of € 36.22 is derived as of 16 June 2023 ("reference price"), taking into account the distribution entitlement from the ordinary capital reduction for the purpose of the distribution of € 9.05. The subscription ratio is calculated as the ratio of the result of dividing the reference price by the nominal amount of a distribution entitlement (€ 9.05) rounded down to two decimal places after the decimal point. The subscription price shall correspond to the subscription ratio multiplied by the nominal amount of a distribution entitlement (€ 9.05).

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. Consequently, MKAO “Rasperia Trading Limited” is not entitled to a rights offer for new shares in respect of its 28,500,001 ordinary shares.

The aim of the capital measures was to reduce the stake of minority shareholder MKAO “Rasperia Trading Limited” from 27.8% to below 25%.

The full text of the resolutions is available on the website of STRABAG SE at www.strabag.com.

The subscription period for choosing the share option ended on 29 September 2023. As contractually agreed in advance, the core shareholders – the Haselsteiner family, UNIQA and Raiffeisen – chose to exercise the share-based option. Additionally, 26.4% of STRABAG SE’s free float shareholders also opted to receive new shares, thereby supporting the goal of the ongoing capital measures to reduce the shareholding interest held by MKAO “Rasperia Trading Limited”.

As a result, shareholders representing 87.6% of the eligible shares chose the share-based option. This corresponds to 60.9% of the company’s share capital and therefore met the acceptance quota as one of the conditions precedent for the distribution.

15,621,982 new shares were therefore issued as part of the ordinary non-cash capital increase in March 2024, increasing the share capital by 15.2% from € 102,600,000.00 to € 118,221,982.00. The share capital increase was entered into the commercial register on 21 March 2024. The stake held by minority shareholder MKAO “Rasperia Trading Limited” was thus reduced from 27.8% to 24.1%.

Consequently, only the capital reduction amount of T€ 337,864 attributable to the distribution option is represented as a decrease in equity and other current financial liabilities in the consolidated financial statements as at 31 December 2023. The first payment of the dividend from the capital decrease to the free float will be made on 15 April 2024; the amount attributable to the minority shareholder MKAO “Rasperia Trading Limited” has been frozen due to the sanctions provisions.

MKAO “Rasperia Trading Limited” contested the resolutions passed by the Annual General Meeting, although the action was dismissed by the Regional Court of Klagenfurt. The ruling is not yet final, however.

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 2023 amounted to 32.2% (2022: 31.7%). 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 1.1.2023	Currency translation	Changes in the consoli-dated group	Added	Used	**Balance as at 31.12.2023**
Provisions for severance payments	91,382	-126	738	6,274	0	98,268
Provisions for pensions	333,547	0	1,958	0	15,651	319,854
Construction-related provisions	476,344	7,086	2,438	88,916	27,408	547,376
Personnel-related provisions	5,608	-90	-53	1,741	53	7,153
Other provisions	371,910	429	0	10,987	19,180	364,146
Non-current provisions	**1,278,791**	**7,299**	**5,081**	**107,918**	**62,292**	**1,336,797**
Construction-related provisions	623,464	6,287	-1,807	693,673	628,376	693,241
Personnel-related provisions	227,893	-1,293	-3,100	224,255	224,636	223,119
Other provisions	277,749	-399	-1,572	241,345	276,581	240,542
Current provisions	**1,129,106**	**4,595**	**-6,479**	**1,159,273**	**1,129,593**	**1,156,902**
Total	**2,407,897**	**11,894**	**-1,398**	**1,267,191**	**1,191,885**	**2,493,699**

The **actuarial assumptions as at 31 December 2023** used to calculate provisions for severance payments and pensions are represented as follows:

	Severance payments	Pension obligation Austria	Pension obligation Germany	Pension obligation Switzerland	Pension obligation Netherlands
Biometric tables	AVÖ 2018-P	AVÖ 2018-P	Dr. Klaus Heubeck 2018G	BVG 2020G	Prognosetafel AG2022
Discount rate (%)	3.20	3.20	3.20	1.52	3.20
	(2022: 3.78)	(2022: 3.78)	(2022: 3.78)	(2022: 2.25)	(2022: 3.20)
Salary increase (%)	3.00	0.00	0.00	2.00	0.00
	(2022: 3.00)	(2022: 0.00)	(2022: 0.00)	(2022: 2.40)	(2022: 0.00)
Future pension increase (%)		dependent on contractual adjustment	3.00	0.25	3.00
	n. a.		(2022: 3.95)	(2022: 0.25)	(2022: 2.60)
Retirement age for men	62	65	63–67	65	65
	(2022: 62)	(2022: 65)	(2022: 63–67)	(2022: 65)	(2022: 65)
Retirement age for women	62	60	63–67	65	65
	(2022: 62)	(2022: 60)	(2022: 63–67)	(2022: 65)	(2022: 65)

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 + 1.0 percentage points as well as a change in the pension increase by + 1.0 percentage points would have the following impact on the amount of the provisions for severance payments and pension obligations as at 31 December 2023:

T€		Change in discount rate	Change in salary increase	Change in future pension increase
Change[1]	-0.5 %-points	+0.5 %-points	+1.0 %-points	+1.0 %-points
Severance payments	-3,086	2,911	-6,307	n.a.
Pension obligations	-28,841	26,044	-1,488	-40,268

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

Provisions for severance payments show the following development:

T€	2023	2022
Present value of the defined benefit obligation as at 1.1.	**91,382**	**108,361**
Changes in the consolidated group/currency translation	612	410
Current service cost	2,629	1,272
Interest cost	2,786	849
Severance payments	-6,259	-9,444
Actuarial gains/losses arising from experience adjustments	3,897	940
Actuarial gains/losses arising from change in the discount rate	3,221	-11,006
Present value of the defined benefit obligation as at 31.12.	**98,268**	**91,382**

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

T€	2023	2022
Present value of the defined benefit obligation as at 1.1.	**488,793**	**566,229**
Changes in the consolidated group/currency translation	10,590	8,101
Current service cost	4,770	9,516
Interest cost	15,947	4,253
Pension payments	-34,702	-34,548
Actuarial gains/losses arising from experience adjustments	670	7,707
Actuarial gains/losses arising from change in the discount rate	10,142	-72,312
Actuarial gains/losses arising from demographic changes	1,195	-153
Present value of the defined benefit obligation as at 31.12.	**497,405**	**488,793**

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

T€	2023	2022
Fair value of the plan assets as at 1.1.	**155,246**	**189,404**
Changes in the consolidated group/currency translation	8,632	8,349
Return on plan assets	3,752	835
Contributions	7,195	9,312
Pension payments	-12,141	-12,491
Actuarial gains/losses	6,364	-14,406
Assets not included according to IFRIC 14	30,030	-25,757
Reclassification assets	-21,527	0
Fair value of the plan assets as at 31.12.	**177,551**	**155,246**

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

T€	31.12.2023	31.12.2022
Shares[1]	30,294	25,519
Bonds[1]	44,678	42,157
Cash	1,805	1,766
Investment funds	11,515	10,698
Real estate	19,525	20,396
Liability insurance	67,774	64,309
Other assets	38,835	32,135
Assets not included according to IFRIC 14	-15,348	-41,734
thereof reclassified assets	-21,527	0
Total	**177,551**	**155,246**

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 2023 financial year, STRABAG AG, Switzerland, had a surplus of plan assets over the pension liability in the amount of T€ 21,527 (2022: T€ 0). This surplus is reported under other non-current financial assets.

The expected contributions to pension foundations in the following year will amount to T€ 3,767 (2022: T€ 3,218).

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 income from plan assets amounted to T€ 9,471 in the 2023 financial year (2022: expenses of T€ 11,644).

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

T€	**2023**	2022
Current service cost	7,399	10,788
Interest cost	18,733	5,102
Return on plan assets	3,752	835

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

T€	**31.12.2023**	31.12.2022
Net obligation for severance provisions	98,268	91,382
Present value of the defined benefit obligation (pension provisions)	497,405	488,793
Fair value of plan assets (pension provisions)	-177,551	-155,246
Net obligation for pension provisions	319,854	333,547
Net obligation total	**418,122**	**424,929**

The **maturity profile** of the benefit payments from the net defined benefit liability as at 31 December 2023 was as follows:

T€	< 1 year	1–5 years	6–10 years	11–20 years	> 20 years
Provisions for severance payments	10,105	36,058	32,332	31,091	842
Provisions for pensions	29,090	120,691	99,556	131,743	91,143

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

Years	**31.12.2023**	31.12.2022
Severance payments Austria	7.55	7.65
Pension obligations Austria	5.56	5.69
Pension obligations Germany	9.79	10.16
Pension obligations Switzerland	13.60	12.40
Pension obligations the Netherlands	14.92	15.39

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

			31.12.2023			31.12.2022
T€	**Total**	**thereof current**	**thereof non-current**	Total	thereof current	thereof non-current
Bank borrowings	534,707	209,032	325,675	624,763	241,757	383,006
Lease liabilities	364,223	63,690	300,533	332,438	59,112	273,326
Financial liabilities	**898,930**	**272,722**	**626,208**	**957,201**	**300,869**	**656,332**

Physical securities (mainly mortgages) were established to cover liabilities to banks in the amount of T€ 18,042 (2022: T€ 7,087).

The bank borrowings involve non-recourse liabilities in the amount of T€ 509,668 (thereof non-current: T€ 325,628). This value amounted to T€ 607,974 (thereof non-current: T€ 372,859) in the previous year.

The lease liabilities are presented less the rental deposits of T€ 23,970 (2022: T€ 27,861).

29 Trade payables

		31.12.2023		31.12.2022
T€	**Total**	**thereof current**	Total	thereof current
Trade payables	2,528,944	2,528,944	2,326,851	2,326,851
Liabilities from construction consortia	261,817	261,817	242,191	242,191
Trade payables	**2,790,761**	**2,790,761**	**2,569,042**	**2,569,042**

30 Other financial liabilities

T€	31.12.2023 Total	31.12.2023 thereof current	31.12.2023 thereof non-current	31.12.2022 Total	31.12.2022 thereof current	31.12.2022 thereof non-current
Payables to subsidiaries	114,109	114,109	0	91,884	91,884	0
Payables to participation companies	17,388	17,388	0	10,839	10,839	0
Other financial liabilities	684,378	656,304	28,074	703,392	619,574	83,818
Other financial liabilities	**815,875**	**787,801**	**28,074**	**806,115**	**722,297**	**83,818**

The other current financial liabilities include the capital reduction amount of T€ 337,864 attributable to the distribution option. As at 31 December 2022, the liability from the existing purchase obligation for treasury shares was included in the amount of T€ 399,524. See also the comments under item (26) Equity.

The dividend entitlements of MKAO “Rasperia Trading Limited” in the amount of T€ 82,650 (2022: T€ 41,325), which are frozen due to the sanctions imposed on Oleg Deripaska, are also recognised in other current financial liabilities.

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€	**31.12.2023**	31.12.2022
Guarantees without financial guarantees	20	20

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 liabilities or provisions.

Not included in the balance sheet or the contingent liabilities as at 31 December 2023 are performance bonds in the amount of € 2.8 billion (2022: € 3.0 billion) of which an outflow of resources is unlikely.

Contract fulfilment guarantees issued by the Group for nonconsolidated subsidiaries or investees are to be classified as insurance contracts in accordance with IFRS 17. No fee is charged for these guarantees. As at 31 December 2023, guarantees amounting to T€ 9,945 (2022: T€ 474) had been issued for 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€	**31.12.2023**	31.12.2022
Securities	26	10
Cash on hand	945	1,332
Bank deposits	3,449,651	2,700,507
Pledged cash and cash equivalents	-150	-150
Cash and cash equivalents	**3,450,472**	**2,701,699**

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 financing activities** for the financial year 2023 can be derived from the balance sheet items as follows:

T€	Bank borrowings	Other financial liabilities[1]	Lease liabilities	**Total**
Balance as at 1.1.2023	**624,763**	**65,471**	**332,438**	**1,022,672**
Proceeds	12,631	0	0	12,631
Repayments	-96,630	0	0	-96,630
Increase (+)/decrease (-) in financing	0	-13,504	-63,052	-76,556
Total cash flows from financing activities	**-83,999**	**-13,504**	**-63,052**	**-160,555**
Currency translation	-2,152	39	972	-1,141
Changes in the consolidated group	-3,905	0	7,786	3,881
Other changes	0	386,533	86,079	472,612
Total non-cash changes	**-6,057**	**386,572**	**94,837**	**475,352**
Balance as at 31.12.2023	**534,707**	**438,539**	**364,223**	**1,337,469**

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

The other changes relate mainly to non-cash changes in other financial liabilities (see under item (30) Other financial liabilities).

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

T€	**Inflow (+) Outflow (-)**
Cash flows from financing activities	-160,555
Acquisition of own shares	-108,214
Distribution of dividends	-161,812
Cash flow from financing activities	**-430,581**

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
Change due to acquisition of non-controlling interests	-151
Distribution of dividends	-173,369
Cash flow from financing activities	**-503,655**

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:

T€	Measurement category according to IFRS 9	31.12.2023 Carrying amount	Fair value	Measurement category according to IFRS 9	31.12.2022 Carrying amount	Fair value
Assets						
Investments below 20% (other investments)	FVPL	56,147	56,147	FVPL	48,351	48,351
Trade receivables	AC	1,621,027	1,621,027	AC	1,577,838	1,577,838
Receivables from concession arrangements	AC	481,311	474,487	AC	532,251	513,740
Other non-current financial assets	AC	237,061	231,542	AC	328,869	322,190
Other current financial assets	AC	260,773	260,773	AC	253,069	253,069
Cash and cash equivalents	AC	3,450,596	3,450,596	AC	2,701,839	2,701,839
Securities	FVPL	27,359	27,359	FVPL	26,018	26,018
Cash and cash equivalents (securities)	FVPL	26	26	FVPL	10	10
Derivatives held for hedging purposes (receivables from concession arrangements)	Derivatives	174	174	Derivatives	377	377
Derivatives held for hedging purposes (other financial assets)	Derivatives	33,231	33,231	Derivatives	50,766	50,766
Liabilities						
Financial liabilities	FLaC	-898,930	-883,666	FLaC	-957,201	-939,856
Trade payables	FLaC	-2,790,761	-2,790,761	FLaC	-2,569,042	-2,569,042
Other non-current financial liabilities	FLaC	-28,074	-28,074	FLaC	-75,403	-75,403
Other current financial liabilities	FLaC	-780,666	-780,666	FLaC	-711,956	-711,956
Derivatives other (other financial liabilities)	FVPL	-7,135	-7,135	FVPL	-18,756	-18,756
	Measurement category according to IFRS 9			Measurement category according to IFRS 9		
	AC	6,050,768	6,038,425	AC	5,393,866	5,368,676
	FVPL	76,397	76,397	FVPL	55,623	55,623
	FLaC	-4,498,431	-4,483,167	FLaC	-4,313,602	-4,296,257
	Derivatives	33,405	33,405	Derivatives	51,143	51,143
	Total	**1,662,139**	**1,665,060**	**Total**	**1,187,030**	**1,179,185**

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 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 entirely as a Level 2 measurement at T€ 883,666 (2022: T€ 939,856).

T€ 150 (2022: T€ 150) of cash and cash equivalents, T€ 815 (2022: T€ 790) of securities and T€ 2,097 (2022: T€ 1,974) of other financial instruments were pledged as collateral for liabilities.

The non-recourse liabilities in the amount of T€ 509,668 (2022: T€ 607,974) are secured with the return flows from the respective project.

There was no reclassification between the valuation categories in the 2023 financial year.

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

T€	AC	FVPL	FLaC	Derivatives (Hedge accounting)	AC	FVPL	FLaC	Derivatives (Hedge accounting)
				2023				2022
Interest	110,420	0	-32,102	0	39,617	0	-25,890	0
Interest from concession arrangements	63,482	0	-10,985	-1,854	58,099	0	-14,230	-3,140
Result from securities and investments	0	10,380	0	0	0	6,905	0	0
Credit losses, impairment losses and reversal of impairment losses	-85,226	0	0	0	-67,654	0	0	0
Payments of derecognised receivables and income from derecognition of liabilities	495	0	56,379	0	25	0	6,643	0
Net income from other derivatives	0	11,621	0	0	0	-11,950	0	0
Net income recognised in profit or loss	**89,171**	**22,001**	**13,292**	**-1,854**	**30,087**	**-5,045**	**-33,477**	**-3,140**
Value changes recognised directly in equity	0	0	0	-15,762	0	0	0	71,805
Net income	**89,171**	**22,001**	**13,292**	**-17,616**	**30,087**	**-5,045**	**-33,477**	**68,665**

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 2023** 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)			56,147	56,147
Securities	27,359			27,359
Cash and cash equivalents (securities)	26			26
Derivatives held for hedging purposes		33,405		33,405
Total	**27,385**	**33,405**	**56,147**	**116,937**
Liabilities				
Derivatives other		-7,135		-7,135
Total	**0**	**-7,135**	**0**	**-7,135**

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**

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 2023 and 2022, 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 expresses the expected realisable value of the transaction on the balance sheet date. It is determined using recognised and standard financial 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. The methods of measurement used also take into account fees, market risk, credit risk, ratings and exchange rate risks.

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:

	2023	2022
Carrying amount as at 1.1.	**48,351**	**48,511**
Currency translation/Transfers	397	292
Changes in the consolidated group	36	0
Additions	5,502	3,350
Disposals	-146	-1,207
Depreciation	-138	-700
Changes in fair value	2,145	-1,895
Carrying amount as at 31.12.	**56,147**	**48,351**

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€			31.12.2023			31.12.2022
Bank	Assets	Liabilities	Total	Assets	Liabilities	Total
Republic of Hungary	174	0	174	377	0	377
National Bank of Canada	2,889	0	2,889	5,253	0	5,253
SMBC Capital Markets	2,864	0	2,864	5,202	0	5,202
KfW IPEX-Bank	7,116	0	7,116	10,488	0	10,488
Norddeutsche Landesbank	6,652	0	6,652	9,925	0	9,925
SEB AG	6,902	0	6,902	9,797	0	9,797
Société Générale	6,808	0	6,808	10,101	0	10,101
Total derivatives held for hedging purposes	**33,405**	**0**	**33,405**	**51,143**	**0**	**51,143**
Bayerische Landesbank	0	-1,883	-1,883	0	-2,178	-2,178
Crédit Agricole Corp. & Investment	0	0	0	0	-4,985	-4,985
Raiffeisenbank International AG[1]	0	-1,679	-1,679	0	-7,388	-7,388
UniCredit Bank Austria AG	0	-3,573	-3,573	0	-4,205	-4,205
Total other derivatives	**0**	**-7,135**	**-7,135**	**0**	**-18,756**	**-18,756**
Total	**33,405**	**-7,135**	**26,270**	**51,143**	**-18,756**	**32,387**

[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 can be found in the group management report from 31 December 2023.

Interest rate risk

The receivables from concession arrangements in the amount of T€ 481,311 (2022: T€ 532,251) and the non-current other financial assets in the amount of T€ 319,152 (2022: T€ 405,653) are mostly at fixed interest rates. Bank deposits, on the other hand, are mainly at variable interest rates. Investments with fixed interest rates are concluded for a maximum of three months. The risk of financial instruments on the assets side consists of falling interest rates. The increase in interest rates in the main Group countries in the 2023 financial year had a positive impact on net interest income due to the Group's net cash position.

The most important bank borrowings involve non-recourse financing from projects in the amount of T€ 509,668 (2022: T€ 607,974), 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 resulting from an unfavourable change in market interest rates.

The interest rate risk is managed by concluding fixed interest rate agreements or through hedging with interest rate swaps for significant financing liabilities. In the case of bank deposits, investments are constantly adjusted to the changed market conditions by continuously monitoring the interest rate environment.

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 31.12.2023 T€**	**Weighted average interest rate 2023 %**
EUR	2,203,359	3.58
PLN	488,568	3.62
CZK	279,730	4.65
HUF	181,854	6.53
GBP	48,874	1.01
Other	247,266	3.15
Total	**3,449,651**	**3.77**

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**

Bank borrowings

Currency	Carrying amount 31.12.2023 T€	Weighted average interest rate 2023 %
EUR	393,387	4.04
CAD	136,939	6.41
Other	4,381	1.29
Total	**534,707**	**4.62**

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**

Had the interest rate level at 31 December 2023 been higher by 100 basis points, then the EBT would have been higher by T€ 28,110 (2022: T€ 19,713) and the equity at 31 December 2023 would have been higher by T€ 47,567 (2022: T€ 40,847). 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€ -7,135 (2022: T€ -18,756) 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€ 21,554 (2022: T€ 128,795) in foreign currencies.

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

Currency	**Closing rate 31.12.2023: 1 € =**	**Average rate 2023: 1 € =**	Closing rate 31.12.2022: 1 € =	Average rate 2022: 1 € =
HUF	382.8000	382.1354	400.8700	391.2708
CZK	24.7240	23.9821	24.1160	24.5624
PLN	4.3395	4.5355	4.6808	4.6799
CHF	0.9260	0.9727	0.9847	1.0041
CLP	979.4000	911.9477	916.9100	919.7438
USD	1.1050	1.0816	1.0666	1.0563
GBP	0.8691	0.8702	0.8869	0.8537
RON	4.9756	4.9513	4.9495	4.9352
CAD	1.4642	1.4606	1.4440	1.3757

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 **2023**:

	Appreciation of the euro by 10%		**Depreciation of the euro by 10%**	
T€ Currency	**Change in EBT**	**Change in equity**	**Change in EBT**	**Change in equity**
PLN	4,127	-4,055	-5,044	4,956
HUF	-2,671	12,254	3,265	-14,978
CHF	-323	-9,159	395	11,194
CZK	755	2,573	-922	-3,145
GBP	23,231	23,231	-28,393	-28,393
USD	-1,715	-1,715	2,096	2,096
Other	-32,964	-32,964	40,290	40,290

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**:

	Appreciation of the euro by 10%		Depreciation of the euro by 10%	
T€ 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 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. Currency effects from net investments in foreign operations are recognised in the change in equity. Currency differences recognised directly in equity from the translation of the different functional currencies into euros are not taken into account.

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. As in the previous year, there were no currency hedging instruments to be recognised as cash flow hedges in the 2023 financial year.

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. These involve derivatives that are settled net.

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 2023 are as follows:

T€ Hedged item	**Value changes in the basis for effectiveness measurement**	**Hedging reserves**
Interest rate risk		
Interest AKA	25	-116
Interest PANSUEVIA	6,992	20,809
Interest Scarborough	-5,413	6,935
Total	**1,604**	**27,628**

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**

The hedging instruments as at 31 December 2023 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	32,933	174	Receivables from concession arrangements	-25	-353	Other operating expense
Interest rate swaps PANSUEVIA	228,002	27,478	Other financial assets	-6,992	-5,411	Other operating expense
Interest rate swaps Scarborough	175,445	5,753	Other financial assets	5,413	-8,394	Interest expense
Total	**436,380**	**33,405**		**-1,604**	**-14,158**	

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

In the 2023 financial year, a total of T€ 1,721 (2022: T€ 539) was recognised in the income statement under interest and similar income for the Scarborough interest rate swap due to ineffectiveness.

The hedging instruments as at 31 December 2022 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	98,489	377	Receivables from concession arrangements	6,344	4,423	Other operating expense
Interest rate swaps PANSUEVIA	237,098	40,311	Other financial assets	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**	

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.

On 31 December 2023, 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 T€	37,750	180,177	218,453
Average fixed interest rate (%)	2.56	1.19	0.90

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 T€	37,749	36,904	475,965
Average fixed interest rate (%)	2.58	2.56	1.17

The reconciliation of the equity components as at 31 December 2023 is as follows:

T€	**Hedging reserves**
As at 1.1.	**18,260**
Fair value changes	
Interest rate risk	-1,604
Recycling	
Interest rate risk	-14,158
Deferred tax	
Interest rate risk	4,647
Change in hedging reserves from equity-accounted investments	**-7,260**
As at 31.12.	**-115**

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	
Interest rate risk	5,297
Deferred tax	
Interest rate risk	-19,468
Change in hedging reserves from equity-accounted investments	**13,132**
As at 31.12.	**18,260**

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. For public clients, the probability of default for any country is based on Moody's national scale ratings for that country, while for private clients in the country in question, the probability of default is assumed to be two rating levels higher.

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 2023 for trade receivables and for contract assets developed as follows during the financial year:

T€	Trade receivables	Contract assets
Gross carrying amount as at 31.12.2023	**1,676,144**	**1,289,512**
Lifetime ECL as at 1.1.	8,733	7,506
Exchange differences/changes in the consolidated group	-193	-55
Change due to change in volumes	213	-942
Change due to change in ratings	-54	-501
Lifetime ECL as at 31.12.	**8,699**	**6,008**
Impairment as at 1.1.	**50,270**	**0**
Exchange differences/changes in the consolidated group	-1,470	0
Added/used	-2,382	0
Impairment as at 31.12.	**46,418**	**0**
Net carrying amount as at 31.12.2023	**1,621,027**	**1,283,504**

In addition, ECL impairments on other financial assets amounting to T€ 4,056 (2022: T€ 3,144) exist as at 31 December 2023, as well as individual impairments amounting to T€ 260,451 (2022: T€ 143,857) for other non-current financial assets.

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**

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 2023 financial year are as follows:

T€	Trade receivables	Contract assets
Low risk	1,055,012	931,616
Medium risk	595,812	303,406
High risk	25,320	54,490
Gross carrying amount as at 31.12.2023	**1,676,144**	**1,289,512**

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**

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 (2022: € 0.4 billion) and € 2.0 billion (2022: € 2.0 billion) respectively. The overall line for cash and aval loan amounts to € 8.5 billion (2022: € 8.2 billion). The syndicated surety credit line contains covenants which were clearly fulfilled at the reporting date due to the Group’s current financial and liquidity situation.

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 2023 financial year.

In addition to continuous monitoring of the liquidity situation by the Group Treasury, a corporate-wide cash pooling system and strict working capital management at project level are used to manage liquidity risk. Internal allowances and charges as well as regular reporting obligations ensure efficient receivables and accounts payable management at project level. Another liquidity management tool is the regular financial planning based on output, earnings and investment plans.

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 2023

The **payment obligations from financial liabilities as at 31 December 2023** are comprised as follows:

T€	**Carrying amount 31.12.2023**	Cash flows 2024	Cash flows 2025–2028	Cash flows after 2028
Bank borrowings	534,707	237,286	114,748	324,436
Lease liabilities	364,223	78,272	233,540	173,650
Financial liabilities	**898,930**	**315,558**	**348,288**	**498,086**

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€ 72,134 for 2025, T€ 61,355 for 2026, T€ 51,862 for 2027 and T€ 48,189 for 2028.

The **payment obligations from derivatives as at 31 December 2023** are comprised as follows:

T€	**Carrying amount 31.12.2023**	Cash flows 2024	Cash flows 2025–2028
Derivatives held for hedging purposes	-33,405	0	0
Derivatives other	7,135	7,135	0
Derivatives	**-26,270**	**7,135**	**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 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
Derivatives held for hedging purposes	-51,143	0	0
Derivatives other	18,756	10,341	8,416
Derivatives	**-32,387**	**10,341**	**8,416**

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 2023, the maximum guarantee amount is T€ 74,557 (2022: T€ 71,343). As utilisation of the guarantees is unlikely, no provision has been made for them. Theoretically, these abstract guarantees can be utilised at any time, which would lead 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, Switzerland, Benelux and Scandinavia as well as the ground engineering activities.

The segment South + East comprises the construction activities in Austria, Poland, Hungary, Czech Republic, Slovakia, Adriatic and Rest of Europe and the environmental engineering business. In July 2023, the construction materials business was allocated to this segment with effect from 1 January 2023.

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

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 2023

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	**Group**
Output volume[1]	**8,216,660**	**7,741,898**	**2,957,272**	**223,308**		**19,139,138**
Revenue	**7,280,187**	**7,344,063**	**2,984,478**	**57,812**	**0**	**17,666,540**
Inter-segment revenue	139,732	189,488	0	1,081,165		
EBIT	**644,823**	**392,570**	**-132,104**	**3,300**	**-28,392**	**880,197**
thereof share of profit or loss of equity-accounted investments	135,671	24,960	-16,466	-33	0	144,132
Interest and similar income	0	0	0	119,194	0	119,194
Interest expense and similar charges	0	0	0	-75,068	0	-75,068
EBT	**644,823**	**392,570**	**-132,104**	**47,426**	**-28,392**	**924,323**
Investments in property, plant and equipment and intangible assets	0	0	0	667,000	0	667,000
Depreciation, amortisation and impairment losses, reversals of impairment losses	7,454	0	20,305	510,357	0	538,116
thereof impairment losses and reversals of impairment losses	7,454	0	0	-12,616	0	-5,162

[1] Not an IFRS measure, therefore not audited

Effective 1 January 2023, the construction activities in Switzerland were moved from South + East to the North + West segment, the construction activities in Poland were moved from North + West to the South + East segment and the building materials activities were moved from International + Special Divisions to the South + East segment. The previous year's figures have been restated for better comparability.

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]	**7,865,465**	**7,087,077**	**2,644,807**	**138,122**		**17,735,471**
Revenue	**7,157,261**	**6,788,976**	**3,061,973**	**17,637**	**0**	**17,025,847**
Inter-segment revenue	99,568	231,762	0	1,004,606		
EBIT	**456,530**	**236,891**	**44,813**	**997**	**-32,834**	**706,397**
thereof share of profit or loss of equity-accounted investments	40,527	18,837	1,554	-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	**456,530**	**236,891**	**44,813**	**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	6,700	0	0	10,149	0	16,849

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 and participation companies. 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€	**2023**	2022
Net income from investments	-25,513	-26,815
Other consolidation adjustments	-2,879	-6,019
Total	**-28,392**	**-32,834**

Breakdown of revenue by geographic region

T€	**2023**	2022
Germany	8,005,923	7,677,021
Austria	2,848,802	2,764,058
Rest of Europe	5,879,026	5,649,463
Rest of world	932,789	935,305
Revenue	**17,666,540**	**17,025,847**

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" was – at least until 22 March 2024 – 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. Irrespective of this, as a result of the EU sanctions against Oleg Deripaska 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 16 June 2023. 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, as in the previous year, not paid out. As at 31 December 2023, unpaid dividend claims amounting to T€ 82,650 (2022: T€ 41,325) are therefore reported as other current financial liabilities.

Several capital measures were approved at the 19th Annual General Meeting of STRABAG SE on 16 June 2023. See also the comments under item (26) Equity. With these measures, which were completed with entry of the capital increase into the commercial register on 21 March 2024, the stake held by MKAO "Rasperia Trading Limited" was reduced from 27.8% to 24.1%.

As the shares in STRABAG SE held by MKAO “Rasperia Trading Limited” and all rights associated with these shares, including voting rights and dividend entitlements, are frozen by the EU sanctions against Oleg Deripaska, MKAO “Rasperia Trading Limited” was not entitled to a rights offer for new shares in respect of its 28,500,001 ordinary shares in the company.

The distribution entitlement attributable to MKAO “Rasperia Trading Limited” from the capital reduction, amounting to T€ 257,925, is recognised as other current financial liabilities and will also be withheld due to the existing sanctions.

In the 2023 financial year, as in the previous year, there were no business relationships with companies attributable to Oleg Deripaska.

On 19 December 2023, the Management Board of STRABAG SE was informed by the Russian joint stock corporation Iliadis JSC and Oleg Deripaska, by means of a major holdings notification pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG), that Iliadis JSC on 14 December 2023 concluded a purchase agreement for 100% of the shares in MKAO “Rasperia Trading Limited”, although this transaction had not yet been carried out.

The Management Board of STRABAG SE was then informed that Raiffeisenbank International AG wants to acquire the 28,500,000 shares in STRABAG SE held by MKAO “Rasperia Trading Limited”. According to the announcement by Raiffeisenbank International AG, the multiple-step transaction – further details of which were not known to STRABAG SE – is subject to various reviews, approvals and other conditions, including a sanctions review, and was expected to close in the first quarter of 2024.

On 26 March 2024, the company was informed by means of major holdings notifications pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG) that the transaction in Russia that had been announced in December 2023 had been completed and that MKAO “Rasperia Trading Limited” had been transferred to Iliadis JSC. According to these notifications, MKAO “Rasperia Trading Limited”, with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control.

The company has no further information regarding the transaction that has now been completed as announced in the major holdings notifications. It is therefore currently not possible to carry out a sanctions review, so that the company continues to assume that the STRABAG shares held by MKAO “Rasperia Trading Limited” remain frozen in accordance with the EU Sanctions Regulation.

STRABAG has no information on the implementation status of the intended acquisition of STRABAG shares by Raiffeisenbank International AG.

38 Notes on related parties

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 2023 to the Raiffeisen Group relating to current accounts and investments amounted to T€ 446,904 (2022: T€ 522,584), the payables on 31 December 2023 to the Raiffeisen Group relating to financing and current accounts amounted to T€ 1,507 (2022: T€ 4,050). The interest income in the 2023 financial year amounted to T€ 15,046 (2022: T€ 5,088), and the interest expense amounted to T€ 173 (2022: T€ 470).

Premiums for insurance contracts with the UNIQA Group were recognised as an expense in the amount of T€ 837 (2022: T€ 772).

Haselsteiner Group

With effect from 1 January 2023, Haselsteiner Familien-Privatstiftung withdrew from five real estate companies of the Züblin subgroup, of which it held 5.1% each, in return for compensation totalling T€ 2,380. The acquisition of the minority interests had an impact of T€ -858 on the Group’s earnings. The income from real estate companies attributable to the Haselsteiner Group is included in net interest income at T€ -116 in the previous year.

The Haselsteiner Group now holds 5.1% of each of the following: STRABAG Real Estate GmbH, Cologne, and Züblin Projektentwicklung GmbH. The earnings from these companies are reported under income attributable to non-controlling interests with an amount of T€ -5 (2022: T€ 959). In the 2023 financial year, the dividends from the above-mentioned companies amounted to T€ 22 (2022: T€ 114).

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€	**2023**	2022
Work and services performed	24,001	29,147
Work and services received	8,224	4,835
Receivables as at 31.12.	23,092	30,248
Liabilities as at 31.12.	1,355	858

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 2023 financial year amounted to T€ 9,761 (2022: T€ 8,998). Under IFRS 16, these leases are recognised as right-of-use assets and lease liabilities. The consolidated financial statements as at 31 December 2023 show right-of-use assets of T€ 56,506 (2022: T€ 55,329) and lease liabilities of T€ 34,842 (2022: T€ 29,514). The lease liabilities are presented less the rental deposits of T€ 23,970 (2022: T€ 27,861). Other services in the amount of T€ 116 (2022: T€ 180) were obtained from the IDAG Group.

Furthermore, revenues of T€ 1,574 (2022: T€ 846) were made with the IDAG Group in the 2023 financial year. In the 2023 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€ 102 (2022: T€ 694) was recognised as investment income.

Investments in equity-accounted investments

Holcim Cement CE Holding GmbH bundles the cement activities of Holcim, 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 2023, STRABAG procured cement services worth T€ 41,667 (2022: T€ 36,333). At the balance sheet date, there were liabilities to Holcim Cement CE Holding GmbH Group in the amount of T€ 842 (2022: T€ 1,123).

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

T€	**2023**	2022
Work and services performed	148,936	119,612
Work and services received	77,259	65,674
Receivables as at 31.12.	21,496	45,902
Liabilities as at 31.12.	14,272	15,414
Financing receivables as at 31.12.	109,821	110,819

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€ 452 (2022: T€ 860) were provided and services worth T€ 34 (2022: T€ 55) were procured. At the balance sheet dates, there were receivables in the amount of T€ 0 (2022: T€ 264) and liabilities in the amount of T€ 0 (2022: 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€ 25,118 (2022: T€ 23,657) in the reporting period. Of this amount, T€ 24,867 (2022: T€ 23,399) is attributable to the current remuneration, which includes fixed and variable remuneration for the previous financial year, and T€ 251 (2022: T€ 258) to severance and pension payments. As at 31 December 2023, obligations from variable remuneration amounted to T€ 18,000 (2022: T€ 19,069). These include the provisions for profit-sharing for the financial year as well as retentions from variable remuneration.

39 Notes on the management and supervisory boards

Management Board

Klemens H a s e l s t e i n e r, BBA, BF (CEO since 1 January 2023)

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

Supervisory Board

Mag. Kerstin G e l b m a n n (Chairman since 1 January 2024)

Dr. Alfred G u s e n b a u e r (Chairman until 31 December 2023)

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

Dr. Valerie H a c k l (since 25 January 2024)

Mag. Gabriele S c h a l l e g g e r

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

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

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

Wolfgang K r e i s (works council)

The total salaries of the Management Board members in the financial year amount to T€ 9,953 (2022: T€ 9,815). The severance payments for Management Board members amount to T€ 166 (2022: T€ 111). As at 31 December 2023, obligations exist from variable remuneration amounted to T€ 6,687 (2022: T€ 9,631). These include the provisions for profit-sharing for the financial year as well as retentions from variable remuneration.

The remunerations for the Supervisory Board members in 2023 amounted to T€ 240 (2022: T€ 244). 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€ 1,826 (2022: T€ 1,684) of which T€ 1,653 (2022: T€ 1,506) were for the audit of the consolidated financial statements (including the audit of separate financial statements of group companies) and T€ 173 (2022: T€ 178) for other services.

41 Events after the balance sheet date

With entry of the increase in the share capital from € 102,600,000.00 to € 118,221,982.00 in the commercial register on 21 March 2024, the capital measures approved by the Annual General Meeting on 16 June 2023 to reduce the stake held by the minority shareholder MKAO “Rasperia Trading Limited” were completed. As of this date, the increase in the share capital can be recognised in the balance sheet. A detailed description of the capital measures can be found under item (26) Equity.

On 26 March 2024, STRABAG SE received major holdings notifications from Oleg Deripaska and Iliadis JSC indicating that MKAO “Rasperia Trading Limited” had been transferred to Iliadis JSC, thus completing the sale in Russia that had been announced in December 2023.

According to the notifications, MKAO “Rasperia Trading Limited”, with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control.

STRABAG has no further information regarding the transaction that has now been completed in Russia as announced in the major holdings notifications. It is therefore currently not possible to carry out a sanctions review, so that STRABAG continues to assume that the STRABAG shares held by MKAO “Rasperia Trading Limited” remain frozen in accordance with the EU Sanctions Regulation.

42 Appropriation of net

The Management Board proposes to pay out a dividend in the amount of € 2.20 per dividend-bearing share for the 2023 financial year. Taking into account the increase in share capital on 21 March 2024 to 118,221,982 shares, the maximum distribution amount would be T€ 260,088, which corresponds to 41.3% of the net income after minorities of T€ 630,508.

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 2023 will take place on 23 April 2024.

Villach, 4 April 2024

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Central Staff Divisions and
Central Divisions BMTI, CML, SID, TPA and
ZT, Winding up Russia

Mag. Christian Harder
CFO
Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Member of the Management Board
Segment North + West

Dipl.-Ing. Siegfried Wanker
Member of the Management Board
Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Member of the Management Board
Segment South + East

Group companies and investments

The following list shows the consolidated companies included in the consolidated financial statements:

Company Consolidated companies	Residence	Country	Direct stake %
"A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH"	Spittal an der Drau	Austria	100.00
"SBS Strabag Bau Holding Service GmbH"	Spittal an der Drau	Austria	100.00
"Wiener Heim" Wohnbaugesellschaft m.b.H.	Vienna	Austria	100.00
ABR Abfall Behandlung und Recycling GmbH	Schwadorf	Austria	100.00
Aspern Manufactory Projektentwicklung GmbH	Vienna	Austria	100.00
Aspern Manufactory Projektentwicklung Gmbh & Co KG	Vienna	Austria	100.00
Asphalt & Beton GmbH	Spittal an der Drau	Austria	100.00
AUSTRIA ASPHALT GmbH & Co OG	Spittal an der Drau	Austria	100.00
Bau Holding Beteiligungs GmbH	Spittal an der Drau	Austria	100.00
Bitumen Handelsgesellschaft m.b.H. & Co KG	St. Pölten	Austria	100.00
BITUNOVA Baustofftechnik Gesellschaft m.b.H.	Spittal an der Drau	Austria	100.00
Böhm Stadtbaumeister & Gebäudetechnik GmbH	Vienna	Austria	100.00
BrennerRast GmbH	Vienna	Austria	100.00
D+B Holding und Beteiligungs GmbH	Salzburg	Austria	100.00
DC1 Immo GmbH	Vienna	Austria	100.00
Diabaswerk Saalfelden Gesellschaft m.b.H.	Saalfelden	Austria	100.00
EFKON GmbH	Raaba	Austria	100.00
Erdberger Mais GmbH & Co KG	Vienna	Austria	100.00
F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG	Wiener Neustadt	Austria	100.00
Goldeck Bergbahnen GmbH	Spittal an der Drau	Austria	100.00
Hans Lohr Gesellschaft m.b.H.	Vienna	Austria	100.00
Ilbau Liegenschaftsverwaltung GmbH	Spittal an der Drau	Austria	100.00
KAB Straßensanierung GmbH & Co KG	Spittal an der Drau	Austria	50.60
Kanzelsteinbruch Gratkorn GmbH	Gratkorn	Austria	100.00
Krems Sunside Living Projektentwicklung GmbH	Vienna	Austria	100.00
Leystraße 122-126 Komplementär GmbH	Vienna	Austria	100.00
Leystraße 122-126 Projektentwicklung GmbH & Co KG	Vienna	Austria	100.00
M5 Beteiligungs GmbH	Vienna	Austria	100.00
M5 Holding GmbH	Vienna	Austria	100.00
Meischlgasse 28-32 Komplementär GmbH	Vienna	Austria	100.00
Meischlgasse 28-32 Projektentwicklung GmbH & Co KG	Vienna	Austria	100.00
Metallica Stahl- und Fassadentechnik GmbH	Vienna	Austria	100.00
Mineral Abbau GmbH	Spittal an der Drau	Austria	100.00
Mischek Bauträger Service GmbH	Vienna	Austria	100.00
Mischek Systembau GmbH	Vienna	Austria	100.00
MOBIL Baustoffe GmbH	Spittal an der Drau	Austria	100.00
Nottendorfer Gasse 13 Kom GmbH	Vienna	Austria	100.00
OAT - Bohr- und Fugentechnik Gesellschaft m.b.H.	Spittal an der Drau	Austria	51.00

Company Consolidated companies	Residence	Country	Direct stake %
Obermayr Holzkonstruktionen Gesellschaft m.b.H.	Schwanenstadt	Austria	100.00
Osttiroler Asphalt Hoch- und Tiefbauunternehmung GmbH	Lavant i. Osttirol	Austria	80.00
Q4a Immobilien GmbH	Graz	Austria	60.00
Raststation A 3 GmbH	Vienna	Austria	100.00
RBS Rohrbau-Schweißtechnik Gesellschaft m.b.H.	Marchtrenk	Austria	100.00
RE Beteiligungsholding GmbH	Vienna	Austria	100.00
RE Wohnraum GmbH	Vienna	Austria	100.00
RE Wohnungseigentumserrichtungs GmbH	Vienna	Austria	100.00
SF Bau vier GmbH	Vienna	Austria	100.00
SILO DREI Beteiligungsverwaltungs GmbH & Co KG	Vienna	Austria	100.00
SILO DREI next LBG 57 Liegenschaftsverwertung GmbH & Co KG	Vienna	Austria	100.00
SITEC Verkehrstechnik GmbH	Liebenfels	Austria	100.00
STRABAG AG	Spittal an der Drau	Austria	100.00
STRABAG Beteiligungen GmbH	Spittal an der Drau	Austria	100.00
STRABAG BMTI GmbH	Vienna	Austria	100.00
STRABAG BRVZ GmbH	Spittal an der Drau	Austria	100.00
STRABAG Holding GmbH	Vienna	Austria	100.00
STRABAG Infrastructure & Safety Solutions GmbH	Vienna	Austria	100.00
STRABAG Invest HoldCo GmbH	Vienna	Austria	100.00
Strabag Liegenschaftsverwaltung GmbH	Linz	Austria	100.00
STRABAG Property and Facility Services GmbH	Vienna	Austria	100.00
STRABAG Real Estate GmbH	Vienna	Austria	100.00
STRABAG SE	Villach	Austria	100.00
STRABAG Vorrat Fünfzehn GmbH	Vienna	Austria	100.00
STRABAG Vorrat Fünfzehn GmbH & Co KG	Vienna	Austria	100.00
STRABAG Vorrat Sechzehn GmbH	Vienna	Austria	100.00
STRABAG Vorrat Sechzehn GmbH & Co KG	Vienna	Austria	100.00
STRABAG Vorrat Siebzehn GmbH	Vienna	Austria	100.00
STRABAG Vorrat Siebzehn GmbH & Co KG	Vienna	Austria	100.00
STRABAG Vorrat Vierzehn GmbH	Vienna	Austria	100.00
STRABAG Vorrat Vierzehn GmbH & Co KG	Vienna	Austria	100.00
TECH GATE VIENNA Wissenschafts- und Technologiepark GmbH	Vienna	Austria	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Trumau	Austria	100.00
Wieser Verkehrssicherheit GmbH	Wals-Siezenheim	Austria	100.00
Wohnquartier Reininghausstraße GmbH	Graz	Austria	60.00
Züblin Spezialtiefbau Ges.m.b.H.	Vienna	Austria	100.00
Adolf List Bauunternehmung GmbH & Co. KG	Reutlingen	Germany	100.00 [1]
Alpines Hartschotterwerk GmbH	Leinfelden-Echterdingen	Germany	100.00 [1]
Baumann & Burmeister GmbH	Halle/Saale	Germany	100.00 [1]
BHG Bitumenhandelsgesellschaft mbH	Hamburg	Germany	100.00 [1]
BITUNOVA GmbH	Duesseldorf	Germany	100.00 [1]
Blees-Kölling-Bau GmbH	Cologne	Germany	100.00 [1]
Blutenburg Projekt GmbH	Cologne	Germany	100.00 [1]

Company Consolidated companies	Residence	Country	Direct stake %
Bockholdt GmbH & Co. KG	Lübeck	Germany	100.00 [1]
CML Construction Services GmbH	Cologne	Germany	100.00
Deutsche Asphalt GmbH	Cologne	Germany	100.00 [1]
DYWIDAG International GmbH	Cologne	Germany	100.00 [1]
DYWIDAG-Holding GmbH	Cologne	Germany	100.00 [1]
Ed. Züblin AG	Stuttgart	Germany	100.00 [1]
Eraproject GmbH	Cologne	Germany	100.00 [1]
F 101 Projekt GmbH & Co. KG	Cologne	Germany	100.00
F. Kirchhoff GmbH	Leinfelden-Echterdingen	Germany	100.00 [1]
F.K. SYSTEMBAU GmbH	Münsingen	Germany	100.00 [1]
Fahrleitungsbau GmbH	Essen	Germany	100.00 [1]
Gaul GmbH	Sprendlingen	Germany	100.00
GBS Gesellschaft für Bau und Sanierung mbH	Leuna	Germany	100.00
Hexagon Projekt GmbH & Co. KG	Cologne	Germany	100.00 [1]
HUMMEL Komplementär GmbH	Frickenhausen	Germany	100.00 [1]
HUMMEL Systemhaus GmbH & Co. KG	Frickenhausen	Germany	100.00 [1]
Ilbau GmbH Deutschland	Berlin	Germany	100.00
Kuhwald 55 Projekt GmbH & Co. KG	Cologne	Germany	100.00 [1]
LIMET Beteiligungs GmbH	Cologne	Germany	100.00 [1]
MAV Kelheim GmbH	Kelheim	Germany	100.00
MAV Krefeld GmbH	Krefeld	Germany	50.00 [3]
MAV Lünen GmbH	Lünen	Germany	100.00
Metallica Stahl- und Fassadentechnik GmbH	Stuttgart	Germany	100.00 [1]
Mineral Baustoff GmbH	Cologne	Germany	100.00 [1]
MOBIL Baustoffe GmbH	Munich	Germany	100.00 [1]
NE Sander Immobilien GmbH	Sande	Germany	100.00 [1]
PANSUEVIA GmbH & Co. KG	Jettingen-Scheppach	Germany	100.00 [1]
Pyhrn Concession Holding GmbH	Cologne	Germany	100.00 [1]
REPASS-SANIERUNGSTECHNIK GMBH Korrosionsschutz und Betoninstandsetzung	Munderkingen	Germany	100.00 [1]
RM Asphalt GmbH & Co. KG	Sprendlingen	Germany	80.00 [1]
ROBA Transportbeton GmbH	Berlin	Germany	100.00 [1]
SAT Straßensanierung GmbH	Cologne	Germany	100.00 [1]
SF-Ausbau GmbH	Freiberg	Germany	100.00 [1]
STRABAG AG	Cologne	Germany	100.00 [1]
STRABAG Aircraft Services GmbH	Stuttgart	Germany	100.00 [1]
STRABAG BMTI GmbH & Co. KG	Cologne	Germany	100.00 [1]
STRABAG BRVZ GmbH & Co. KG	Cologne	Germany	100.00 [1]
STRABAG Facility Management GmbH	Berlin	Germany	100.00 [1]
STRABAG GmbH	Bad Hersfeld	Germany	100.00 [1]
STRABAG Großprojekte GmbH	Munich	Germany	100.00 [1]
STRABAG Infrastructure & Safety Solutions GmbH	Cologne	Germany	100.00 [1]
STRABAG Infrastrukturprojekt GmbH	Bad Hersfeld	Germany	100.00 [1]

Company Consolidated companies	Residence	Country	Direct stake %
STRABAG International GmbH	Cologne	Germany	100.00 [1]
STRABAG Kieserling Flooring Systems GmbH	Hamburg	Germany	100.00 [1]
STRABAG Mechanical Engineering GmbH	Stuttgart	Germany	100.00 [1]
STRABAG Projektentwicklung GmbH	Cologne	Germany	100.00 [1]
STRABAG Property and Facility Services GmbH	Frankfurt am Main	Germany	100.00 [1]
STRABAG Rail Fahrleitungen GmbH	Berlin	Germany	100.00 [1]
STRABAG Rail GmbH	Lauda-Königshofen	Germany	100.00 [1]
STRABAG Real Estate GmbH	Cologne	Germany	94.90
STRABAG Real Estate Invest GmbH	Cologne	Germany	100.00 [1]
STRABAG Sportstättenbau GmbH	Dortmund	Germany	100.00 [1]
STRABAG Umwelttechnik GmbH	Duesseldorf	Germany	100.00 [1]
STRABAG Wasserbau GmbH	Hamburg	Germany	100.00
Torkret GmbH	Stuttgart	Germany	100.00 [1]
TPA GmbH	Cologne	Germany	100.00
Turm am Mailänder Platz GmbH & Co. KG	Stuttgart	Germany	100.00 [1]
Wolfer & Goebel Bau GmbH	Stuttgart	Germany	100.00 [1]
ZDE Sechste Vermögensverwaltung GmbH	Cologne	Germany	100.00
Züblin Chimney and Refractory GmbH	Cologne	Germany	100.00 [1]
ZÜBLIN Haustechnik Mainz GmbH	Mainz	Germany	100.00 [1]
Züblin Hoch- und Brückenbau GmbH	Bad Hersfeld	Germany	100.00 [1]
Züblin International GmbH	Cologne	Germany	100.00 [1]
Züblin Projektentwicklung GmbH	Stuttgart	Germany	94.88 [1]
Züblin Spezialtiefbau GmbH	Stuttgart	Germany	100.00 [1]
Züblin Stahlbau GmbH	Hosena	Germany	100.00 [1]
ZÜBLIN Timber Gaildorf GmbH	Gaildorf	Germany	100.00 [1]
ZÜBLIN Timber GmbH	Aichach	Germany	100.00 [1]
Züblin Umwelttechnik GmbH	Stuttgart	Germany	100.00 [1]
Trema Engineering 2 sh p.k.	Tirana	Albania	100.00
N.V. STRABAG Belgium S.A.	Antwerpen	Belgium	100.00
STRABAG d.o.o. Sarajevo	Sarajevo	Bosnia und Herzegovina	100.00
STRABAG EAD	Sofia	Bulgaria	100.00
Strabag SpA	Santiago de Chile	Chile	100.00
STRABAG-EDILMAC Desarrollos Verticales SpA	Santiago de Chile	Chile	80.00
Züblin International GmbH Chile SpA	Santiago de Chile	Chile	100.00
KMG - KLIPLEV MOTORWAY GROUP A/S	Aarhus	Denmark	100.00
Züblin A/S	Aarhus	Denmark	100.00
STRABAG UK LIMITED	London	Großbritannien	100.00
EFKON INDIA Pvt. Ltd.	Haryana	India	100.00
STRABAG S.p.A.	Bozen	Italiy	100.00
STRABAG INC.	Toronto	Canada	100.00
STRABAG SCARBOROUGH PROJECT INC.	Mississauga, Ontario	Canada	100.00
STRABAG S.A.S.	Bogotá, D.C.	Colombia	100.00
MINERAL IGM d.o.o.	Zapuzane	Croatia	100.00

Company Consolidated companies	Residence	Country	Direct stake %
POMGRAD INZENJERING d.o.o.	Split	Croatia	100.00
STRABAG BRVZ d.o.o.	Zagreb	Croatia	100.00
STRABAG d.o.o.	Zagreb	Croatia	100.00
TPA odrzavanje kvaliteta i inovacija d.o.o.	Zagreb	Croatia	100.00
SRE Lux 1 Immobilière S.à r.l.	Luxembourg	Luxembourg	100.00
SRE Lux Projekt SQM 27E S.à r.l.	Belvaux	Luxembourg	100.00
SRE Real Estate Luxembourg S.à r.l.	Belvaux	Luxembourg	100.00
ZUBLIN PRECAST INDUSTRIES SDN. BHD.	Johor	Malaysia	100.00
"Crnagoraput" AD, Podgorica	Podgorica	Montenegro	95.32
"Strabag" d.o.o. Podgorica	Podgorica	Montenegro	100.00
STRABAG B.V.	Breda	The Netherlands	100.00
Züblin Nederland B.V.	Breda	The Netherlands	100.00
STRABAG OMAN L.L.C.	Maskat	Oman	100.00
BHG Sp. z o.o.	Pruszkow	Poland	100.00
BHK KRAKÓW JOINT VENTURE Sp. z o.o.	Warsaw	Poland	100.00
BITUNOVA Sp. z o.o.	Warsaw	Poland	100.00
Mineral Polska Sp. z o.o.	Czarny Bor	Poland	100.00
POLSKI ASFALT Sp. z o.o.	Krakow	Poland	100.00
STRABAG BMTI Sp. z o.o.	Pruszkow	Poland	100.00
STRABAG BRVZ Sp. z o.o.	Pruszkow	Poland	100.00
STRABAG INFRASTRUKTURA POLUDNIE Sp. z o.o.	Wroclaw	Poland	100.00
STRABAG PFS Sp. z o.o.	Warsaw	Poland	100.00
STRABAG Sp. z o.o.	Pruszkow	Poland	100.00
TPA Sp. z o.o.	Pruszkow	Poland	100.00
ANTREPRIZA DE REPARATII SI LUCRARI A R L CLUJ SA	Cluj-Napoca	Romania	98.59
CENTRUM BUCHAREST DEVELOPMENT SRL	Bucharest	Romania	100.00
DISTRICT DEVELOPMENT SRL	Bucharest	Romania	100.00
MINERAL ROM SRL	Brasov	Romania	100.00
STRABAG SRL	Bucharest	Romania	100.00
ZUBLIN ROMANIA SRL	Bucharest	Romania	100.00
STRABAG AO	Moscow	Russia	100.00
Nimab Entreprenad AB	Sjöbo	Sweden	100.00
STRABAG AB	Stockholm	Sweden	100.00
STRABAG BRVZ AB	Kumla	Sweden	100.00
STRABAG Sverige AB	Stockholm	Sweden	100.00
Züblin Scandinavia AB	Stockholm	Sweden	100.00
STRABAG AG	Schlieren	Switzerland	100.00
STRABAG BMTI GmbH	Erstfeld	Switzerland	100.00
STRABAG BRVZ AG	Erstfeld	Switzerland	100.00
STRABAG d.o.o.	Novi Beograd	Serbia	100.00
TPA za obezbedenje kvaliteta i inovacije d.o.o. Beograd	Novi Beograd	Serbia	100.00
BITUNOVA spol. s r.o.	Zvolen	Slovakia	100.00
ERRICHTUNGSGESELLSCHAFT STRABAG SLOVENSKO s.r.o.	Bratislava	Slovakia	100.00

Company Consolidated companies	Residence	Country	Direct stake %
KSR - Kamenolomy SR, s.r.o.	Zvolen	Slovakia	100.00
STRABAG BRVZ s.r.o.	Bratislava	Slovakia	100.00
STRABAG Pozemne a inzinierske stavitel'stvo s. r. o.	Bratislava	Slovakia	100.00
STRABAG PS s.r.o.	Bratislava	Slovakia	100.00
STRABAG Real Estate s.r.o.	Bratislava	Slovakia	100.00
STRABAG s.r.o.	Bratislava	Slovakia	100.00
TPA Spolocnost pre zabezpecenie kvality a inovacie s.r.o.	Bratislava	Slovakia	100.00
STRABAG BRVZ d.o.o.	Ljubljana	Slovenia	100.00
STRABAG gradbene storitve d.o.o.	Ljubljana	Slovenia	100.00
BHG CZ s.r.o.	Ceske Budejovice	Czech Republic	100.00
BITUNOVA spol. s r.o.	Jihlava	Czech Republic	100.00
FRISCHBETON s.r.o.	Prague	Czech Republic	100.00
KAMENOLOMY CR s.r.o.	Ostrava	Czech Republic	100.00
Rezidence Herálecká s.r.o.	Prague	Czech Republic	100.00
SAT s.r.o.	Prague	Czech Republic	100.00
STRABAG a.s.	Prague	Czech Republic	100.00
STRABAG Asfalt s.r.o.	Sobeslav	Czech Republic	100.00
STRABAG BMTI s.r.o.	Brno	Czech Republic	100.00
STRABAG BRVZ s.r.o.	Prague	Czech Republic	100.00
STRABAG Pozemnì a inzenyrskè stavitelstvì s.r.o.	Prague	Czech Republic	100.00
STRABAG Property and Facility Services a.s.	Prague	Czech Republic	100.00
STRABAG Rail a.s.	Usti nad Labem	Czech Republic	100.00
TPA CR, s.r.o.	Ceske Budejovice	Czech Republic	100.00
AKA Zrt.	Budapest	Hungary	100.00
AMFI HOLDING Kft.	Budapest	Hungary	100.00
ASIA Center Kft.	Budapest	Hungary	100.00
Bitunova Kft.	Budapest	Hungary	100.00
EXP HOLDING Kft.	Budapest	Hungary	100.00 [2]
First-Immo Hungary Kft.	Budapest	Hungary	100.00
Frissbeton Kft.	Budapest	Hungary	100.00
Generál Mély- és Magasépitö Zrt.	Budapest	Hungary	100.00
KÖKA Kft.	Budapest	Hungary	100.00
STR Holding Generál Kft.	Budapest	Hungary	100.00
STR Holding MML Kft.	Budapest	Hungary	100.00
STR Mély- és Magasépítö Kft	Budapest	Hungary	100.00
STRABAG Általános Építö Kft.	Budapest	Hungary	100.00
STRABAG Aszfalt Kft.	Budapest	Hungary	100.00
STRABAG BMTI Kft.	Budapest	Hungary	100.00
STRABAG BRVZ Kft.	Budapest	Hungary	100.00
STRABAG Épitö Kft.	Budapest	Hungary	100.00
STRABAG Épitöipari Zrt.	Budapest	Hungary	100.00
STRABAG Generálépitö Kft.	Budapest	Hungary	100.00
STRABAG Rail Kft.	Budapest	Hungary	100.00

Company Consolidated companies	Residence	Country	Direct stake %
STRABAG Real Estate Kft.	Budapest	Hungary	100.00
STRABAG Vasútépítö Kft.	Budapest	Hungary	100.00
STRABAG-MML Kft.	Budapest	Hungary	100.00
TPA HU Kft.	Budapest	Hungary	100.00
Treuhandbeteiligung H		Hungary	100.00 [2]
Züblin Kft.	Budapest	Hungary	100.00
STRABAG Dubai LLC	Dubai	United Arab Emirates	100.00
Zublin Construction L.L.C.	Abu Dhabi	United Arab Emirates	100.00
BONDENO INVESTMENTS LTD	Limassol	Cyprus	100.00

[1] For these companies, the option allowed by Sec 264 Para 3 or by Sec 264b of the German Commercial Code (HGB) was exercised.

[2] The presentation of interest is done using the economic approach, the interest as defined by civil law may deviate from this presentation.

[3] The voting rights according to the contract of association amount to 50% plus one vote.

The following list shows the equity accounted associates included in the consolidated financial statement:

Company Equity accounted associate	Residence	Country	Direct stake %
Holcim Cement CE Holding GmbH	Vienna	Austria	30.00
Bayerische Asphaltmischwerke GmbH & Co. Kommanditgesellschaft für Straßenbaustoffe	Hofolding	Germany	48.33
Bodensee - Moränekies Gesellschaft mit beschränkter Haftung & Co. Kommanditgesellschaft Tettnang	Tettnang	Germany	33.33
CMBlu Energy AG	Alzenau	Germany	14.71
Natursteinwerke im Nordschwarzwald NSN GmbH & Co. KG	Mühlacker	Germany	25.00
DESARROLLO VIAL AL MAR S.A.S.	Medellín	Colombia	37.50
A-Lanes A15 Holding B.V.	Nieuwegein	The Netherlands	24.00
Züblin International Qatar LLC	Doha	Qatar	49.00
SOCIETATEA COMPANIILOR HOTELIERE GRAND SRL	Bucharest	Romania	35.32
MAK Mecsek Autopalya Koncesszios Zrt.	Budapest	Hungary	50.00

The following list shows the equity accounted joint ventures included in the consolidated financial statement:

Company Equity accounted joint venture	Residence	Country	Direct stake %
Innsbrucker Nordkettenbahnen Betriebs GmbH	Innsbruck	Austria	51.00 [4]
A 49 Autobahngesellschaft mbH & Co. KG	Schwalmstadt	Germany	50.00
AMB Asphaltmischwerke Bodensee GmbH & Co. KG	Singen Hohentwiel	Germany	50.00
FLARE Living GmbH & Co. KG	Cologne	Germany	50.00
Kieswerke Schray GmbH & Co. KG	Steißlingen	Germany	50.00
Messe City Köln GmbH & Co. KG	Hamburg	Germany	50.00
NWM Nordwestdeutsche Mischwerke GmbH & Co. KG	Großenkneten	Germany	50.00
PANSUEVIA Service GmbH & Co. KG	Jettingen-Scheppach	Germany	50.00
Silenos Energy Geothermie Garching a.d. Alz GmbH & Co. KG	Garching a.d.Alz	Germany	50.00
SRE-ECE-JV Generalübernehmer GmbH & Co. KG	Oststeinbek	Germany	50.00

Thüringer Straßenwartungs- und Instandhaltungsgesellschaft mbH & Co. KG	Apfelstädt	Germany	50.00
Autocesta Zagreb-Macelj d.o.o.	Zagreb	Croatia	51.00 [4]
A2 ROUTE Sp. z o.o.	Pruszkow	Poland	50.00

[4] There are deviating contractual provisions concerning this joint venture.

The following list shows the not consolidated subsidiaries:

Company Subsidiaries not consolidated	Residence	Country	Direct stake %
"DOMIZIL" Bauträger GmbH	Vienna	Austria	100.00
A.S.T. Bauschuttverwertung GmbH	Klagenfurt	Austria	66.67
A.S.T. Bauschuttverwertung GmbH & Co KG	Klagenfurt	Austria	66.67
Asphaltmischwerk Rieder Vomperbach GmbH	Zirl	Austria	60.00
Asphaltmischwerk Rieder Vomperbach GmbH & Co KG	Zirl	Austria	60.00
Asphaltmischwerk Roppen GmbH	Roppen	Austria	70.00
Asphaltmischwerk Roppen GmbH & Co KG	Roppen	Austria	70.00
Asphaltmischwerk Zeltweg Gesellschaft m.b.H.	Steyr	Austria	100.00
AUSTRIA ASPHALT GmbH	Spittal an der Drau	Austria	100.00
Baugesellschaft "Negrelli" Ges.m.b.H.	Vienna	Austria	100.00
Bitumen Handelsgesellschaft m.b.H.	Vienna	Austria	100.00
BLUMENFELD Liegenschaftsverwaltungs GmbH	Vienna	Austria	100.00
BrennerWasser GmbH	Vienna	Austria	100.00
Bug-AluTechnic GmbH	Vienna	Austria	100.00
Campus Eggenberg Immobilienprojekt GmbH in Liqu.	Graz	Austria	60.00
CML Construction Services GmbH	Vienna	Austria	100.00
Die Haustechniker Technisches Büro GmbH	Jennersdorf	Austria	100.00
Eckstein Holding GmbH	Spittal an der Drau	Austria	100.00
Erlaaer Straße Liegenschaftsverwertungs-GmbH	Vienna	Austria	100.00
Erste Nordsee-Offshore-Holding GmbH	Vienna	Austria	51.00
Fanny von Lehnert Straße 4 Komplementär GmbH	Vienna	Austria	100.00
Fanny von Lehnert Straße 4 Projektentwicklung GmbH & Co KG	Vienna	Austria	100.00
FUSSENEGGER Hochbau und Holzindustrie GmbH	Dornbirn	Austria	100.00
GBZ - Baurestmassen GmbH	Graz	Austria	100.00
grünraum GmbH	Schwanenstadt	Austria	100.00
GTE-Gebäude-Technik-Energie-Betriebs- und Verwaltungsgesellschaft m.b.H.	Vienna	Austria	61.00
GTE-Gebäude-Technik-Energie-Betriebs- und Verwaltungsgesellschaft m.b.H. & Co. KG	Vienna	Austria	62.00
Hotelprojekt am Tabor GmbH & Co KG	Vienna	Austria	100.00
Hotelprojekt am Tabor Komplementär GmbH	Vienna	Austria	100.00
InfoSys Informationssysteme GmbH	Spittal an der Drau	Austria	100.00
KAB Straßensanierung GmbH	Spittal an der Drau	Austria	50.60
Kirchner Baugesellschaft m.b.H. in Liqu.	Spittal an der Drau	Austria	100.00
Lieferasphalt Gesellschaft m.b.H. & Co OG, Viecht	Viecht	Austria	66.50
Lieferasphalt Gesellschaft m.b.H. & Co. OG	Maria Gail	Austria	60.00

Company Subsidiaries not consolidated	Residence	Country	Direct stake %
MHA Projekt GmbH	Vienna	Austria	100.00
Mischek Leasing eins Gesellschaft m.b.H.	Vienna	Austria	100.00
MSO Mischanlagen GmbH Ilz & Co KG	Ilz	Austria	52.81
MSO Mischanlagen GmbH Pinkafeld & Co KG	Pinkafeld	Austria	52.67
Nottendorfer Gasse 13 GmbH	Vienna	Austria	100.00
Obermayr Dach+Fassade GmbH	Schwanenstadt	Austria	100.00
OBZ Oberkärntner Baurestmassenzentrum GmbH	Spittal an der Drau	Austria	100.00
Passivhaus Kammelweg Bauträger GmbH	Vienna	Austria	100.00
RE Klitschgasse Errichtungs GmbH	Vienna	Austria	67.00
Rößlergasse Bauteil Sechs GmbH	Vienna	Austria	100.00
S.U.S. Abflussdienst Gesellschaft m.b.H.	Vienna	Austria	100.00
Sakela Beteiligungsverwaltungs GmbH	Vienna	Austria	100.00
SCHOTTERWERK EDLING GESELLSCHAFT M.B.H.	Spittal an der Drau	Austria	74.00
SILO DREI Komplementärgesellschaft m.b.H.	Vienna	Austria	100.00
SILO II Komplementärgesellschaft m.b.H.	Vienna	Austria	51.00
SILO ZWEI Beteiligungsverwaltungs GmbH & Co KG	Vienna	Austria	100.00
SPK - Errichtungs- und Betriebsges.m.b.H.	Spittal an der Drau	Austria	100.00
STRABAG Anlagentechnik GmbH	Thalgau	Austria	100.00
STRABAG BahnLogistik GmbH	Gerasdorf bei Wien	Austria	100.00
STRABAG Bau GmbH	Vienna	Austria	100.00
STRABAG Bedachungsgesellschaft m.b.H. in Liqu.	Salzburg	Austria	100.00
STRABAG Krankenhaus Errichtungs- und BetriebsgmbH	Vienna	Austria	99.00
STRABAG Motorway GmbH	Spittal an der Drau	Austria	100.00
STRABAG Vorrat Achtzehn GmbH	Vienna	Austria	100.00
STRABAG Vorrat Achtzehn GmbH & Co KG	Vienna	Austria	100.00
STRABAG Vorrat Dreiundzwanzig GmbH	Vienna	Austria	100.00
STRABAG Vorrat Dreiundzwanzig GmbH & Co KG	Vienna	Austria	100.00
STRABAG Vorrat Dreizehn GmbH	Vienna	Austria	100.00
STRABAG VORRAT Dreizehn GMBH & CO KG	Vienna	Austria	100.00
STRABAG Vorrat Einundzwanzig GmbH	Vienna	Austria	100.00
STRABAG Vorrat Einundzwanzig GmbH & Co KG	Vienna	Austria	100.00
STRABAG Vorrat Elf GmbH	Vienna	Austria	100.00
STRABAG Vorrat Elf Gmbh & Co KG	Vienna	Austria	100.00
STRABAG Vorrat Neun GmbH	Vienna	Austria	100.00
STRABAG Vorrat Neun GmbH & Co KG	Vienna	Austria	100.00
STRABAG Vorrat Neunzehn GmbH	Vienna	Austria	100.00
STRABAG Vorrat Neunzehn GmbH & Co KG	Vienna	Austria	100.00
STRABAG Vorrat Sieben GmbH	Vienna	Austria	100.00
STRABAG Vorrat Sieben GmbH & Co KG	Vienna	Austria	100.00
STRABAG Vorrat Vierundzwanzig GmbH	Vienna	Austria	100.00
STRABAG Vorrat Zwanzig GmbH	Vienna	Austria	100.00
STRABAG Vorrat Zwanzig GmbH & Co KG	Vienna	Austria	100.00
STRABAG Vorrat Zweiundzwanzig GmbH	Vienna	Austria	100.00

Company Subsidiaries not consolidated	Residence	Country	Direct stake %
STRABAG Vorrat Zweiundzwanzig GmbH & Co KG	Vienna	Austria	100.00
STRABAG Vorrat Zwölf GmbH	Vienna	Austria	100.00
STRABAG Vorrat Zwölf GmbH & Co KG	Vienna	Austria	100.00
Treuhandbeteiligung B	Vienna	Austria	100.00
Universitätszentrum Althanstraße Erweiterungsgesellschaft m.b.H.	Vienna	Austria	100.00
Unterstützungseinrichtung für die Angestellten der ehemaligen Bau-Aktiengesellschaft "Negrelli" Gesellschaft m.b.H.	Vienna	Austria	55.00
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H.	Linz	Austria	75.00
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H. & Co.KG	Linz	Austria	75.00
VIOLA PARK Immobilienprojekt GmbH	Vienna	Austria	75.00
Wohnen am Krautgarten Bauträger GmbH	Vienna	Austria	100.00
Züblin Holding GesmbH	Vienna	Austria	100.00
Zweite Nordsee-Offshore-Holding GmbH	Vienna	Austria	51.00
A 1 Autobahn Verwaltungsgesellschaft mbH	Bad Hersfeld	Germany	100.00
A 1 Autobahngesellschaft mbH & Co. KG	Bad Hersfeld	Germany	100.00
ADOMUS Facility-Management GmbH	Frankfurt am Main	Germany	100.00
A-Modell Ulm-Augsburg Verwaltungsgesellschaft mbH	Jettingen-Scheppach	Germany	100.00
AMW Westsachsen Verwaltung GmbH	Cologne	Germany	100.00
Arriba GmbH	Stuttgart	Germany	100.00
Asphaltmischwerk Westsachsen GmbH & Co. KG	Oberwiera	Germany	100.00
Asphaltmischwerke Gesellschaft mit beschränkter Haftung	Nehren	Germany	100.00
AWN Asphaltmischwerke GmbH & Co. KG	Nehren	Germany	52.00
AWN Beteiligungs GbR	Nehren	Germany	52.00
B+R Köln GmbH	Cologne	Germany	100.00
BBS Baustoffbetriebe Sachsen GmbH	Hartmannsdorf	Germany	100.00
Bockholdt Verwaltungs GmbH	Lübeck	Germany	100.00
Center Systems Deutschland GmbH	Berlin	Germany	100.00
DYWIDAG Schlüsselfertig und Ingenieurbau GmbH	Munich	Germany	100.00
EBERHARDT Baugesellschaft mbH Deutschland	Berlin	Germany	100.00
ECS European Construction Services GmbH i.L.	Mörfelden-Walldorf	Germany	100.00
Erste STRABAG Vorrats GmbH	Hamburg	Germany	100.00
F 101 Verwaltungs GmbH	Cologne	Germany	100.00
Fachmarktzentrum Kielce Projekt GmbH	Berlin	Germany	100.00
Forum Mittelrhein Beteiligungsgesellschaft mbH	Hamburg	Germany	51.00
Forum Mittelrhein Koblenz Generalübernehmergesellschaft mbH & Co.KG	Oststeinbek	Germany	51.00
Forum Mittelrhein Koblenz Kultur GmbH & Co. KG	Hamburg	Germany	51.00
Freo Projektentwicklung Berlin GmbH i.L.	Berlin	Germany	50.10
GITA Gunter Ingenieure TA GmbH	Nidda	Germany	100.00
IBV - Immobilien Besitz- und Verwaltungsgesellschaft mbH Werder i. L.	Cologne	Germany	99.00
iCOR INTELLIGENT CORROSION CONTROL GmbH	Mönchengladbach	Germany	100.00
IQ Plan Beteiligung GmbH	Oststeinbek	Germany	75.00
IQ Plan GmbH & Co. KG	Hamburg	Germany	75.00

Company Subsidiaries not consolidated	Residence	Country	Direct stake %
JBA GmbH	Cologne	Germany	50.10
Kieswerk Diersheim GmbH	Rheinau/Baden	Germany	60.00
Kieswerk Ohr GmbH	Cologne	Germany	100.00
Kieswerk Ziegelheim GmbH	Nobitz	Germany	100.00
Kirchner PPP Service GmbH	Bad Hersfeld	Germany	100.00
Koch GmbH	Kreuztal	Germany	100.00
Koscheinz & Partner Ingenieurgesellschaft mbH	Ruhstorf a.d. Rott	Germany	100.00
Leonhard Moll Tiefbau GmbH	Munich	Germany	100.00
Lift-Off GmbH & Co. KG	Cologne	Germany	100.00
List Bau- und Verwaltungsgesellschaft mit beschränkter Haftung	Reutlingen	Germany	100.00
Ludwig Voss GmbH	Cuxhaven	Germany	100.00
Mitterhofer Projekt GmbH & Co. KG	Cologne	Germany	100.00
Northern Energy GAIA I. GmbH	Aurich	Germany	100.00
Northern Energy GAIA II. GmbH	Aurich	Germany	100.00
Northern Energy GAIA III. GmbH	Aurich	Germany	100.00
Northern Energy GAIA IV. GmbH	Aurich	Germany	100.00
Northern Energy GAIA V. GmbH	Aurich	Germany	100.00
Northern Energy SeaStorm I. GmbH	Aurich	Germany	100.00
Northern Energy SeaStorm II. GmbH	Aurich	Germany	100.00
Northern Energy SeaWind I. GmbH	Aurich	Germany	100.00
Northern Energy SeaWind II. GmbH	Aurich	Germany	100.00
Northern Energy SeaWind III GmbH	Aurich	Germany	100.00
Northern Energy SeaWind IV. GmbH	Aurich	Germany	100.00
NR Bau- u. Immobilienverwertung GmbH	Berlin	Germany	100.00
OBIT GmbH	Berlin	Germany	100.00
PGA Projekt GmbH	Cologne	Germany	100.00
PH Bau Erfurt GmbH	Erfurt	Germany	100.00
PPP Management GmbH	Cologne	Germany	100.00
PPP Schulen Monheim am Rhein GmbH	Bad Hersfeld	Germany	100.00
PPP SchulManagement Witten GmbH & Co. KG	Cologne	Germany	100.00
PPP SeeCampus Niederlausitz GmbH	Bad Hersfeld	Germany	100.00
Projekt Lohsepark Beteiligungsgesellschaft mbH	Hamburg	Germany	100.00
Projekt Lohsepark GmbH & Co. KG	Hamburg	Germany	100.00
RGL Rekultivierungsgesellschaft Langentrog mbH	Langenargen	Germany	80.00
RM Asphalt Verwaltungs GmbH	Sprendlingen	Germany	100.00
RST Rail Systems and Technologies GmbH	Barleben	Germany	82.00
Schotter- und Kies-Union GmbH & Co. KG	Leipzig	Germany	57.90
Schotter- und Kies-Union Verwaltungsgesellschaft mbH	Leipzig	Germany	100.00
SENSOR Dichtungs-Kontroll-Systeme GmbH	Bremen	Germany	100.00
SF-BAU-Grundstücksgesellschaft "ABC-Bogen" mbH	Cologne	Germany	100.00
Silenos Energy Geothermie Gauting Interkommunal GmbH & Co. KG	Cologne	Germany	100.00
Silenos Energy GmbH & Co. KG	Cologne	Germany	100.00

Company Subsidiaries not consolidated	Residence	Country	Direct stake %
Silenos Energy Verwaltungs GmbH	Cologne	Germany	100.00
SRE Zweite Vermögensverwaltung GmbH	Cologne	Germany	100.00
STRABAG Baustoffaufbereitung und Recycling GmbH	Duesseldorf	Germany	51.00
STRABAG BMTI Rail Service GmbH	Berlin	Germany	100.00
STRABAG BMTI Verwaltung GmbH	Cologne	Germany	100.00
STRABAG BRVZ Verwaltung GmbH	Cologne	Germany	100.00
STRABAG PPP Hochbau GmbH	Bad Hersfeld	Germany	100.00
STRABAG Rail Operations GmbH	Berlin	Germany	100.00
STRABAG Residential Property Services GmbH	Berlin	Germany	99.51
STRABAG Versicherungsvermittlung GmbH	Cologne	Germany	100.00
STRABAG Wertstoff und Recycling GmbH	Cologne	Germany	100.00
STRABIL STRABAG Bildung im Lauenburgischen GmbH	Cologne	Germany	100.00
Südprojekt A-Modell GmbH & Co. KG	Bad Hersfeld	Germany	100.00
Südprojekt A-Modell Verwaltung GmbH	Bad Hersfeld	Germany	100.00
Verwaltung Forum Mittelrhein Koblenz Generalübernehmergesellschaft mbH	Oststeinbek	Germany	51.00
Wohnbauträgergesellschaft Objekt "Freising - Westlich der Jagdstraße" mbH	Cologne	Germany	100.00
Wollhaus HN GmbH & Co. KG	Cologne	Germany	100.00
Z.P.C. Deutschland GmbH	Stuttgart	Germany	100.00
Z-Bau GmbH i.L.	Magdeburg	Germany	100.00
Z-Bau Immobilien Verwaltungs GmbH	Cologne	Germany	100.00
ZDE Siebte Vermögensverwaltung GmbH	Cologne	Germany	100.00
ZTI Zentrale Technik International GmbH	Stuttgart	Germany	100.00
Züblin Egypt LLC	Cairo	Egypt	100.00
STRABAG Algerie EURL	Algier	Algeria	100.00
EUROTEC ANGOLA, LDA	Luanda	Angola	99.00
STRABAG AUSTRALIA PTY LTD	Brisbane	Australia	100.00
Züblin Australia Pty Ltd	Perth	Australia	100.00
CML Construction Services	Antwerpen	Belgium	100.00
EFKON Belgium BV	Antwerpen	Belgium	100.00
STRABAG BMTI BV	Antwerpen	Belgium	100.00
STRABAG BRVZ BV	Antwerpen	Belgium	100.00
STRABAG Development Belgium NV	Antwerpen	Belgium	100.00
Strabag RS d.o.o.	Banja Luka	Bosnia und Herzegovina	100.00
"Mineral 2000" EOOD	Sofia	Bulgaria	100.00
"STRABAG REAL ESTATE" EOOD	Sofia	Bulgaria	100.00
CML Construction Services EOOD	Sofia	Bulgaria	100.00
STRABAG BRVZ EOOD	Sofia	Bulgaria	100.00
TPA EOOD	Sofia	Bulgaria	100.00
Z-Design EOOD	Sofia	Bulgaria	100.00
Züblin Bulgaria EOOD	Sofia	Bulgaria	100.00
CML CHILE SPA	Vitacura	Chile	100.00

Company Subsidiaries not consolidated	Residence	Country	Direct stake %
Beijing Züblin Equipment Production Co., Ltd.	Beijing	China	100.00
Züblin Engineering Consulting (Shanghai) Co., Ltd.	Shanghai	China	100.00
CML Construction Services A/S	Trige	Denmark	100.00
STRABAG BRVZ A/S	Trige	Denmark	100.00
STRABAG Oy	Helsinki	Finland	100.00
CML CONSTRUCTION SERVICES LIMITED	London	Großbritannien	100.00
STRABABG INFRASTRUCTURE AND SAFETY SOLUTIONS Pvt. Ltd.	Mumbai	India	100.00
STRABAG India Private Limited	Mumbai	India	100.00
EFKON IRELAND LIMITED	Dublin	Ireland	100.00
CML CONSTRUCTION SERVICE S.R.L.	Bologna	Italiy	100.00
STRABAG BRVZ SRL	Bologna	Italiy	100.00
CML CONSTRUCTION SERVICES LIMITED	Mississauga, Ontario	Canada	100.00
Züblin Inc.	Saint John/ NewBrunswick	Canada	100.00
Infraestructura y Prosperidad S.A.S.	Bogotá, D.C.	Colombia	100.00
Trema Engineering 2 Sh.p.k.	Pristina	Kosovo	100.00
BHG Bitumen Adria d.o.o.	Zagreb	Croatia	100.00
CML CONSTRUCTION SERVICES d.o.o.	Zagreb	Croatia	100.00
SAT SANIRANJE cesta d.o.o.	Zagreb	Croatia	100.00
STRABAG BMTI d.o.o.	Zagreb	Croatia	100.00
STRABAG Property and Facility Services d.o.o.	Zagreb	Croatia	100.00
Züblin Hrvatska d.o.o. u likvidaciji	Zagreb	Croatia	100.00
Latasfalts SIA i.L.	Milzkalne	Latvia	100.00
STRABAG SIA i.L.	Milzkalne	Latvia	100.00
Al-Hani General Construction Inc.	Tripolis	Libya	60.00
EFKON ASIA SDN. BHD.	Kuala Lumpur	Malaysia	100.00
Züblin International Malaysia Sdn. Bhd.	Kuala Lumpur	Malaysia	100.00
I.C.S. "STRABAG" S.R.L.	Chisinau	Moldavia	100.00
Coldmix B.V.	Roermond	The Netherlands	100.00
STRABAG DOOEL Skopje	Skopje	North Macedonia	100.00
TolLink Pakistan (Private) Limited	Islamabad	Pakistan	60.00
"Granite Mining Industries" Sp. z o.o.	Breslau	Poland	100.00
"RE PROJECT DEVELOPMENT" Sp. z o.o.	Warsaw	Poland	100.00
Asfalt Slaski Wprinz Sp.z o.o.	Warsaw	Poland	100.00
CML CONSTRUCTION SERVICES Sp. z o.o.	Pruszkow	Poland	100.00
EVOLUTION GAMMA Sp. z o.o.	Warsaw	Poland	100.00
EVOLUTION ONE Sp. z o.o.	Warsaw	Poland	100.00
EVOLUTION TWO Sp. z o.o.	Warsaw	Poland	100.00
Mazowieckie Asfalty Sp.z o.o.	Pruszkow	Poland	100.00
PRZEDSIEBIORSTWO ROBOT DROGOWYCH Sp.z o.o. W LIKWIDACJI	Choszczno	Poland	100.00
STRABAG DROGI WOJEWODZKIE Sp. z o.o.	Pruszkow	Poland	100.00
STRABAG-PROJEKT 2 Sp.z o.o.	Pruszkow	Poland	100.00

Company Subsidiaries not consolidated	Residence	Country	Direct stake %
STRABAG-PROJEKT Sp.z o.o.	Pruszkow	Poland	100.00
SZYBKI TRAMWAY Sp. z o.o.	Pruszkow	Poland	100.00
WMB Drogbud Sp. z o.o.	Lubojenka	Poland	51.00
Constrovia Construcao Civil e Obras Publicas Lda.	Lissabon	Portugal	95.00
Z.P.C. Lda	Amadora	Portugal	100.00
Strabag Qatar W.L.L.	Doha	Qatar	100.00
BHG COMERCIALIZARE BITUM SRL	Bucharest	Romania	100.00
BITUNOVA Romania SRL	Bucharest	Romania	100.00
DYWIDAG ROMANIA SRL	Bucharest	Romania	100.00
FLOWER CITY SRL	Bucharest	Romania	100.00
SAT REABILITARE RECICLARE SRL	Cluj-Napoca	Romania	100.00
CML OOO	Moscow	Russia	100.00
OOO STRASTROI	Moscow	Russia	100.00
Ranita OOO	Moscow	Russia	100.00
STRABAG BRVZ OOO	Moscow	Russia	100.00
STRABAG Infrastruktur Development OOO	Moscow	Russia	100.00
TPA OOO	Moscow	Russia	100.00
Dywidag Saudi Arabia Co. Ltd.	Jubail	Saudi Arabia	100.00
Strabag Saudi Arabia	Dhahran	Saudi Arabia	100.00
Zublin Saudi Arabia LLC	Riyadh	Saudi Arabia	100.00
CML Construction Services AB	Stockholm	Sweden	100.00
Nimab Support AB	Sjöbo	Sweden	100.00
STRABAG Projektutveckling AB	Stockholm	Sweden	100.00
STRABAG Rail AB	Kumla	Sweden	100.00
Beton AG Bürglen	Bürglen TG	Switzerland	65.60
CML Construction Services GmbH	Schlieren	Switzerland	100.00
STRABAG Infrastructure & Safety Solutions GmbH	Erstfeld	Switzerland	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Erstfeld	Switzerland	100.00
CML Construction Services d.o.o. Beograd	Belgrad	Serbia	100.00
MINERAL RS d.o.o. BEOGRAD	Novi Beograd	Serbia	100.00
STRABAG BMTI D.O.O. BEOGRAD	Novi Beograd	Serbia	100.00
STRABAG BRVZ d.o.o. BEOGRAD	Novi Beograd	Serbia	100.00
BHG SK s.r.o.	Bratislava	Slovakia	100.00
CML CONSTRUCTION SERVICES s. r. o.	Bratislava	Slovakia	100.00
OAT spol. s r.o.	Bratislava	Slovakia	100.00
Rezidencie Machnac, s.r.o.	Bratislava	Slovakia	100.00
SAT SLOVENSKO s.r.o.	Bratislava	Slovakia	100.00
STRABAG BMTI s.r.o.	Bratislava	Slovakia	100.00
STRABAG Property and Facility Services s.r.o.	Bratislava	Slovakia	55.00
Viedenska brana s.r.o.	Bratislava	Slovakia	100.00
CML CONSTRUCTION SERVICES d.o.o.	Ljubljana	Slovenia	100.00
DRP, d.o.o.	Ljubljana	Slovenia	100.00
STHOI Co., Ltd.	Bangkok	Thailand	100.00

Company Subsidiaries not consolidated	Residence	Country	Direct stake %
STRABAG Construction Co., Ltd.	Bangkok	Thailand	100.00
STRABAG Industries (Thailand) Co.,Ltd.	Bangkok	Thailand	100.00
Züblin (Thailand) Co. Ltd. i.L.	Bangkok	Thailand	100.00
Züblin Holding (Thailand) Co. Ltd.	Bangkok	Thailand	79.35
CML CONSTRUCTION SERVICES s.r.o.	Prague	Czech Republic	100.00
Hotel Na Belidle s.r.o.	Prague	Czech Republic	100.00
Hrusecka obalovna, s.r.o.	Hrusky	Czech Republic	80.00
Na Belidle s.r.o.	Prague	Czech Republic	100.00
OAT,s.r.o.	Prague	Czech Republic	100.00
Obalovna Sokolov s.r.o.	Sobeslav	Czech Republic	51.00
STRABAG PROLAN, s.r.o.	Prague	Czech Republic	100.00
STRABAG Silnice a.s.	Prague	Czech Republic	100.00
STRABAG Water s.r.o.	Prague	Czech Republic	100.00
Strabag Kiew TOW	Kiew	Ukraine	100.00
A-WAY Zrt.	Újhartyán	Hungary	100.00
BHG Bitumen Kft.	Budapest	Hungary	100.00
CML Construction Services Zrt.	Budapest	Hungary	100.00
E.S.T.M. KFT	Budapest	Hungary	100.00
Frisspumpa Kft.	Budapest	Hungary	100.00
KFX Holding Kft.	Budapest	Hungary	100.00
OAT Kft.	Budapest	Hungary	100.00
RBZ Holding Kft.	Budapest	Hungary	100.00
SAT Útjavító Kft.	Budapest	Hungary	100.00
STRABAG Logisztika Kft.	Budapest	Hungary	100.00
STRABAG Sportlétesítmények Kft.	Budapest	Hungary	100.00
STRABAG Vízépítö Kft.	Budapest	Hungary	100.00
Treuhandbeteiligung Q	Budapest	Hungary	100.00
EFKON USA, INC.	Dallas	United States of America	100.00
Zublin Corporation	Wilmington	United States of America	100.00
STRABAG ABU DHABI LLC	Abu Dhabi	United Arab Emirates	100.00
Züblin Ground and Civil Engineering LLC	Dubai	United Arab Emirates	100.00
IVERUS ENTERPRISES LTD	Limassol	Cyprus	100.00

The following list shows the not consolidated investee companies:

Company Investee companies not consolidated	Residence	Country	Direct stake %
"kabelwerk" bauträger gmbh	Vienna	Austria	25.00
ABO Asphalt-Bau Oeynhausen GmbH.	Oeynhausen	Austria	22.50
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.	Zistersdorf	Austria	40.00
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.& Co.KG	Zistersdorf	Austria	40.00
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	Linz	Austria	33.33

Company Investee companies not consolidated	Residence	Country	Direct stake %
AMG-Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co.KG	Linz	Austria	33.33
AMS-Asphaltmischwerk Süd Gesellschaft m.b.H.	Linz	Austria	35.00
Anton Beirer Hartsteinwerke GmbH & Co KG	Pinswang	Austria	50.00
ASAMER Baustoff Holding Wien GmbH	Vienna	Austria	30.93
ASAMER Baustoff Holding Wien GmbH & Co.KG	Vienna	Austria	30.93
ASF Frästechnik GmbH	Kematen	Austria	40.00
ASF Frästechnik GmbH & Co KG	Kematen	Austria	40.00
Asphaltmischwerk Betriebsgesellschaft m.b.H.	Rauchenwarth	Austria	20.00
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG	Rauchenwarth	Austria	20.00
Asphaltmischwerk Greinsfurth GmbH	Amstetten	Austria	33.33
Asphaltmischwerk Greinsfurth GmbH & Co OG	Amstetten	Austria	33.33
Asphaltmischwerk Kundl GmbH	Kundl	Austria	50.00
Asphaltmischwerk Kundl GmbH & Co KG	Kundl	Austria	50.00
ASTRA - BAU Gesellschaft m.b.H. Nfg. OG	Bergheim	Austria	50.00
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H.	Graz	Austria	50.00
AWM Asphaltwerk Mötschendorf GmbH & Co.KG	Graz	Austria	50.00
CAPE 10 Errichtung & Betrieb GmbH	Vienna	Austria	26.00
DC Waterline GmbH	Vienna	Austria	50.00
Donau City Residential GmbH	Vienna	Austria	50.00
Eisen Blasy Reutte GmbH	Pflach	Austria	50.00
EPM PSO GMBH & CO KG	Spittal an der Drau	Austria	20.00
Franck4tel Komplementär Acht GmbH	Vienna	Austria	50.00
Franck4tel Komplementär Drei GmbH	Vienna	Austria	50.00
Franck4tel Komplementär Eins GmbH	Vienna	Austria	50.00
Franck4tel Komplementär Fünf GmbH	Vienna	Austria	50.00
Franck4tel Komplementär Sechs GmbH	Vienna	Austria	50.00
Franck4tel Komplementär Sieben GmbH	Vienna	Austria	50.00
Franck4tel Komplementär Vier GmbH	Vienna	Austria	50.00
Franck4tel Komplementär Zwei GmbH	Vienna	Austria	50.00
Franck4tel Projektabwicklung GmbH & Co KG	Vienna	Austria	50.00
Franck4tel Projektentwicklung Drei GmbH & Co KG	Vienna	Austria	50.00
Franck4tel Projektentwicklung Eins GmbH & Co KG	Vienna	Austria	50.00
Franck4tel Projektentwicklung Fünf GmbH & Co KG	Vienna	Austria	50.00
Franck4tel Projektentwicklung Sechs GmbH & Co KG	Vienna	Austria	50.00
Franck4tel Projektentwicklung Sieben GmbH & Co KG	Vienna	Austria	50.00
Franck4tel Projektentwicklung Vier GmbH & Co KG	Vienna	Austria	50.00
Franck4tel Projektentwicklung Zwei GmbH & Co KG	Vienna	Austria	50.00
GDK Flight Management GmbH	Spittal an der Drau	Austria	20.00
H S Hartsteinwerke GmbH	Pinswang	Austria	50.00
KAB Kärntner Abfallbewirtschaftung GmbH	Klagenfurt	Austria	36.25
Klinik für Psychosomatik und psychiatrische Rehabilitation GmbH	Spittal an der Drau	Austria	30.00
KSH Kalkstein Heiterwang GmbH	Pinswang	Austria	30.00

Company Investee companies not consolidated	Residence	Country	Direct stake %
KSH Kalkstein Heiterwang GmbH & Co KG	Pinswang	Austria	30.00
Lieferasphalt Gesellschaft m.b.H.	Vienna	Austria	50.00
Lieferasphalt Gesellschaft m.b.H.& Co.OG, Zirl	Vienna	Austria	50.00
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	Linz	Austria	33.33
LISAG Linzer Splitt- und Asphaltwerk GmbH.	Linz	Austria	50.00
LISAG Linzer Splitt- und Asphaltwerk GmbH. & CO KG	Linz	Austria	50.00
MIGU-Asphalt-Baugesellschaft m.b.H.	Lustenau	Austria	50.00
MSO Mischanlagen GmbH	Ilz	Austria	33.33
PAM Pongauer Asphaltmischanlagen GmbH	St. Johann im Pongau	Austria	50.00
PAM Pongauer Asphaltmischanlagen GmbH & Co KG	St. Johann im Pongau	Austria	50.00
PPP Campus AM + SEEA GmbH	St. Pölten	Austria	50.00
PPP Campus AM + SEEA GmbH & Co KG	St. Pölten	Austria	50.00
PPP Campus RAP + LGG GmbH	St. Pölten	Austria	45.00
PPP Campus RAP + LGG GmbH & Co KG	St. Pölten	Austria	45.00
Prottelith Produktionsgesellschaft mbH	Liebenfels	Austria	24.00
RFM Asphaltmischwerk GmbH & Co KG	Traiskirchen	Austria	46.00
RFM Asphaltmischwerk GmbH.	Traiskirchen	Austria	46.00
Rieder Asphaltgesellschaft m.b.H.	Ried im Zillertal	Austria	50.00
Rieder Asphaltgesellschaft m.b.H. & Co. KG.	Ried im Zillertal	Austria	50.00
Salzburger Lieferasphalt GmbH & Co OG	Sulzau	Austria	20.00
SG Kies GmbH	Vienna	Austria	50.00
SG Kies GmbH & Co KG	Vienna	Austria	50.00
SHKK-Rehabilitations GmbH	Baden	Austria	50.00
SRK Kliniken Beteiligungs GmbH	Baden	Austria	25.00
Syrena Immobilien Holding Aktiengesellschaft	Spittal an der Drau	Austria	50.00
Triplus Beton GmbH	Zell am See	Austria	50.00
Triplus Beton GmbH & Co KG	Zell am See	Austria	50.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.	Spittal an der Drau	Austria	50.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG	Spittal an der Drau	Austria	50.00
VIANOVA - Bitumenemulsionen GmbH	Fürnitz	Austria	24.90
VKG-Valentiner Kieswerk Gesellschaft m.b.H.	Linz	Austria	50.00
WMW Weinviertler Mischwerk Gesellschaft m.b.H.	Zistersdorf	Austria	33.33
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG	Zistersdorf	Austria	33.33
A 1 Lohne-Bramsche GmbH & Co. KG	Neuenkirchen-Vörden	Germany	50.00
AGS Asphaltgesellschaft Stuttgart GmbH & Co. - Kommanditgesellschaft -	Stuttgart	Germany	40.00
AGS Asphaltgesellschaft Stuttgart Verwaltungs-GmbH	Stuttgart	Germany	40.00
AMH Asphaltmischwerk Hauneck GmbH & Co. KG	Hauneck	Germany	50.00
AMH Asphaltmischwerk Hauneck Verwaltungs GmbH	Hauneck	Germany	50.00
AMSS Asphaltmischwerke Sächsische Schweiz GmbH & Co. KG	Dresden	Germany	24.00
AMSS Asphaltmischwerke Sächsische Schweiz Verwaltungs GmbH	Dresden	Germany	24.00
ASB Transportbeton GmbH & Co. KG	Sülzetal	Germany	50.00

Company Investee companies not consolidated	Residence	Country	Direct stake %
Asphaltmischwerke Bodensee Verwaltungs-GmbH	Singen Hohentwiel	Germany	50.00
AUT Grundstücksverwaltungsgesellschaft mbH	Stuttgart	Germany	40.00
Bayerische Asphaltmischwerke Gesellschaft mit beschränkter Haftung	Hofolding	Germany	48.29
BBO Bauschuttaufbereitung Verwaltungsgesellschaft mbH	Steißlingen	Germany	33.33
BBO Bodensee/Hegau Bauschuttaufbereitung GmbH & Co. KG	Steißlingen	Germany	22.22
BBO Bodenseekreis Bauschuttaufbereitung GmbH & Co. KG	Steißlingen	Germany	25.00
BLU Beteiligungs-GmbH	Karlsruhe	Germany	50.00
BLU GmbH & Co. KG	Karlsruhe	Germany	50.00
Catchup Connect GmbH	Hamburg	Germany	50.00
CSE Centrum-Stadtentwicklung GmbH i.L.	Cologne	Germany	50.00
DAM Deutzer Asphaltmischwerke GmbH & Co. KG	Cologne	Germany	40.44
DAM Deutzer Asphaltmischwerke Verwaltungs-GmbH	Cologne	Germany	40.44
Deponie Westküste GmbH & Co. KG	Nindorf	Germany	50.00
Deponie Westküste Verwaltungs-GmbH	Nindorf	Germany	50.00
Diabaswerk Nesselgrund GmbH & Co. KG	Floh-Seligenthal	Germany	20.00
Diabaswerk Nesselgrund Verwaltungs-GmbH	Floh-Seligenthal	Germany	20.00
Entwicklung Quartier am Mailänder Platz Beteiligungsgesellschaft mbH	Hamburg	Germany	50.00
Entwicklung Quartier am Mailänder Platz Management GmbH i.L.	Hamburg	Germany	50.00
FBW Frischbetonwerk GmbH & Co. KG	Reutlingen	Germany	42.39
FLARE Grundstück Verwaltungs GmbH	Berlin	Germany	50.00
Frischbetonwerk-Beteiligungs GbR	Reutlingen	Germany	42.39
Geothermie Gräfelfing GmbH & Co. KG	Gräfelfing	Germany	49.00
Geothermie Gräfelfing Verwaltungs GmbH	Gräfelfing	Germany	49.00
GFR remex Baustoffaufbereitung Verwaltungs-GmbH Krefeld i.L.	Krefeld	Germany	50.00
Glasklar Glas- und Gebäudereinigung GmbH	Bad Segeberg	Germany	25.00
GuS Gußasphaltwerk GmbH & Co. KG	Stuttgart	Germany	50.00
GuS Gußasphaltwerk-Verwaltungsgesellschaft mbH	Stuttgart	Germany	50.00
Heideasphalt GmbH & Co. KG	Wittingen	Germany	50.00
HK-Rohstoff & Umwelttechnik GmbH & Co. KG	Hildesheim	Germany	50.00
IQ Office Beteiligungsgesellschaft mbH	Hamburg	Germany	49.00
IQ Office GmbH & Co. KG	Hamburg	Germany	49.00
IQ Residential Beteiligungsgesellschaft mbH	Hamburg	Germany	49.00
IQ Residential GmbH & Co. KG	Hamburg	Germany	49.00
IQ Tower Beteiligungsgesellschaft mbH	Hamburg	Germany	49.00
IQ Tower GmbH & Co. KG	Hamburg	Germany	49.00
Kiesabbau Gämmerler-Hütwohl GmbH & Co. Aug Kommanditgesellschaft	Königsdorf	Germany	50.00
Kiesabbau Gämmerler-Hütwohl GmbH & Co. Grube Grafing KG	Königsdorf-Wiesen	Germany	50.00
Kiesabbau Gämmerler-Hütwohl GmbH&Co. Grube Leitzinger Au KG	Königsdorf	Germany	50.00
Kiesabbau Gämmerler-Hütwohl Verwaltungs- GmbH	Königsdorf	Germany	50.00
Kiesgesellschaft Karsee Beteiligungs-GmbH	Immenstaad am Bodensee	Germany	50.00

Company Investee companies not consolidated	Residence	Country	Direct stake %
Kiesgesellschaft Karsee GmbH & Co. KG	Immenstaad am Bodensee	Germany	50.00
Kieswerk Rheinbach Gesellschaft mit beschränkter Haftung	Cologne	Germany	50.00
Kieswerk Rheinbach GmbH & Co. KG	Rheinbach	Germany	50.00
Kieswerke Schray Verwaltungs GmbH	Steißlingen	Germany	50.00
Koch Carbon Consulting GmbH	Kreuztal	Germany	49.00
Main-Aurach-Autobahngesellschaft mbH & Co. KG i.L.	Berlin	Germany	50.00
Messe City Köln Beteiligungsgesellschaft mbH	Hamburg	Germany	50.00
Milet Ditzingen Beteiligungsgesellschaft mbH	Heidelberg	Germany	49.00
MLT Maschinen Logistik Technik GmbH & Co. KG	Nesse-Apfelstädt	Germany	50.00
MLT Verwaltungs GmbH	Nesse-Apfelstädt	Germany	50.00
Müritz-Klinikum Service GmbH	Waren (Müritz)	Germany	49.00
Natursteinwerke im Nordschwarzwald NSN Verwaltungsgesellschaft mit beschränkter Haftung	Mühlacker	Germany	25.00
Prompt Gebäudereinigung GmbH	Osterrönfeld	Germany	37.50
QMP Generalübernehmer GmbH & Co. KG	Oststeinbek	Germany	50.00
REMEX Coesfeld GmbH	Dülmen-Buldern	Germany	50.00
ROBA-Neuland Beton GmbH & Co. KG	Hamburg	Germany	50.00
Rohstoff & Umwelttechnik Verwaltungs GmbH	Hildesheim	Germany	50.00
Ronald Brockmann Glas- und Gebäudereinigung GmbH	Güstrow	Germany	25.47
RSV Rheinische Schlacke Verwertungs GmbH	Leverkusen	Germany	50.00
SAT Spezialbau GmbH	Cologne	Germany	50.00
SAV Südniedersächsische Aufbereitung und Verwertung GmbH & Co. KG	Hildesheim	Germany	50.00
SAV Südniedersächsische Aufbereitung und Verwertung Verwaltungs GmbH	Hildesheim	Germany	50.00
Schlackenkontor Bremen GmbH	Bremen	Germany	33.35
SeniVita Social Estate AG	Bayreuth	Germany	50.00
SMB Construction International GmbH	Sengenthal	Germany	50.00
STA Asphaltmischwerk Strahlungen GmbH	Strahlungen	Germany	24.90
stahl + verbundbau gesellschaft für industrielles bauen m.b.H.	Dreieich	Germany	30.00
Steinbruch Spittergrund GmbH	Erfurt	Germany	50.00
Stephan Beratungs-GmbH	Linz am Rhein	Germany	30.00
TDE Mitteldeutsche Bergbau Service GmbH	Espenhain	Germany	50.00
teamup GmbH	Baden-Baden	Germany	29.75
TSI VERWALTUNGS GMBH	Nesse-Apfelstädt	Germany	50.00
Verwaltung MesseCity Köln Generalübernehmer GmbH i.L.	Oststeinbek	Germany	50.00
Verwaltung QMP Generalübernehmer GmbH	Oststeinbek	Germany	50.00
Verwaltungsgesellschaft ROBA-Neuland Beton m.b.H.	Hamburg	Germany	50.00
Wohnbau Tafelgelände Beteiligungs-GmbH i.L.	Munich	Germany	25.00
Wohnbau Tafelgelände GmbH & Co. KG i.L.	Munich	Germany	25.00
SHUSHICA HYDROPOWER sh p.k.	Tirana	Albania	33.00
ASG INVEST N.V.	Genk	Belgium	25.00
Ontwikkelingscombinatie Maasmechelen N.V.	Antwerpen	Belgium	50.00

Company Investee companies not consolidated	Residence	Country	Direct stake %
Satellic NV	Groot-Bijgaarden	Belgium	24.00
Tierra Chuquicamata SpA	Santiago de Chile	Chile	50.00
Straktor Bau Aktien Gesellschaft	Kifisia	Greece	50.00
A-WAY LAGAN INFRASTRUCTURE SERVICES LIMITED	Kilcloony, Ballinasloe, Galway	Ireland	50.00
DIRECTROUTE (FERMOY) CONSTRUCTION LIMITED	Dublin	Ireland	25.00
DIRECTROUTE (LIMERICK) CONSTRUCTION LIMITED	Dublin	Ireland	40.00
DIRECTROUTE (TUAM) CONSTRUCTION LIMITED	Dublin	Ireland	25.00
TORONTO TUNNEL PARTNERS 401 RER INC.	London, Ontario	Canada	50.00
Z.I.P.O.S. d.o.o.	Antunovac	Croatia	50.00
Industrial Engineering and Contracting Co. S.A.R.L. (INDECO) i.L.	Beirut	Lebanon	50.00
STRABAG ARCHIRODON LTD.	Port Louis	Mauritius	50.00
A-Lanes Management Services B.V.	Utrecht	The Netherlands	25.00
Philman Holdings Co.	Manila	Philippines	20.00
Walter Group International Philippines, Inc.	Manila	Philippines	26.00
ODRA-ASFALT Sp. z o.o.	Szeczecin	Poland	33.33
STRABAG Gorzów Wielkopolski Sp. z o.o.	Gorzów Wielkopolski	Poland	49.00
AL SRAIYA - STRABAG Road & Infrastructure WLL	Doha	Qatar	49.00
Grandemar SA	Cluj-Napoca	Romania	41.27
SIFEE TERRA HEAT SRL	Selimbar	Romania	25.00
Betun Cadi SA	Trun	Switzerland	35.00
Kies- und Betonwerk AG Sedrun	Sedrun	Switzerland	35.00
Obal'ovna Bratislava s.r.o.	Bratislava	Slovakia	50.00
VIANOVA SLOVENIJA d.o.o.	Logatec	Slovenia	50.00
Beton Pisek spol. s.r.o.	Pisek	Czech Republic	50.00
Brnenska obalovna, s.r.o.	Brno	Czech Republic	50.00
JCO s.r.o.	Plana	Czech Republic	50.00
Liberecka Obalovna s.r.o.	Liberec	Czech Republic	50.00
TBG Ceske Budejovice spol. s.r.o.	Budweis	Czech Republic	50.00
VCO - Vychodoceska obalovna, s r.o	Hradec Kralove	Czech Republic	33.33
BASALT-KÖZÉPKÖ Kft	Uzsa	Hungary	25.14
Immorent Oktatási Kft.	Budapest	Hungary	20.00
Mecsek Autopalya-üzemeltetö Zrt.	Budapest	Hungary	25.00
Strabag Oktatási PPP Kft.	Budapest	Hungary	30.00
MAC ZT Vietnam Co. Ltd.	Ho Chi Minh City	Vietnam	50.00

Group management report

2023

Important events

STRABAG commissioned to build more roads in Oman

February 2023 | Segment International + Special Divisions

STRABAG is developing new markets in the Middle East.
© STRABAG

STRABAG, together with its joint venture partner Al-Rosan, was awarded a contract to construct further roads in Oman by the country's Public Authority for Special Economic Zones and Free Zones. The contract value for STRABAG amounts to approximately € 130 million.

The highways with a total length of around 51 km will connect Duqm Airport with the Ras Markaz region. Work began in February 2023, with the roads scheduled to be opened to traffic in mid-2025. STRABAG has been active in road construction in Oman since 1971 and employs a total of around 1,800 people in the Middle East region.

STRABAG subsidiary building office property with green building status in Berlin

March 2023 | Segment North + West

Green building with campus
© ZÜBLIN

The STRABAG subsidiary ZÜBLIN was awarded a contract worth € 76.8 million for the construction of a pioneering office property with green building status in Berlin. The project, known as Inspire Neukölln, will be energy-efficient and can be operated without fossil fuels, making it entirely carbon-neutral. Inspire Neukölln, which is aiming for platinum certification by the German Sustainable Building Council (DGNB), is being prepared for certification by WELL, BREEAM and LEED. Completion is scheduled for August 2025.

STRABAG building the foundations for Latin America's largest wind farm

March 2023 | Segment International + Special Divisions

STRABAG is utilising the opportunities offered by alternative energy sources.
© STRABAG

STRABAG is focusing increasingly on projects associated with the energy transition. In recent years, the Group has already built foundations for 140 wind turbines with a total capacity of 850 MW in the Atacama Desert of Chile for customers Colbún and Engie. In 2023, the company obtained another order from Engie worth € 100 million for 55 wind turbines, including the construction of the foundations and all earthworks. In northern Chile, wind farms and photovoltaic facilities are planned to secure the energy supply for the national mining industry in the future. Chile also wants to become the main producer of green hydrogen in the next few years.

STRABAG building steelworks for Cognor S.A. in Poland

May 2023 | Segment South + East

Modern steelworks built using BIM 5D
© STRABAG

STRABAG is building a production and storage facility for a rolling mill of steel manufacturer Cognor S.A. in the southern Polish city of Siemianowice Śląskie. The contract has a value of € 69.7 million. The project is being realised using the BIM 5D, which creates a digital twin of the object to be built.

A particular challenge is the dismantling and demolition of the foundations of the old tube rolling mill and the reinforced concrete construction for the new rolling mill. The work is scheduled for completion in December 2024.

STRABAG Group receives ISO certification for business compliance

May 2023 | STRABAG SE

STRABAG SE was certified by Austrian Standards to ISO 37001 (Anti-Bribery Management Systems) and ISO 37301 (Compliance Management Systems). The certification is valid for all fully consolidated companies.

This makes STRABAG the first globally active Austrian company to achieve such an overall certification. Further audits will follow in the coming years to maintain the certification.

STRABAG subsidiary commissioned with general renovation of Cologne Central Library

August 2023 | Segment North + West

STRABAG makes reconstruction, conversion and refurbishment a priority.
© ZÜBLIN

On behalf of the City of Cologne, STRABAG subsidiary ZÜBLIN is carrying out the general renovation of the city’s main public library. The contract volume for ZÜBLIN amounts to € 67.2 million. The construction marks a milestone in the City of Cologne’s sustainable urban development plans.

Preserving the building while optimising its technical systems helps to conserve resources and reduce carbon emissions. Thermal renovation and the optimisation of energy concepts enable the building to be operated in an energy-efficient manner. Completion is scheduled for 2027.

STRABAG building Germany's most modern underground metro in Hamburg

August 2023 | Segment North + West

The next construction section for the U5 underground line in Hamburg was awarded to STRABAG.
© Hamburger Hochbahn AG

ZÜBLIN, in a joint venture with Wayss & Freytag Ingenieurbau AG, was commissioned to carry out the structural work on the second construction section for the new U5 underground line in Hamburg (lot 2) with a contract value of € 581.5 million. The contract for the structural work on lot 1 was awarded to the same joint venture in December 2022.

The two lots, which form the first, eastern section of the new metro line, include the construction of five stations as well the excavation of 4.5 km of tunnel through shield tunnelling and 1.5 km of tunnel using the cut-and-cover method.

New strategy "People. Planet. Progress." presented at Capital Markets Day

September 2023 | STRABAG SE

STRABAG CEO Klemens Haselsteiner presents the new corporate strategy.
© STRABAG

As part of a strategic update, CEO Klemens Haselsteiner and a group of specially chosen experts presented the new corporate strategy for 2030, "People. Planet. Progress.", to Austrian and international capital market participants. The focus until 2030 will be on the following six key strategic topics: employee focus, global-local presence, circularity, expertise in the energy sector, technology leadership and depth of value creation.

"We plan to grow profitably and achieve real added value for people and the environment. We want to be a pioneer in climate-friendly construction, actively shape the energy transition and sustainably reinforce our technology leadership. We are convinced that we will be able to build on our previous achievements and have set ourselves the ambitious goal of attaining an EBIT margin of 6% by 2030," says Klemens Haselsteiner. The event was attended by around 50 investors and analysts in Vienna and via livestream.

STRABAG building third longest bridge in Poland

September 2023 | Segment South + East

STRABAG demonstrates its expertise in bridge construction
© Photo and
Rendering: Trasal Sp. z o.o.

STRABAG was awarded the € 66.3 million contract to build a new bridge over the river San near the Polish city of Stalowa Wola. The bridge, with a total length of 1,760 metres, forms part of the road construction works between Zaklików and Stalowa Wola and when completed will be the third longest bridge in Poland.

The contract includes not only the construction of the bridge, but also the construction of a new and the expansion of an existing section of road.

ZÜBLIN commissioned to construct university building for Ruhr University Bochum

September 2023 | Segment North + West

Turnkey construction of new replacement building for physics, astronomy and neuroinformatics
© ZÜBLIN, Rendering Gerber Architekten

STRABAG subsidiary ZÜBLIN was awarded the contract for the turnkey construction of a new replacement building for Ruhr University Bochum with a contract volume of around € 269.5 million. The project consists of a 14-storey building with two adjoining five- to six-storey low-rise buildings. The main user will be the Faculty of Physics and Astronomy at Ruhr University Bochum. Completion is scheduled for November 2027.

STRABAG building new development with headquarters for Raiffeisen-Landesbank Tirol

October 2023 | Segment South + East

Making the impossible possible by building within the built environment
© Toni Rappersberger

STRABAG is erecting the structural works of a new urban development for Raiffeisen-Landesbank Tirol in Innsbruck, which will also be home to the bank's headquarters in the future. STRABAG's approach beginning during the planning stages was to reuse as many parts of the existing building as possible. This meant carefully dismantling the building down to its reinforced concrete skeleton even as work on the new building was already underway.

The contract covers all works on the project with a total usable area of around 23,000 m² up to completion of the structural works in the summer of 2024, accounting for around one third of the total construction volume. When completed, the nine-storey building will be almost entirely energy self-sufficient thanks to geothermal energy and photovoltaics. Wood is being used as a building material from the fourth floor upwards. The timber construction concept was awarded first place in the Build the (Im)Possible architecture competition.

STRABAG building microtunnel for Ostsee LNG pipeline in Baltic Sea

October 2023 | Segment International + Special Divisions

Offshore pipeline to link Mukran with Lubmin
© STRABAG

STRABAG has been commissioned by RWE and GASCADE Gastransport GmbH to build two trenchless shore crossings for the Ostsee Anbindungsleitung (OAL) pipeline in Mecklenburg-Vorpommern with a length of 755 metres and 353 metres, respectively, and a contract value of € 44 million. The diameter of the two microtunnels is exactly two metres.

The offshore pipeline will connect the planned liquefied natural gas (LNG) terminal in the port of Mukran with the German pipeline network in Lubmin. Large transport capacities exist in Lubmin to transport the gas from the coast in the north-east to the main centres of demand in Germany and in Central and South-East Europe.

STRABAG awarded contract to modernise Masaryk Railway Station in Prague

December 2023 | Segment South + East

Greened pedestrian platform will enable barrier-free access to the railway tracks.
© Správa železnic

STRABAG, through its Czech subsidiary STRABAG Rail a.s., is realising the renovation and upgrade of the historic Masaryk Railway Station in the heart of Prague. The project, commissioned by the Czech railway administration Správa železnic and worth € 137 million, includes the modernisation and expansion of the railway tracks as well as the construction of a distinctive pedestrian platform over the tracks as an architectural link to the surrounding area. The work is expected to take around 44 months in total, construction began in January 2024. STRABAG Rail a.s. will be executing the construction works in a joint venture with STRABAG s.r.o.

Capital market information

since May 2023 | STRABAG SE

STRABAG
SOCIETAS EUROPAEA

In May, STRABAG SE announced capital measures to reduce the shareholding interest of MKAO “Rasperia Trading Limited” – a company controlled by the sanctioned Russian citizen Oleg Deripaska – in STRABAG from 27.8% to less than 25%. This move was designed to reduce significant disadvantages and risks for STRABAG SE. The capital measures were unanimously approved by the shareholders at the 19th Annual General Meeting in June. MKAO “Rasperia Trading Limited” contested the resolutions passed by the Annual General Meeting in this regard, although the action was dismissed by the Regional Court of Klagenfurt. The ruling is not yet final, however.

The measure involves a conditional distribution to be made from the reserves of STRABAG SE, with shareholders given the option of receiving the distribution in the form of new shares or in cash. Shareholders representing a total of 87.6% of the eligible shares chose the share-based option. This corresponds to 60.9% company’s share capital.

The implementation of the ordinary non-cash capital increase was entered into the commercial register of the Regional Court of Klagenfurt on 21 March 2024. The company’s share capital increased from € 102,600,000 to € 118,221,982, reducing the stake held by MKAO “Rasperia Trading Limited” from 27.8% to 24.1%.

In December, the Management Board of STRABAG SE was informed by the Russian joint stock corporation Iliadis JSC and Oleg Deripaska, by means of a major holdings notification pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG), that Iliadis JSC on 14 December 2023 had concluded a purchase agreement for 100% of the shares in MKAO “Rasperia Trading Limited”. According to the shareholding notification, MKAO “Rasperia Trading Limited” would no longer be (indirectly) controlled by Oleg Deripaska once the purchase agreement is executed. Also in December, the Management Board of STRABAG SE was informed that Raiffeisenbank International AG was interested in acquiring the 28,500,000 shares in STRABAG SE held by MKAO “Rasperia Trading Limited”. According to the announcement by Raiffeisenbank International AG, the multiple-step transaction – further details of which were not known to STRABAG SE – is subject to various reviews, approvals and other conditions, including a sanctions review.

On 26 March 2024, the company was informed by means of major holdings notifications pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG) that the transaction in Russia that had been announced in December 2023 had been completed and that MKAO “Rasperia Trading Limited” had been transferred to Iliadis JSC. According to these notifications, MKAO “Rasperia Trading Limited”, with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control.

The company has no further information regarding the transaction that has now been completed as announced in the major holdings notifications. It is therefore currently not possible to carry out a sanctions review, so that the company continues to assume that the

STRABAG shares held by MKAO “Rasperia Trading Limited” remain frozen in accordance with the EU Sanctions Regulation. The company had no concrete information on the implementation status of the intended acquisition by Raiffeisenbank International AG at the time of the audit opinion.

An action brought by MKAO “Rasperia Trading Limited” against the resolutions of the 18th Annual General Meeting of 24 June 2022 was dismissed by both the Regional Court of Klagenfurt and by the Higher Regional Court in Graz. These proceedings have not yet been finalised. Another action brought by MKAO “Rasperia Trading Limited” against the resolutions of the Extraordinary General Meeting of 5 May 2022 was also dismissed by both the Regional Court of Klagenfurt and the Higher Regional Court of Graz. These proceedings have not yet been finalised either.

Country report

Country risk

STRABAG operates in over 50 countries, thereby diversifying its country risk

STRABAG sees itself as a European technology group for construction services with a strong focus on Central and Eastern Europe. To diversify the country risk even further, however, and to profit from market opportunities, STRABAG operates on other continents as well. 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 and established organisational structures make it easier to export and use the technology in new regions with little expense.

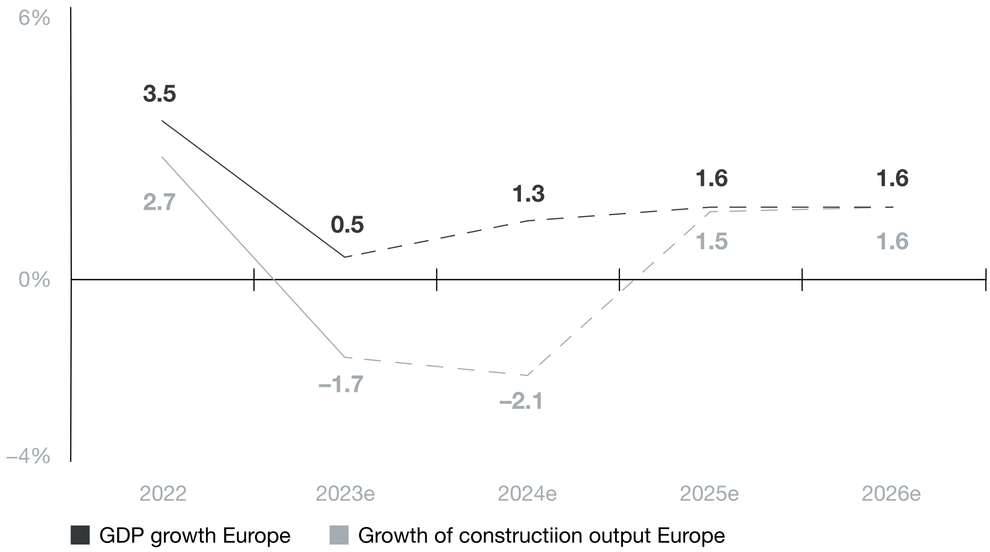
The STRABAG SE Group boosted its **output volume** by 8% to € 19,139.14 million in the 2023 financial year, setting a new record for this figure. Growth in almost all of the Group's key markets contributed to this development, with the largest increases in output recorded in Germany and Romania as well as in transportation infrastructures in Poland. In the Czech Republic, output declined, as expected, after a selective approach was taken in response to increased competition in transportation infrastructures. Apart from this, only smaller markets such as Sweden and Denmark recorded a decline in output.

Output volume by country

€ mn	**2023**	**% of total output volume 2023**	2022	% of total output volume 2022	Δ %	Δ absolute
Germany	9,045	47	8,347	47	8	698
Austria	3,070	16	2,935	17	5	135
Poland	1,329	7	1,126	6	18	203
Czech Republic	999	5	1,093	6	-9	-94
Hungary	808	4	688	4	17	120
United Kingdom	672	4	578	3	16	94
Americas	564	3	558	3	1	6
Romania	519	3	315	2	65	204
Slovakia	410	2	351	2	17	59
Croatia	242	1	238	1	2	4
Switzerland	226	1	197	1	15	29
Middle East	219	1	252	1	-13	-33
Benelux	190	1	176	1	8	14
Rest of Europe	155	1	169	1	-8	-14
Asia	150	1	136	1	10	14
Serbia	139	1	146	1	-5	-7
Slovenia	118	1	81	0	46	37
Sweden	106	1	152	1	-30	-46
Bulgaria	65	0	68	0	-4	-3
Italy	62	0	21	0	195	41
Africa	31	0	47	0	-34	-16
Denmark	20	0	61	0	-67	-41
Total	**19,139**	**100**	**17,735**	**100**	**8**	**1,404**

Global economy

Growth comparison construction vs GDP Europe



Slower growth

Global economic growth in 2023 weakened slightly for the second year in a row. This development is mainly due to the impacts from the tight monetary policy to curb persistently high inflation, restrictive lending conditions and the resulting lower level of investment. In addition to the Russian war of aggression against Ukraine, the latest conflict in the Middle East is increasing the geopolitical risks. An escalation of the conflict could lead to a rise in energy prices, which in turn could have an impact on global economic activity and inflation. Other risks include weaker than expected growth in China and a further fragmentation of the retail sector. At the same time, the financial 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 World Bank expects the global economy to grow by 2.6% in 2023 and by 2.4% in 2024. The current phase of low growth is likely to continue, as prices are expected to remain high for the foreseeable future. The World Bank puts the global rate of inflation at 6.9% in 2023, with a slight decline to 5.8% in 2024.

The OECD estimates the European Union’s economic growth at 0.6% in 2023. The gross domestic product of the 19 Euroconstruct countries (EC-19) rose by 0.5% in 2023. The growth rates of the individual countries vary only slightly, ranging between -0.8% and +2.3%. GDP growth of 1.3% is expected for the EC-19 region in 2024, followed by 1.6% in both 2025 and 2026.

All growth forecasts as well as the particular national construction volumes are taken from the Euroconstruct and EECFA (Eastern European Construction Forecasting Association) winter 2023 reports. The indicated market share data are based on the data from the year 2023 and 2023 estimates from Euroconstruct and EECFA.

The construction industry

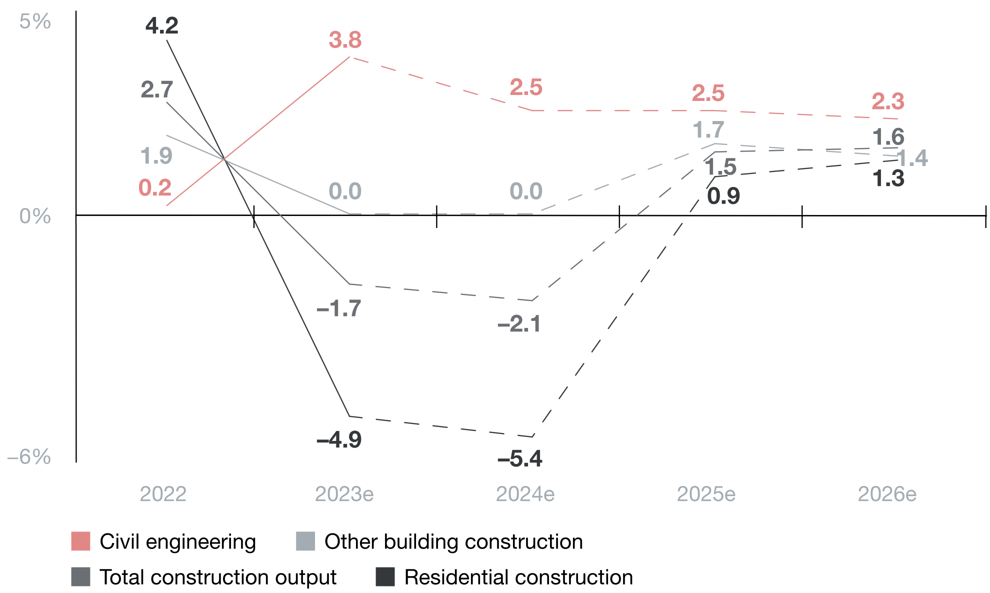
Diverging trends in the construction sector

The construction industry in the 19 Euroconstruct countries recorded a decline of 1.7% in 2023 (2022: +2.7%). The repeated increase in key interest rates in Europe, combined with national budget bottlenecks and higher construction costs, led to several project launches being postponed. Offsetting this, however, were the positive impacts from public funding, particularly for the climate-related renovation and refurbishment of existing buildings. Despite the tight financing conditions and subdued domestic and foreign demand, however, growth is expected to stabilise rapidly as soon as inflation begins to ease and the global upturn starts to gain traction.

In a sector-by-sector comparison, civil engineering proved resilient in 2023 and performed best with an increase of 3.8%. Non-residential construction stagnated (0%), while residential construction suffered a significant downturn of -4.9% due to the general market environment. The strongest growth was recorded by the Irish construction industry with an increase of 3.2%, followed by Spain with +2.8% and Poland with +2.2%. Sweden brought up the rear with -10.6%, followed by Finland (-10.1%) and Hungary (-8.0%). Construction growth in the 19 Euroconstruct countries will continue to decline in 2024 at -2.1%. An increase of 1.5% and 1.6% is expected again in 2025 and 2026 respectively.

Construction sectors

Growth comparison of construction sectors in Europe



Civil engineering resilient, residential construction in sharp decline

Residential construction, which continues to account for almost half of total European construction output, declined by 4.9% in 2023 with a volume of € 1,001.9 billion. In absolute figures, Germany achieved the highest construction volume in residential construction ahead of Italy, followed by France and the United Kingdom. Euroconstruct predicts a further decline in construction output of 5.4% in this segment in 2024. The trend will return to positive territory in 2025 at +0.9%, with +1.3% forecast for 2026.

Non-residential construction, which accounts for 30% of the European construction volume, stagnated in 2023 (0%). Germany is the largest market for this segment, followed by the United Kingdom, France and Italy. The highest growth rates were recorded in the Czech Republic and Italy, followed by Ireland and Spain, while the weakest growth in non-residential construction was registered in Denmark, Slovakia, Hungary and Sweden. Euroconstruct forecasts further stagnation for the segment in 2024 (0%), with growth of 1.7% and 1.4% expected for 2025 and 2026 respectively.

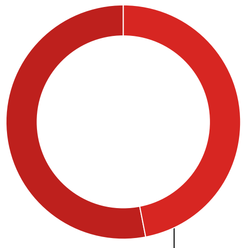
Civil engineering, which contributes around 20% to European construction output, proved to be the fastest-growing segment in 2023 at +3.8%. Developments in the individual countries varied greatly. In absolute figures, Germany was ahead of Italy, the United Kingdom and France. The strongest growth, meanwhile, was recorded in Italy, Slovakia, Poland and Spain, with the largest decline in Finland. The growth rate for European civil engineering is expected to be 2.5% in both 2024 and 2025, with an increase of 2.3% expected for 2026. More than half of European civil engineering investments are channelled into road and rail networks, followed by energy and water supply projects.

STRABAG delivers the bulk of its services in the infrastructure sector, with a focus on transportation infrastructure projects. More than 60% of our customers are in the public sector. Public-sector demand in the area of infrastructure in particular has a stabilising effect. Residential construction accounts for less than 10% of Group output.

Developments in the core markets of STRABAG SE

Below we present the development of the national economies and of the respective construction industries in STRABAG SE’s eight core markets during the past year. These countries accounted for 85% of Group output in 2023 and their development is therefore of particular importance to STRABAG.

Germany



47%
Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Germany	47	461.4	-0.5	1.0	-2.3	-2.2

The German economy recorded a GDP decline of 0.5% in 2023. After more than a decade of low interest rate policies, the economy is now preparing for noticeably higher interest rates once again. Energy prices remained high by international standards, accompanied by persistently high inflation. At the same time, companies were faced with considerable challenges from national and European regulations with regard to climate protection measures. Nevertheless, Euroconstruct expects slight growth of 1.0% again as early as 2024. In the medium term, the growth rate is likely to stabilise between 1.0% and 1.5% a year.

The German construction industry recorded a 2.3% decline in construction output in 2023 – due primarily to the situation in building construction and, in particular, residential construction. Construction companies with diversified service portfolios continue to benefit from well-filled order books. In addition to the ECB's interest rate turnaround, the construction sector also had to deal with a shortage of skilled labour, a significant rise in construction costs and continued high inflation. Encouraging signs for the future come from the federal government's financing commitments for railway expansion and the continuing high demand for infrastructure. Euroconstruct is forecasting a decline of 2.2% for the sector in 2024, followed by a decline of 0.9% in 2025 and 0.6% in 2026.

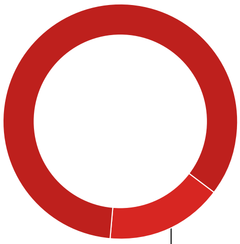
In **residential construction**, the construction volume fell by 3.1% in 2023. Against the backdrop of significantly higher mortgage interest rates, lower public subsidies and higher construction prices, both private clients and residential construction companies refrained from new construction projects. On the other hand, the sector received a boost from government subsidies for renovations and the thermal refurbishment of buildings. Euroconstruct expects the residential construction sector to reach a temporary low of -4.5% in 2024, with a smaller downturn of 2.5% and 1.3% per year forecast for 2025 and 2026 respectively.

Non-residential construction, which shrank by 2.4% in 2023, suffered from the economic uncertainty and partial investment restraint on the part of companies and the public sector, especially at the local level. Despite this, Euroconstruct expects the sector to continue to grow by 0.1% and 0.9% in 2024 and 2025 respectively, with the trend turning slightly negative at -0.1% in 2026.

The **civil engineering** sector recorded slight growth of 0.3% in 2023. The long-term government investment programmes in rail and road infrastructure continue to have a positive effect. Investments in energy transition projects are giving the sector a new tailwind. Local governments, on the other hand, remained cautious in some cases due to higher construction prices for road and hydraulic engineering projects. Civil engineering is expected to grow by 1.7% in 2024, followed per year by 1.2% in 2025 and 0.5% in 2026.

The STRABAG Group has a market share of 2.0% of the total construction market in Germany. Its 12.9% share of the German road construction sector is significantly higher than that of the market as a whole. With € 9,045.59 million, around 47% of STRABAG's total Group output volume was generated in Germany in 2023 (2022: 47%). Most of the output is allocated to the North + West segment, while the property and facility services provided in Germany are allocated to International + Special Divisions.

Austria



16%
Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Austria	16	53.1	-0.8	1.2	-2.7	-4.1

With a GDP decline of 0.8%, the Austrian economy experienced a mild recession in 2023. The energy price shocks of the previous year and a sharp reduction in inventories led to an industrial recession in Europe in 2023 that affected Austria as well. At 7.7%, inflation remained above the EU average. The increased workforce retention during the downturn nevertheless ensured a robust labour market. Euroconstruct forecasts growth of 1.2% for 2024, 1.6% for 2025 and 1.7% for 2026.

The Austrian construction industry experienced a decline of 2.7% in 2023. Construction investment – especially in building construction – was noticeably dampened by the European Central Bank's interest rate hikes. The rise in construction costs also impacted real growth in the construction industry. The introduction of stricter lending guidelines for residential construction loans (Regulation on Real Estate Financing Measures in Credit Institutions – KIM-VO) was a source of additional pressure. In this environment, Euroconstruct continues to expect a significant decline of 4.1% for 2024. Positive momentum is forecast again for 2025 and 2026, with growth rates of 0.4% and 1.9% respectively.

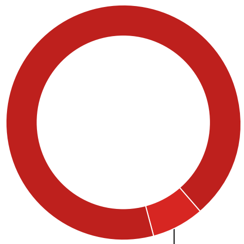
Among the individual construction sectors, **residential construction** saw the sharpest decline in 2023 at 4.7%, as expected. In Austria, the impact is even more pronounced than in other European countries due to a combination of persistently high inflation, higher mortgage interest rates and stricter lending guidelines. New construction suffered the greatest losses, while renovation still showed slight growth due to ecological and energy-related factors. Overall, a further sharp decline of 6.0% is forecast for residential construction in 2024. The downward development will continue in 2025 at 0.5%. The trend is not expected to turn positive again until 2026 with slight growth of 1.4%.

The construction volume in **non-residential construction** in 2023, which was negatively impacted by the combination of the economic downturn, higher construction costs and rising interest rates, fell by 2.1%. While high order backlogs from the previous year were still being fulfilled in the industrial sector, some of the planned investments in office and commercial buildings were postponed for the time being. Euroconstruct expects the downturn to intensify in 2024 with a decline of 3.7% before investment recovers in 2025 with an increase of 1.7%, followed by a return to strong growth of 3.9% in 2026.

Civil engineering showed a clearly positive trend of 2.8% in 2023 due to strong government investment in infrastructure programmes. The further expansion of the road and, in particular, the rail network was a fixed item in the Austrian budget. Investments in the energy sector for the expansion of renewable energy sources and investments in the telecommunications sector for a nationwide broadband network are becoming increasingly important. Growth of 0.9% is expected in 2024, followed by a plus of 0.2% in 2025 before the trend turns slightly negative with -1.0% in 2026.

The STRABAG Group generated 16% of the total Group output volume in its home market of Austria in 2023 (2022: 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 € 3,069.61 million in 2023. This gives STRABAG a 5.8% share of the construction volume in the overall market in Austria. In road construction, the market share stands at 47.3%.

Poland



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Poland	7	66.7	0.3	2.9	2.2	2.5

Following the strong economic growth in 2022, which was mainly due to post-Covid-19 effects, GDP growth in Poland weakened to +0.3% in the reporting year. Factors contributing to this development included the high inflation of 11.1%, higher interest rates and the associated weaker demand from the private sector. Uncertainties in connection with the Russian war of aggression in neighbouring Ukraine and the delayed impacts from supply chain disruptions also dampened growth. Government investments, anti-crisis programmes and net exports in particular had a positive effect. Euroconstruct is forecasting GDP growth of 2.9% for 2024, followed by 3.5% in 2025 and 3.0% in 2026.

The Polish construction industry grew by 2.2% in 2023, slightly outpacing GDP growth, but weaker than in the two previous years. Construction-specific products were less available and supply chains were disrupted, while the shortage of skilled labour remained high. In recent years, construction activity in Poland has been stimulated by government programmes, particularly for public buildings and facilities as well as infrastructure. Euroconstruct expects the Polish construction industry to grow by 2.5% in 2024, with growth of 3.4% and 3.5% respectively in the two following years.

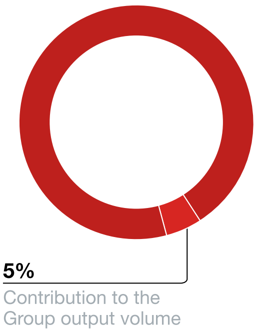
Residential construction, with a decline of 3.1%, proved to be the weakest sector of the Polish construction industry in 2023. Contributing to this situation were rising loan instalments, stricter procurement rules and higher construction costs. Stability measures and government stimulus programmes have helped to slow the trend. Euroconstruct forecasts a further 2.0% decline in residential construction output for 2024. In 2025 and 2026, however, the expected reduction in lending rates should lead to growth of 3.0% and 1.5% respectively.

Non-residential construction in Poland grew by 1.0% in 2023, with the momentum almost exclusively due to the strong increase in public investments. High costs for building materials, wages, electricity and fuel hit this segment hard as well. The market for office and commercial buildings was the weakest, while growth was recorded among industrial, warehouse and agricultural buildings. Large companies in particular invested heavily in 2023. Euroconstruct expects non-residential construction to grow by 3.0% in 2024 and by 2.4% and 2.5% in the following two years.

Civil engineering, with growth of 7.6%, proved to be the strongest segment of the Polish construction industry in 2023. This performance was driven by the momentum of infrastructure projects, which are closely linked to Poland's economic policy and the European Union's climate policy. Road construction, which grew by 11.4%, and energy supply exhibited particularly strong growth. Further growth drivers include the government's long-term programmes for the period until 2030, such as the new national road programme and the national railway programme. The election of a new government also increases the chances of previously withheld EU funds being released. In the field of energy supply, the planned construction of two nuclear power plants should provide further growth momentum. Euroconstruct is forecasting growth of 5.2% for Polish civil engineering in 2024, followed by a plus of 4.6% in 2025 and 5.6% in 2026.

As the number two in the construction sector in Poland, STRABAG realised a construction volume of € 1,328.83 million here in 2023, representing 7% of the Group's total output volume (2022: 6%). Poland thus represents the third-largest market of the STRABAG Group. Its market share in the entire Polish construction market was 2.0% and its share of road construction was 8.7%.

Czech Republic



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Czech Republic	5	32.4	-0.3	2.0	-1.8	0.2

The Czech economy in 2023 was seriously affected by higher interest rates and by the impact from the high rate of inflation of around 11.0% on both businesses and households. Despite high government spending and strategic investments, GDP was slightly negative at -0.3%. There are plans to gradually consolidate public budgets, which will also affect private households. By contrast, EU investments, particularly from the 2021–2027 programming period, as well as the Modernisation Fund and the EU's recovery plan, are having a positive effect. Other contributing factors include the continued rise in exports, the stable import situation and low unemployment compared to the rest of the EU. Euroconstruct estimates that inflation will fall to between 2% and 3% as early as 2024, enabling GDP growth of 2.0% this year. An increase of 2.6% and 2.3% is then forecast for 2025 and 2026 respectively.

The output of the Czech construction industry fell by 1.8% in 2023. The ongoing shortage of skilled labour as well as price increases for materials, energy, fuel and loans posed major challenges for the sector. On the other hand, the government stimulated renovation projects with subsidies to increase energy efficiency. The construction industry also benefited from funding under several EU programmes. Euroconstruct expects a slight increase of 0.2% for the sector in 2024, with higher growth of 3.5% and 6.4% expected in the following two years.

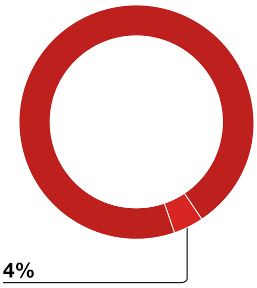
Residential construction fell by 9.6% in the reporting year, having been particularly hard hit by persistently high loan instalments. Real estate prices fell in many regions of the country, and a massive decline was recorded in the volume of real estate loans. The market for renovations, in contrast, remained stable. Euroconstruct is therefore forecasting only a slight decline of 1.2% in residential construction for 2024, followed by strong growth of 6.2% and 10.1% for 2025 and 2026 respectively.

After several years of negative growth, **non-residential construction** experienced a significant plus of 4.5% in the Czech Republic in 2023. This development was mainly due to industrial and logistics buildings, which were positively influenced by the booming business of online retail. The public sector is also encouraging construction related to schools, universities and hospitals. The market for office buildings, on the other hand, remains weak. Non-residential construction is expected to grow only slightly by 1.1% in 2024, followed by stronger growth of 3.9% in both 2025 and 2026.

Output in the Czech Republic's **civil engineering** segment remained stable in 2023 (+0.9%), mainly due to ongoing investments in the national and local transport infrastructure. Driving this development were railway systems, telecommunications and energy suppliers. The largest transportation infrastructure project is a new metro line in Prague. Civil engineering is also set to benefit from public funding and subsidies from the EU and from the European Investment Bank (EIB) in the future, not least with regard to the energy transition. For 2024 and 2025, Euroconstruct expects output in this segment to remain stable at +0.8% and 0.0% respectively, before strong growth of 5.1% in 2026.

STRABAG is the number one on the market in the Czech Republic. With an output volume of € 998.65 million in 2023, around 5% of the Group's total output (2022: 6%) was generated in the country. The market share in the entire construction market is 3.1% and in road construction amounts to 13.3%.

Hungary



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Hungary	4	19.3	0.0	3.5	-8.0	-3.8

The Hungarian economy stagnated in 2023 with GDP growth of 0.0%. The main factors behind this development were the high inflation, rising consumer prices, high interest rates and the government's investment freeze. Euroconstruct expects an increase in wages as well as consumption and, as a result, a return to growth in the coming years. The employment rate, already high, looks set to increase even slightly further. The government is also showing increasing budgetary discipline. The GDP is therefore forecast to grow by 3.5% in both 2024 and 2025 and by 3.6% in 2026.

The output of the Hungarian construction industry decreased by 8.0% in 2023. After several years of strong stimulus from the government, its investment freeze affected almost the entire sector. The situation could change if the resources from the EU funds, which are currently still being blocked, were to be released. The government has announced a ten-year development plan to be presented mid-2024. Euroconstruct is forecasting a decline of 3.8% for the Hungarian construction industry in 2024, with a trend reversal expected starting in 2025 (+4.9%) and growth of 5.4% forecast for 2026.

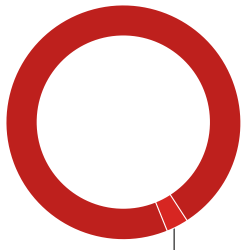
The sharp downturn in Hungarian **residential construction** (2023: -17.2%) is particularly dramatic, with the decline in new residential construction being the main contributing factor. The high construction costs, sharply rising interest rates and low sales prices gave developers little incentive to invest. Government subsidies and a recommended annual interest rate cap of 8.5% provide some relief. The market for renovations also declined in 2023, though it could recover as early as 2024, whereas new construction is not expected to pick up again until 2025. Accordingly, Euroconstruct is forecasting a decline of 3.6% for Hungarian residential construction in 2024, with the segment expected to grow by 4.0% again from 2025 and by as much as 5.5% in 2026.

Non-residential construction in Hungary fell by 4.8% in the reporting year. The government's investment freeze had a significant impact here as well. The goal of creating a comprehensive ecosystem for e-mobility in Hungary could, however, positively stimulate the market for industrial and logistics buildings. Euroconstruct anticipates a further decline of 4.8% in this segment in 2024, with an increase of 2.7% and 2.8% expected for 2025 and 2026 respectively.

The Hungarian **civil engineering** segment, including road construction and other transport infrastructure projects, declined by 3.8% in 2023. In contrast, intensified reindustrialisation had a positive effect, with a plus in energy and water supply projects. In the short term, however, the trend in civil engineering will continue to be curbed by the suspension of state investments and the postponement of planned renovation work on the road network during modification of the road concessions. The freezing of EU funds is continuing to have a negative impact as well. The Euroconstruct forecast therefore predicts a further decline of 2.4% in this segment in 2024, before a strong recovery sets in again in 2025 and 2026, with growth of 9.2% and 9.1% respectively.

The STRABAG Group generated € 807.74 million, or 4% of its output, in Hungary in 2023 (2022: 4%). This puts STRABAG in fourth place in the Hungarian construction market. Its share of the total market reached 4.2%, that in road construction 12.5%.

Romania



3%
Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Romania	3	32.5	2.0	3.4	-1.9	-6.4

The Romanian economy grew by 2.0% in 2023, less strongly than in the two previous years. The outlook remains positive, albeit subdued. The increase in consumer prices (8.8%) is expected to slow significantly from 2024 onwards, although lending rates will remain high for longer. EECFA is forecasting GDP growth of 3.4% and 4.2% for 2024 and 2025 respectively.

In contrast to the development of the economy as a whole, output in the Romanian construction industry fell by 1.9% in the reporting year. High energy prices and construction costs, partly due to higher personnel expenses, affected all segments. The budget available from Romania's National Recovery and Resilience Plan (NRRP) decreased, which had a significant impact on the healthcare and energy sectors. The decline in the energy sector, however, is more than offset by the European Union's REPowerEU plan. In the 2024 election year, with elections at local, national and EU level, the focus will be more on local and socially impactful projects – at the expense of longer-term projects. According to EECFA calculations, construction output in Romania will fall by a further 6.4% in 2024 before recovering slightly (+1.9%) in 2025.

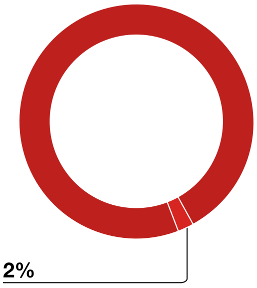
The Romanian **residential construction** sector suffered a significant slump in 2023 (-8.6%), as high inflation and expensive lending rates as well as increased construction costs dampened both supply and demand. Building permits and the amount of usable space fell by almost a fifth, particularly in the Bucharest region (-36%) and the west of the country. EECFA expects a further downward correction for residential construction in 2024 (-7.6%). In 2025, a return to slight growth of 1.8% is expected for the segment thanks to falling inflation and lower lending rates.

The development of the **non-residential construction** segment in Romania was very mixed in 2023, with a slight decline of 0.8% overall. Sharp declines were recorded due to lower demand and changing trends in the market for office buildings. By contrast, healthcare buildings and educational facilities increased by 12.1% in 2023 due to co-financing from the previous EU programming period. The recovery of private consumption was reflected in an upturn in retail and wholesale properties. Industrial buildings and warehouses also remained on a growth path. EECFA is forecasting a decline of 4.0% for the segment in 2024, followed by a return to growth of 2.9% in 2025.

Civil engineering, with growth of 7.3%, proved to be the strongest segment of the Romanian construction industry in 2023. On the one hand, projects from the 2014–2020 EU programming period were still being completed; on the other hand, investments from the NRRP were already underway. The focus was on transportation infrastructures as well as on structures in the energy and pipeline sectors. The switch to the new EU programme along with greater budget discipline will lead to a decline in construction output, however. EECFA is forecasting a decline of 6.5% for the Romanian civil engineering segment in 2024, followed by a slight recovery of 1.2% in 2025.

With an output of € 519.26 million in 2023, the STRABAG Group holds a 1.6% share in the entire Romanian construction market. In road construction, the share of the market stands 4.6%.

Slovakia


2%
Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Slovakia	2	8.8	1.5	2.7	0.1	2.9

The Slovakian economy grew by 1.5% in the reporting year. Key economic indicators, such as private and public consumption as well as imports and exports declined, however. The inflation rate in 2023 stood at just over 10%. The shortage of labour was particularly evident in industry and construction. The automotive industry, on the other hand, was able to compensate for the decline in private consumption. EU programmes and funds, which provided stimulus in the fields of transport, the environment, digitalisation, science and research, had a positive effect. Euroconstruct expects Slovakia's GDP to grow by 2.7% in 2024, 3.4% in 2025 and 2.1% in 2026.

The Slovakian construction industry generated slight growth of 0.1% in 2023. High material and labour costs and rising lending rates led to a gradual decline in construction investments. As expected, the number of projects in transportation infrastructures fell significantly before the elections in autumn. Following the elections, the number of projects put out to tender is expected to increase once again. Euroconstruct is forecasting a reduction in public investment from the state budget. The development of construction output in the coming years will therefore depend on how effectively the funds from the EU's recovery plan and the new EU programming period are used. Euroconstruct predicts growth of 2.9% for the Slovakian construction industry in 2024, followed by a plus of 0.7% and 3.9% respectively in the following years.

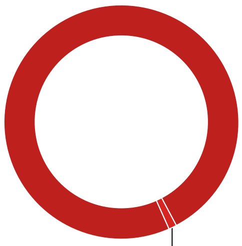
Slovakia's **residential construction** output fell by 2.6% in 2023. High lending interest and high construction prices dampened demand from developers and smaller investors alike. Funds from the European recovery plan are to be used in the future primarily to promote renovations aimed at increasing energy efficiency. The demand for flats in Bratislava and other larger cities is also continuing. After a further slight decline in 2024 (-0.3%), Euroconstruct expects residential construction to grow again in 2025 and 2026 with a plus of 3.3% and 5.6% respectively.

Output in **non-residential construction** fell significantly in 2023 (-5.5%). The market for office buildings was especially hard hit, while growth was reported for educational facilities and healthcare buildings. The automotive industry remains the largest private investor in the country. Euroconstruct expects the greatest input for the segment to come from the European recovery plan, particularly in the healthcare sector. Non-residential construction is expected to pick up significantly in 2024 with an increase of 6.3%, while growth of 3.8% and 2.7% is expected for the following two years.

Slovakia's **civil engineering** sector, with a plus of 14.5%, proved to be by far the strongest segment in the reporting year, mainly due to the end of the EU programming period. The frontrunner was transportation infrastructures – with motorways, expressways and city bypasses as well as maintenance and renovation work. The expansion of the bicycle network was also driven forward. The rail, water and wastewater, and renewable energy sectors will receive additional funding from the European recovery plan. Euroconstruct expects a further increase of 4.7% for the segment in 2024, followed by a decline of 7.9% in 2025 and a further increase of 2.1% in 2026.

With a market share of 4.7% and an output volume of € 410.26 million in 2023, STRABAG is the leader in Slovakia. In road construction, STRABAG's share is 18.9%. In 2023, Slovakia contributed 2% to the Group's total output volume (2022: 2%).

Croatia



1%
Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Croatia	1	6.7	2.6	2.5	9.1	1.6

The Croatian economy grew by 2.6% in the reporting year. A key factor contributing to this development was Croatia's entry into the Schengen area and the eurozone at the beginning of the year. The high-tech sector continued to perform strongly, and tourism also delivered very good results once again. Croatia also became more successful in acquiring and quickly utilising EU funds, especially for the National Recovery and Resilience Plan (NRRP), as well as funds from international financial institutions. Inflation stood at 8.1% in 2023. EECFA expects further GDP growth of 2.5% and 2.8% for 2024 and 2025 respectively.

With strong growth of 9.1%, the Croatian construction industry performed much better than the economy as a whole in 2023. This was true for all segments. Construction growth is expected to weaken significantly again in the coming years, however, among other things due to rising real estate prices and more difficult financing conditions. EECFA forecasts an increase in construction output of 1.6% for the segment in both 2024 and 2025.

The Croatian **residential construction** sector grew more strongly than expected in 2023, with a plus of 6.5%. Domestic demand was up as many young families are looking for new and larger living space. Foreign demand also increased, despite the recession in Austria and Germany. A downward correction in residential construction output is expected in the following years, mainly due to rising real estate prices and the high level of inflation. For 2024 and 2025, EECFA is forecasting declines of 5.6% and 4.1% respectively.

Non-residential construction recorded a strong increase of 8.0% in the reporting year. The market for office buildings grew particularly strongly (+13.7%). Renovations with the aim of building energy-efficient and environmentally friendly offices are being driven by the NRRP. The healthcare and educational buildings sector (+11.5%) is also booming thanks to EU and other international funds being channelled into this segment. The market for industrial buildings, warehouses and hotels also developed very promisingly. EECFA forecasts growth of 3.1% for non-residential construction in Croatia in 2024, followed by a slight decline of 0.5% in 2025.

With growth of 13.3% in the reporting year, **civil engineering** proved to be the strongest segment of the Croatian construction industry. This growth was driven in particular by complex large-scale construction projects at industrial locations and in transportation infrastructures. Croatia was able to convince the EU to extend two core network corridors of the European transport network TEN-T to the country. The expansion of the railway network, which is in need of renovation, is also planned for the next decade. Investments in the electricity grid and the expansion of renewable energies are expected to provide new stimulus as well. EECFA's forecasts are correspondingly positive, with Croatia's civil engineering segment expected to grow by 9.1% in 2024 and by 8.8% in 2025.

With an output of € 241.63 million in 2023, the STRABAG Group holds a 3.6% share in the entire Croatian construction market. In Croatian road construction, the share of the market stands 7.8%.

Further countries and regions

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
United Kingdom	4	264.1	0.4	0.3	-1.6	-2.1
Switzerland	1	69.8	0.8	1.9	-1.1	1.6
Sweden	< 1	55.6	-0.6	1.0	-10.6	-5.7
Serbia	< 1	5.7	2.5	3.5	9.0	-1.9
Slovenia	< 1	5.0	1.6	2.8	4.1	-0.9
Bulgaria	< 1	11.1	2.0	1.8	3.4	2.0
Denmark	< 1	43.7	1.5	1.3	-6.1	-4.9
Italy	< 1	280.8	0.8	0.8	-0.7	-7.3

STRABAG is also active in the Americas, the Middle East, Africa and Asia as well as in Benelux and other European countries. These regions account for 7% of Group revenue (2022: 8%).

Order backlog

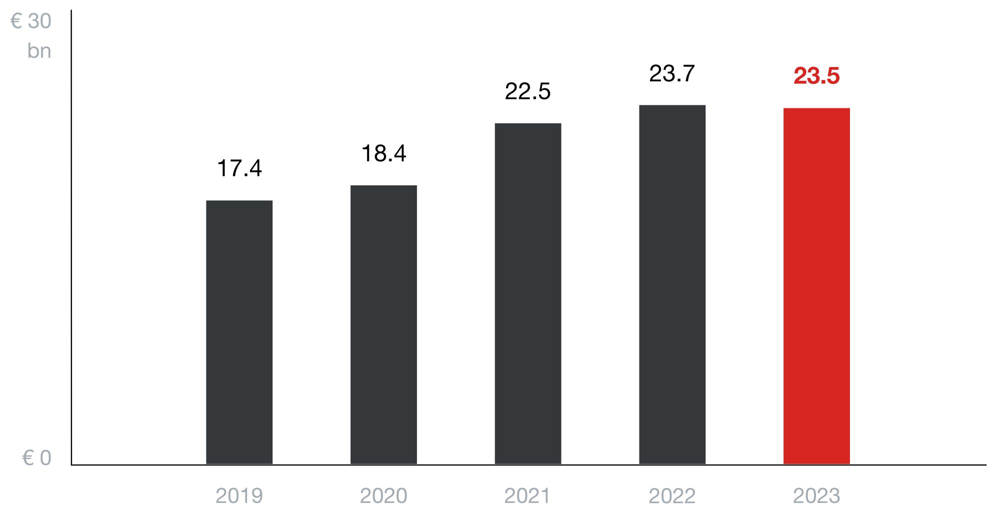
Order Backlog by segment as at 31 December 2023

€ mn	Total 2023	North + West	South + East	Inter-national + Special Divisions	Other	Total 2022	Δ Total %	Δ Total absolute
Germany	12,544	10,750	432	1,341	21	11,154	12	1,390
Austria	2,360	48	2,026	286	0	2,992	-21	-632
Poland	1,944	1	1,906	37	0	1,634	19	310
United Kingdom	1,794	7	5	1,782	0	2,216	-19	-422
Czech Republic	939	0	935	3	1	993	-5	-54
Americas	614	0	0	614	0	883	-30	-269
Romania	496	13	479	4	0	567	-13	-71
Middle East	462	0	27	435	0	256	80	206
Italy	459	0	2	457	0	374	23	85
Hungary	348	0	348	0	0	719	-52	-371
Croatia	323	0	323	0	0	408	-21	-85
Slovakia	232	0	225	7	0	320	-28	-88
Rest of Europe	192	0	182	7	3	270	-29	-78
Asia	175	0	12	163	0	253	-31	-78
Benelux	158	147	0	11	0	220	-28	-62
Switzerland	111	104	5	2	0	101	10	10
Sweden	108	108	0	0	0	98	10	10
Slovenia	59	0	59	0	0	95	-38	-36
Africa	53	0	43	10	0	72	-26	-19
Serbia	49	0	49	0	0	67	-27	-18
Denmark	29	29	0	0	0	16	81	13
Bulgaria	17	0	16	1	0	31	-45	-14
Total	**23,466**	**11,207**	**7,074**	**5,160**	**25**	**23,739**	**-1**	**-273**

€ 23.5 billion
Order backlog

Despite sharp declines on the residential construction market, the **order backlog** remained more or less stable at a very high level of € 23,466.13 million (-1% compared to 31 December 2022). The order backlog grew in Germany, primarily in building construction and civil engineering, in Poland, and in the Middle East, among other regions. As a result of the current interest rate level and the stricter lending guidelines for mortgage loans compared to the rest of Europe, the order backlog in Austria remained below the above-average level of the previous year. The decline in the United Kingdom and in the Americas can be explained by the gradual completion of major projects in those regions.

Development of order backlog



Additions to the order backlog in Germany include the expansion of the U5 subway lines in Hamburg and Munich, the turnkey construction of a replacement building for Ruhr University in Bochum, and the construction of the sustainable office building Inspire Neukölln in Berlin. In the Middle East, infrastructure and building construction projects worth around € 383 million were acquired in the United Arab Emirates, Oman and Qatar. In the Czech Republic, the Group was awarded the contract to modernise the Masaryk railroad station in Prague, while in Poland STRABAG is constructing a production and logistics building for Cognor S. A. and building the country's third longest bridge over the river San near the city of Stalowa Wola.

Construction sites included in the order backlog as at 31 December 2023

Category	Number of construction sites	Number of construction sites as % of total	Order backlog € mn	Order backlog as % of total
Small orders (€ 0–1 mn)	10,184	79	2,028	9
Medium-sized orders (€ 1–15 mn)	2,153	17	3,734	16
Large orders (€ 15–50 mn)	321	3	4,258	18
Very large orders (>€ 50 mn)	171	1	13,446	57
Total	**12,828**	**100**	**23,466**	**100**

The total order backlog is comprised of **12,828 individual projects**. More than 10,100 of these, or 79%, involve small orders with a volume of up to € 1 million each; the remaining proportion of 21% covers medium-sized to very large orders with contract volumes of € 1 million and up. A total of merely 171 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 2023 added up to 21% of the order backlog.

Selected large projects in the order backlog as at 31 December 2023

Country	Project	Order backlog € mn	As % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1,176	5.0
Germany	US hospital, Weilerbach	627	2.7
Germany	Bayerische Versorgungskammer	595	2.5
United Kingdom	Woodsmith Project	592	2.5
Germany	U5 East, Hamburg	580	2.5
Germany	Central Business Tower	393	1.7
Germany	Stuttgart 21, underground railway station	283	1.2
Germany	Replacement building, Ruhr University Bochum	270	1.2
Canada	Scarborough Subway Extension Line 2	268	1.1
Germany	Friedrichspark Berlin	171	0.7
Total		**4,955**	**21.1**

Financial performance

The consolidated **Group revenue** for the 2023 financial year amounted to € 17,666.54 million. As many of the acquisitions involved large-scale projects realised under a joint venture arrangement, the revenue growth, at 4%, was less pronounced than the 8% growth in output. This effect is also reflected in the ratio of revenue to output, which fell year-on-year from 96% to 92%. The operating segments North + West contributed 41%, South + East 42% and International + Special Divisions 17% to the revenue.

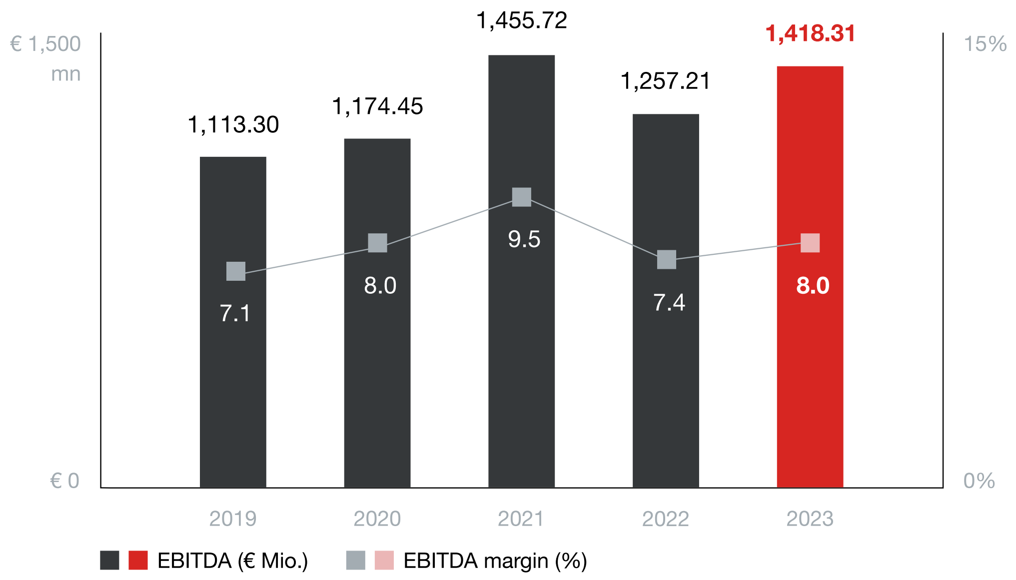
The **changes in inventories** mainly involve real estate project developments. Successful sales were more than compensated for by new projects. The **own work capitalised** fell at a low level due to the completion of several corporate locations. The total of **expenses for construction materials, consumables and services used** and **employee expense**, expressed in relation to the revenue, remained almost constant at 90% (2022: 89%) – despite the at times high inflation.

Expenses

€ mn	**2023**	2022	Δ %
Construction materials, consumables and services used	11,275.08	10,988.65	3
Employee benefits expense	4,540.90	4,133.73	10
Other operating expenses	1,086.60	1,013.28	7
Depreciation and amortisation expense	538.12	550.81	-2

The **earnings from equity-accounted investments** increased significantly to € 144.13 million in the reporting period, mainly thanks to higher earnings from joint ventures. The **net income from investments**, which comprises the dividends and expenses of many smaller companies and financial investments, fell slightly compared to the previous year.

Development of EBITDA and EBITDA margin



In total, the **earnings before interest, taxes, depreciation and amortisation (EBITDA)** increased by 13% to € 1,418.31 million, continuing the trend of exceeding the € 1.0 billion mark established in recent years. As a result, the **EBITDA margin** showed a year-on-year increase from 7.4% to 8.0%. The depreciation and amortisation expense fell slightly by 2.3% to € 538.12 million.

The **earnings before interest and taxes (EBIT)** increased significantly by 25% to € 880.20 million in 2023. The EBIT margin grew to 5.0% (2022: 4.2%), thus exceeding the original forecast. This development is due to positive earnings effects resulting from the strong market positions in the North + West segment.

The **net interest income** increased to € 44.13 million (2022: € 10.7 million). The strong year-on-year growth is primarily due to higher interest income – caused by the higher interest rate level and STRABAG SE's net cash position. The exchange rate result included in this figure turned negative in 2023 at € -15.90 million (2022: € 3.20 million) due to negative exchange rate differences.

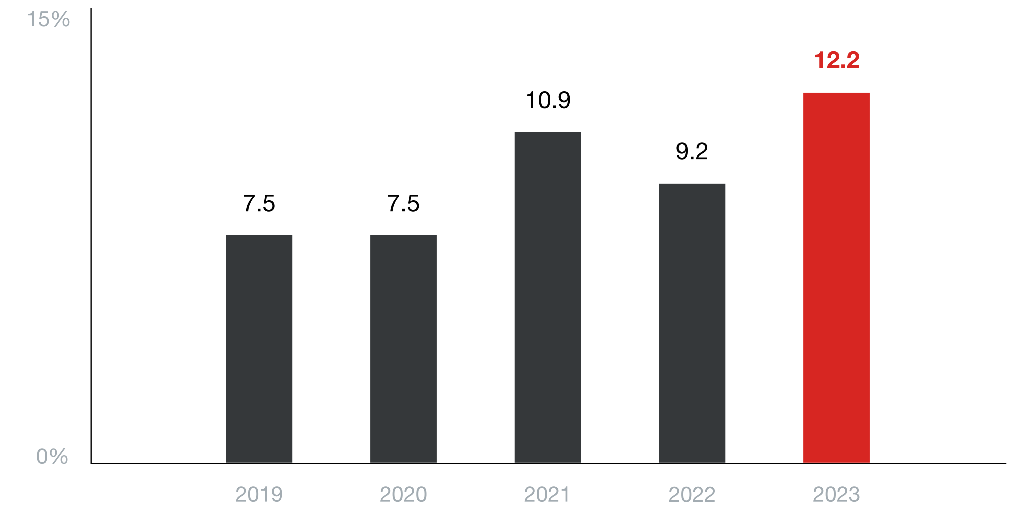
31.5%
Effective tax rate

On balance, the **earnings before taxes** totalled € 924.32 million. The **income tax rate**, at 31.5%, was slightly lower than in the previous year. The **net income** amounted to € 633.39 million, which corresponds to an increase of 32% compared to 2022.

€ 6.30
Earnings per share

The earnings owed to minority shareholders totalled € 2.89 million, compared to € 7.68 million in the previous year. The **net income after minorities** increased by 33% to € 630.51 million, the highest figure in the history of STRABAG SE. The **earnings per share** amounted to € 6.30 (2022: € 4.60).

Development of ROCE



The **return on capital employed (ROCE)** rose from 9.2% in the previous year to 12.2%. This is the highest value in the history of STRABAG SE.

Financial position and cash flows

Balance sheet

€ mn	**31.12.2023**	**% of balance sheet total**	31.12.2022	% of balance sheet total
Non-current assets	5,477	40	5,292	42
Current assets	8,229	60	7,392	58
Equity	4,409	32	4,025	32
Non-current liabilities	2,228	16	2,194	17
Current liabilities	7,069	52	6,465	51
Total	**13,706**	**100**	**12,684**	**100**

The **total of assets and liabilities** increased year-on-year from € 12,683.76 million to € 13,706.21 million mainly due to the increase in cash and cash equivalents and inventories. A decline was recorded in other financial assets.

32.2%
Equity ratio

The **equity** as at 31 December 2023 was up to € 4,409.36 million. The previous buyback obligation for own shares in the amount of a maximum of 10% of the share capital was to be deducted directly from retained earnings as at 31 December 2022 as part of the mandatory anticipatory offer at the time. As only 2.7% of own shares were ultimately purchased, the difference of € 291.31 million was transferred back to retained earnings in 2023. This was offset by capital reductions of € 337.87 million from the capital measures implemented starting in September 2023 to reduce the stake held by MKAO "Rasperia Trading Limited". The capital reductions implemented as part of these measures changed the ratio of free reserves to appropriated reserves. The **equity ratio** increased to 32.2% (31 December 2022: 31.7%).

Key balance sheet figures

	31.12.2019	31.12.2020	31.12.2021	31.12.2022	**31.12.2023**
Equity ratio (%)	31.5	33.9	33.3	31.7	32.2
Net debt (€ mn)	-1,143.53	-1,747.23	-1,937.18	-1,927.70	-2,643.24
Gearing ratio (%)	-29.7	-42.5	-47.6	-47.9	-59.9
Capital employed (€ mn)	5,838.71	5,815.14	5,750.63	5,407.37	5,726.41

€ 2.6 billion
Net cash position

Another **net cash position** was reported for 31 December 2023 – with a noticeable increase to € 2,643.24 million due primarily to higher cash and cash equivalents and a further reduction in financial liabilities.

Calculation of net debt[1]

€ mn	31.12.2019	31.12.2020	31.12.2021	31.12.2022	**31.12.2023**
Financial liabilities	1,422.21	1,156.01	1,193.62	957.20	898.93
Severance provisions	124.68	122.55	108.36	91.38	98.27
Pension provisions	435.92	428.36	376.83	333.55	319.85
Non-recourse debt	-665.53	-597.20	-652.74	-607.97	-509.67
Cash and cash equivalents	-2,460.81	-2,856.95	-2,963.25	-2,701.85	-3,450.62
Total	**-1,143.53**	**-1,747.23**	**-1,937.18**	**-1,927.70**	**-2,643.24**

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.

The **cash flow from operating activities** increased significantly year-on-year from € 812.86 million to € 1,816.51 million. This development is due to an increase in cash flow from earnings on the one hand and an unexpected reduction in working capital on the other. The forecast reduction in advance payments as a result of higher interest rates did not materialise for the time being.

The **cash flow from investing activities** was more negative, as expected, particularly due to higher investments in financial assets and enterprise acquisitions, including acquisitions in facility services, energy and building services management, and amounted to € -654.87 million (2022: € -560.42 million).

The **cash flow from financing activities** was less negative at € -430.58 million (2022: € -503.66 million). The repayment of a bond in the amount of € 200 million in the previous year resulted in an effect that more than compensated for the acquisition of own shares tendered as part of an anticipatory mandatory offer by the Austrian core shareholders.

Report on own shares

The company held 2,779,006 treasury shares (2.7% of the share capital) as at 31 December 2023. Following entry of the ordinary non-cash capital increase in the commercial register on 21 March 2024, the volume of own shares held as a percentage of the share capital fell to 2.4%.

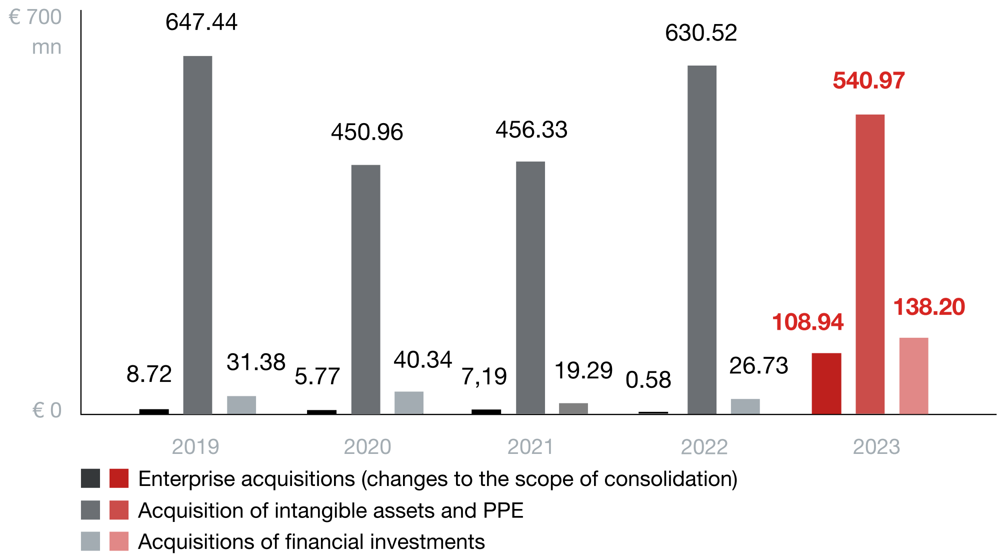
Further details can be found in the management report under Disclosures under Sec 243a Para 1 UGB.

Capital expenditures

€ 655 million
Net investments

STRABAG had forecast **net investments** (cash flow from investing activities) of up to € 700 million for the 2023 financial year. In the end, they amounted € 654.87 million.

Composition of CapEx



The **gross investments (CapEx)** before subtraction of proceeds from asset disposals stood at € 788.11 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 € 540.97 million, the purchase of financial assets in the amount of € 138.20 million and € 108.94 million from changes to the scope of consolidation

Particularly significant investments include maintenance expenditures at our permanent establishments in the core markets of Germany, Austria and Poland as well as additional investments in the construction materials network in several different countries. The latter mainly involve investments in modern asphalt and concrete mixing plants to promote circularity within the Group. Investments were also made in tunnelling as part of several ongoing large-scale projects in the United Kingdom and the Americas.

Expenditures on intangible assets and on property, plant and equipment during the year under report must be seen against the depreciation and amortisation expense in the amount of € 549.16 million. At € 7.45 million, goodwill impairment was slightly higher than the previous year's value of € 6.70 million. This was offset by write-ups from investment property totalling € 18.5 million.

Financing and treasury

Key figures treasury

	2019	2020	2021	2022	**2023**
Interest and other income (€ mn)	30.97	27.89	26.96	50.74	119.19
Interest and other expense (€ mn)	-56.32	-48.49	-39.53	-40.07	-75.07
EBIT/net interest income (x)	-23.8	-30.6	-71.3	66.2	19.9
Net debt/EBITDA (x)	-1.0	-1.5	-1.3	-1.5	-1.9

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 liquidity situation is continuously monitored by treasury management, managed via a corporate-wide cash pooling system and supported at project level by strict working capital management.

€ 3.5 billion
Cash and cash equivalents

The existing **liquidity** of € 3.5 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 € 8.5 billion. The credit lines include a syndicated surety credit line in the amount of € 2.0 billion and a revolving syndicated cash credit line of € 0.4 billion, each with a term to maturity until 2026. The Group also has bilateral credit lines with banks. With a high degree of diversification regarding its surety and cash credit, STRABAG creates an adequate risk spread in the provision of the credit lines and secures its comfortable liquidity position.

BBB, stable
S&P corporate credit rating

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 October 2023. 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

€ mn	**Book value 31.12.2023**	Book value 31.12.2022
Bank borrowings	534.71	624.76
Lease liabilities	364.22	332.44
Total	**898.93**	**957.20**

Segment report

Overview of the four segments within the group

The business of STRABAG SE was divided into four segments in 2023, 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 2023, the segments were comprised as follows:

North + West

Management Board responsibility: Jörg Rösler
Germany, Switzerland, Benelux (until 31 December 2023), Scandinavia, Ground Engineering

Management Board responsibility: Klemens Haselsteiner
Benelux (since 1 January 2024)

South + East

Management Board responsibility: Alfred Watzl
Austria, Poland, Czech Republic, Slovakia, Hungary, South-East Europe, Environmental Technology, Construction Materials (since 1 July 2023)

International + Special Divisions

Management Board responsibility: Siegfried Wanker
Tunnelling, International, Infrastructure Development, Real Estate Development, Services, Construction Materials (until 30 June 2023)

Other

Management Board responsibility: Klemens Haselsteiner and Christian Harder
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.

Segments are primarily categorised according to geographical aspects. Specialities in particular – e.g. tunnelling – are naturally in demand worldwide. Such business fields are shown in the International + Special Divisions segment. At the same time, the North + West and South + East segments sometimes include international business fields such as environmental technology.

Certain services may be performed in more than one segment. The activities below have been assigned to those segments in which the most significant portion of the services was provided. Details are available in the table.

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.

Range of services offered

	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			√
Renewable Energy Development			√
Operation/Maintenance/Marketing of PPP and Renewable Energy Projects			√
Property and Facility Services			√

Segment North + West

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

With effect from 1 January 2023, Switzerland was added to the North + West segment, Poland to the South + East segment. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	8,216.66	7,865.46	4	351
Revenue	7,280.19	7,157.26	2	123
Order backlog	11,207.13	10,337.38	8	870
EBIT	644.82	456.53	41	188
EBIT margin (% of revenue)	8.9	6.4		
Employees (FTE)	22,136	21,683	2	453

Output volume – North + West segment

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Germany	7,614	7,206	6	408
Switzerland	216	190	14	26
Benelux	172	143	20	29
Sweden	95	121	-21	-26
Austria	36	50	-28	-14
United Kingdom	29	48	-40	-19
Romania	26	26	0	0
Denmark	20	56	-64	-36
Rest of Europe	6	18	-67	-12
Hungary	1	5	-80	-4
Poland	1	1	0	0
Middle East	1	1	0	0
Total	**8,217**	**7,865**	**4**	**352**

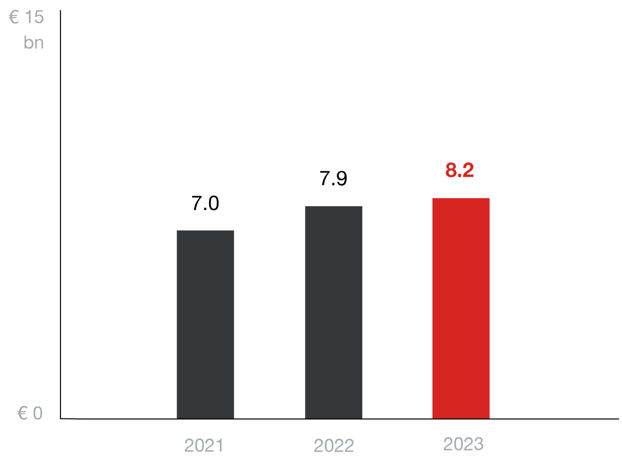
Output, revenue and EBIT

Germany as a driver of higher output

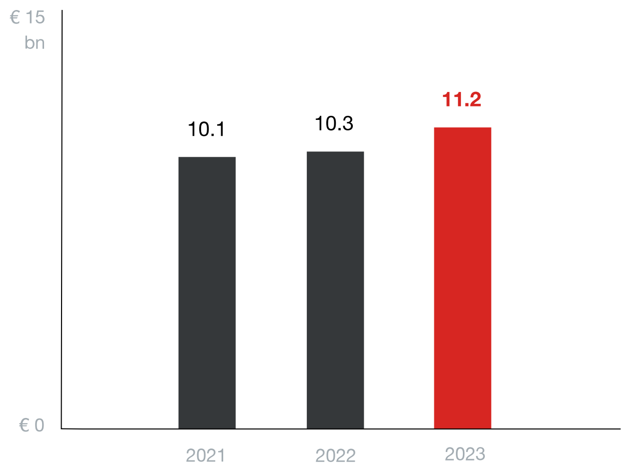
The North + West segment recorded a 4% year-on-year increase in **output volume** to € 8,216.66 million in 2023. This was attributable in particular to the home market of Germany, both in building construction and civil engineering as well as in transportation infrastructures, and to a lesser extent to the Benelux countries and Switzerland. This growth was contrasted by declines in Denmark and Sweden.

Revenue grew by 2% to € 7,280.19 million. The **EBIT** increased sharply by 41% to € 644.82 million, resulting in a very high EBIT margin of 8.9%. This development is due on the one hand to the absence of negative earnings effects from large-scale projects in Denmark and the Netherlands. On the other hand, cost inflation in Germany weakened and follow-up negotiations for large infrastructure projects were successfully concluded. The latter, however, does not represent a regularly recurring earnings component.

Output volume



Order backlog



Order backlog

Order backlog expanded at high level

The **order backlog** as at 31 December 2023 grew by 8% from an already very high level to € 11,207.13 million, mainly due to growth in the home market of Germany. Notable additions to the order backlog in Germany include the extension of the U5 underground lines in Hamburg and Munich, the turnkey construction of a replacement building for Ruhr University Bochum and the construction of the sustainable office property Inspire Neukölln in Berlin.

Employees

The **number of employees** in the North + West segment in 2023 was up by 2% to 22,136 FTEs. In line with the strong output growth, the largest staff increase was recorded in the home market of Germany. Declines were registered on a smaller scale in Denmark, the Benelux countries and Sweden.

Outlook

Slight output growth expected

Based on the continuing high order backlog, STRABAG expects slight output growth in the North + West segment in 2024 despite the challenging conditions.

In **Germany**, material prices are showing signs of normalising and stabilising, while energy prices remain at a comparatively high level. We are compensating for the decline in demand in residential and office construction caused by the current interest rate situation with projects in infrastructure and industrial construction. A slight shift from private to public clients is evident here. In the German transportation infrastructure business, the current volume of orders forms a solid basis for a similar output level as in the previous year. Increased demand and new projects are increasingly being observed in projects relating to the energy transition.

Predatory pricing remains a serious concern in the **Benelux** countries. Here the Group will continue to pursue its chosen path of consolidation and stabilisation together with a highly selective bidding strategy. In the Netherlands and Belgium, opportunities are likely to arise in industrial construction, particularly in projects relating to the energy transition.

The consolidation and stabilisation that was initiated in **Scandinavia** will be continued here as well. The focus will be on medium-sized projects, primarily in commercial and industrial construction.

The demand for construction services in **Switzerland** remains stable. Following a period of successful consolidation, we are continuing on our growth path. The necessary investments have already been made.

Selected projects – North + West segment

Country	Project	Order backlog in € mn	As % of total Group order backlog
Germany	US hospital, Weilerbach	627	2.7
Germany	Bayerische Versorgungskammer	577	2.5
Germany	U5 East, Hamburg	406	1.7
Germany	Central Business Tower	393	1.7
Germany	Stuttgart 21, underground railway station	283	1.2

Segment South + East

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

With effect from 1 January 2023, Switzerland was added to the North + West segment, Poland to the South + East segment. The construction materials business, previously reported as part of International + Special Divisions, was integrated into the South + East segment with retroactive effect from 1 January 2023. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	7,741.90	7,087.08	9	655
Revenue	7,344.06	6,788.98	8	555
Order backlog	7,074.25	7,969.32	-11	-895
EBIT	392.57	236.89	66	156
EBIT margin (% of revenue)	5.3	3.5		
Employees (FTE)	27,057	27,514	-2	-457

Output volume – South + East segment

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Austria	2,722	2,616	4	106
Poland	1,262	1,065	19	197
Czech Republic	981	1,073	-9	-92
Hungary	784	656	20	128
Romania	486	280	74	206

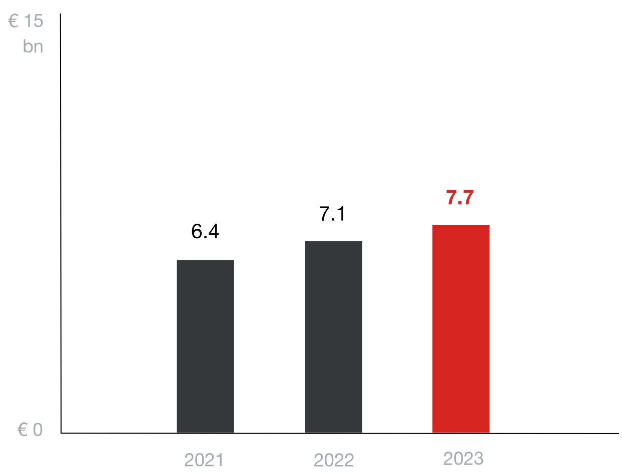
€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Germany	423	354	19	69
Slovakia	398	341	17	57
Croatia	241	238	1	3
Serbia	137	145	-6	-8
Slovenia	117	79	48	38
Rest of Europe	93	154	-40	-61
Bulgaria	59	51	16	8
Africa	16	9	78	7
Italy	9	11	-18	-2
United Kingdom	7	7	0	0
Middle East	6	1	> 100	5
Switzerland	3	3	0	0
Asia	-2	4	n.a.	-6
Total	**7,742**	**7,087**	**9**	**655**

Output, revenue and EBIT

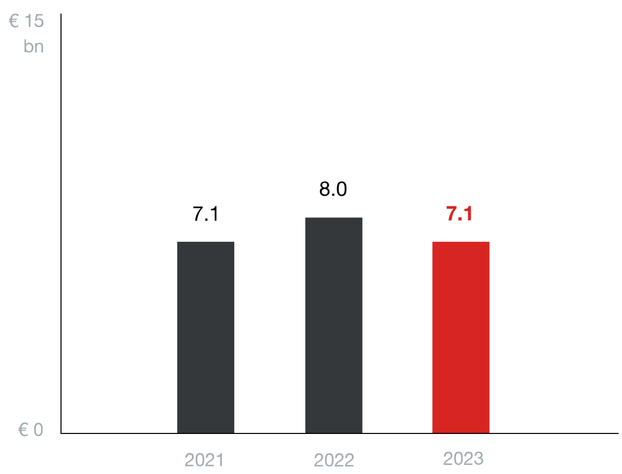
Strong output growth in Romania and Poland

The **output volume** in the South + East segment grew significantly by 9% to € 7,741.90 million in the 2023 financial year. The largest output growth in absolute terms was generated in Romania, followed by Poland and Hungary. With the exception of the Czech Republic, output also increased in the home market of Austria and in the remaining countries of Central and Eastern European. **Revenue** increased in line with output, growing by 8% to € 7,344.06 million. Earnings improvements in the markets of Eastern and South-East Europe led to a significant 66% increase in the EBIT to € 392.57 million. At 5.3%, the **EBIT** margin for the South + East segment was above the Group average in 2023.

Output volume



Order backlog



Order backlog

Sharp decline in residential construction in Austria

The **order backlog** fell by 11% year-on-year to € 7,074.25 million. As a result of the current interest rate level and the stricter lending guidelines for mortgage loans compared to the rest of Europe, the order backlog remained below the above-average level of the previous year, particularly in Austria. In Hungary, the order backlog declined due to the government investment freeze and the withholding of EU funds. In contrast, growth was generated in Poland. Notable new orders here include the construction of a production and logistics building for Cognor S. A. and the construction of the country's third-longest bridge over the river San near the town of Stalowa Wola.

Employees

The **number of employees** fell by 2% to 27,057 FTEs in 2023. Declining figures were recorded in Croatia, Hungary and Bulgaria, among others. In line with the higher output, staff numbers grew in Romania.

Outlook

Stable output at a high level

The outlook in the South + East segment is expected to remain stable at a high level in 2024.

In **Austria**, the significant decline in demand for residential construction persists due to the interest rate situation and tighter lending standards. Now that the European Central Bank's cycle of interest rate hikes has presumably come to an end, market participants are beginning to adjust to the new framework. The stimulus measures announced by the Austrian government should also have a positive effect. In other building construction, demand for commercial and industrial construction and for public building construction is having a positive impact. Transportation infrastructures and infrastructure construction are generally stable, although high inflation is restricting the public sector's budgetary leeway. The expected reduction in energy, material and subcontractor costs could have a positive effect on earnings.

In **Poland**, tenders for transportation infrastructure projects recently fell off due to the change of government and the upcoming local elections. EU structural funding means that new investments are expected, particularly in railway construction and relating to the energy transition. Residential construction is also developing more favourably again. In other building construction, a positive trend is emerging with industrial projects.

The situation in **Hungary** remains challenging. The significant decline in the construction volume is due in particular to the withholding of EU funds. On the positive side, however, there are increasing orders from the automotive industry and from automotive suppliers manufacturing in the country.

The **Czech transportation infrastructures** sector remains dominated by predatory pricing for large-scale projects. The high demand for special infrastructure in tunnelling, ground engineering and hydraulic engineering is being met through internal collaboration within the Group. In railway construction, a new large-scale project was acquired at the beginning of the year with the modernisation of the Masaryk railway station in Prague. Private investors remain inhibited in building construction by the high interest rates. Industrial and office construction recorded a sharp decline, and the residential construction market is also at a lower level than in the same period of the previous year.

In **Slovakia**, the number of projects put out to tender in transportation infrastructures is expected to increase again after the parliamentary elections in 2023. In building construction, private investors are being adversely affected by the interest rate situation. In contrast, positive trends are emerging in public building construction.

The development of demand in the markets of **South-East Europe** is mixed. In Croatia and Slovenia, the focus is on transportation infrastructures and the construction of industrial facilities. In Romania, contract awards may be delayed in general due to upcoming local elections. Romania's public building construction sector is showing positive trends, despite the increasing competition from outside of Europe.

The **building materials and environmental technology** activities that are bundled in the South + East segment are showing a satisfactory trend overall. These activities are of key importance for the action areas of circularity and expertise in the energy sector in our Strategy 2030.

Selected projects – South + East segment

Country	Project	Order backlog in € mn	As % of total Group order backlog
Czech Republic	D1 Říkovice–Přerov	157	0.7
Austria	Medical rehabilitation centre, Vienna	138	0.6
Czech Republic	Modernisation of Masaryk Railway Station, Prague	137	0.6
Romania	Mihail Kogălniceanu Airport	136	0.6
Poland	A2 Siedlce Zachód–Malinowiec	126	0.5
Czech Republic	Pankrác–Olbrachtova underground line	120	0.5

Segment International + Special Divisions

The International + Special Divisions segment comprises the majority of STRABAG SE's non-European business in addition to its global tunnelling activities. The segment also encompasses infrastructure development, real estate development, and property and facility services, irrespective of where these are performed.

The construction materials business, previously reported as part of the International + Special Divisions segment, was integrated into the South + East segment with retroactive effect from 1 January 2023. The previous year’s figures have been adjusted accordingly.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	2,957.27	2,644.81	12	312
Revenue	2,984.48	3,061.97	-3	-77
Order backlog	5,159.42	5,412.72	-5	-253
EBIT	-132.10	44.81	n.a.	-177
EBIT margin (% of revenue)	-4.4	1.5		
Employees (FTE)	20,360	17,526	16	2,834

Output volume – International + Special Divisions segment

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Germany	953	754	26	199
United Kingdom	635	523	21	112
Americas	562	556	1	6
Austria	262	244	7	18
Middle East	211	250	-16	-39
Asia	152	132	15	20

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Italy	53	10	>100	43
Poland	51	46	11	5
Benelux	17	33	-48	-16
Africa	15	38	-61	-23
Slovakia	11	9	22	2
Rest of Europe	11	-6	n.a.	17
Sweden	10	29	-66	-19
Czech Republic	6	7	-14	-1
Romania	4	7	-43	-3
Switzerland	3	2	50	1
Slovenia	1	2	-50	-1
Denmark	0	5	-100	-5
Hungary	0	2	-100	-2
Bulgaria	0	2	-100	-2
Total	**2,957**	**2,645**	**12**	**312**

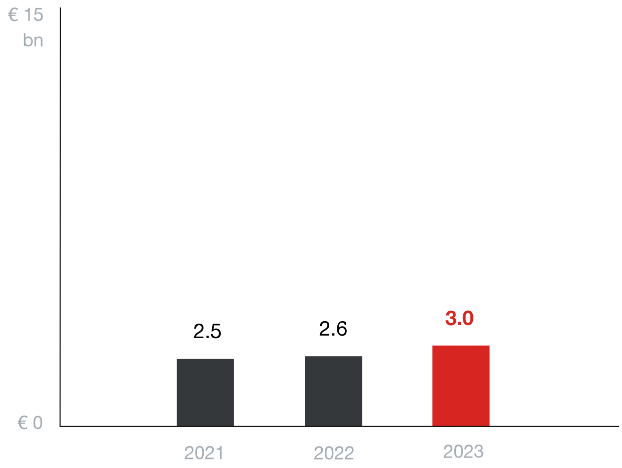
Output, revenue and EBIT

Significant output growth

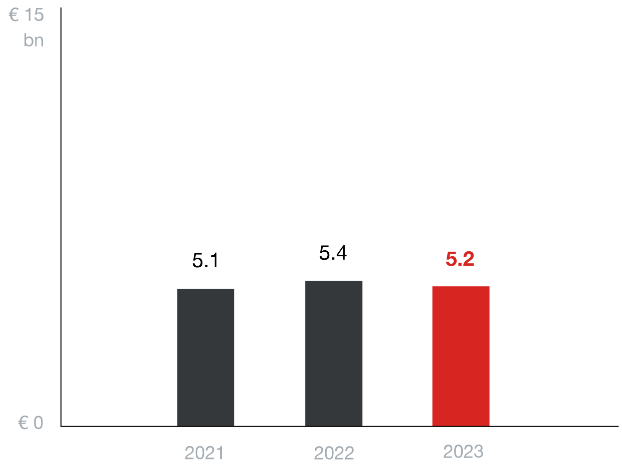
The International + Special Divisions segment generated a 12% higher **output volume** of € 2,957.27 million in 2023. The strongest output growth was registered in Germany, primarily due to an acquisition in the Property & Facility Services division. The completion of several large-scale projects in the United Kingdom as well as road construction and road maintenance projects in Italy also contributed to the significant increase in this figure.

In contrast to output, **revenue** fell by 3% to € 2,984.48 million, reflecting the change in the revenue-to-output ratio from 116% to 101%. The segment is subject to regular fluctuations due to the presence of large-scale and mega-sized projects. Higher earnings contributions were achieved in property and facility services and in infrastructure development, among others. The real estate development business also performed robustly despite the challenging environment, making a positive contribution to earnings. These developments were more than offset by provisions for two major international projects, however, resulting in a negative **EBIT** of € -132.10 million (2022: € 44.81 million).

Output volume



Order backlog



Order backlog

Order backlog down due to ongoing fulfilment of megaprojects

The **order backlog** as at 31 December 2023 was down 5% year-on-year to € 5,159.42 million. Notable declines were recorded in the Americas and in the United Kingdom, where several megaprojects in tunnelling, including Line 2 of the Toronto subway or the HS2 high-speed rail line between London and Birmingham, are in the process of being fulfilled. In contrast, strong order growth was registered in Germany, and tunnelling and road construction orders were successfully acquired in Italy and the Middle East.

Employees

Given the relative size of the individual projects within the International + Special Divisions segment, the **number of employees** in the various countries varies greatly. Overall, the headcount increased by 16% to 20,360 FTEs. In line with the output trend, staff numbers were up year-on-year, particularly in Germany and the Americas, but also in Asia.

Outlook

Noticeable increase in output expected

For 2024 as a whole, the International + Special Divisions segment is expected to achieve a noticeably higher output volume than in the previous year, supported especially by the order situation in tunnelling.

Due to the size of the projects, the **tunnelling business** is subject to constant volatility. The low market volume in tunnelling and increased price competition in Austria were more than compensated for by large infrastructure projects in Germany. Despite the gradual fulfilment of large-scale projects in the United Kingdom, Chile and Canada, the order backlog was maintained at a high level following a number of successful acquisitions.

The **international business**, with its focus on established markets in the Middle East, is developing at an above-average rate. Internationally, STRABAG is a successful provider of specialised construction services, for example in test track construction and asphalt hydraulic engineering. New orders for intelligent transport systems in India are having a positive impact on output. In Chile, opportunities in the renewable energy sector continue to present themselves following the successful realisation of several projects in this field.

Stable development, combined with opportunities for organic growth, is expected in the **property and facility services** business in 2024. Following the successful integration of facility management service provider Bockholdt GmbH & Co. KG in Germany, the focus will be on services for the decarbonisation of properties. At the same time, the expansion of MEP and energy management services is to be further accelerated, organically as well as through acquisitions.

In **infrastructure development**, the situation remains challenging for large-scale projects in the European core markets, although a few tenders are expected in road construction. In South America, an increase in new tenders is expected in the infrastructure sector. In line with the Group Strategy 2030, STRABAG is focussing increasingly on the development of renewable energy projects in its core markets.

Real estate development is being adversely affected in particular by the interest rate turnaround and the bleak economic environment. At the same time, there are signs of a supply gap, particularly for sustainable properties. With expectations of interest rate cuts, the environment for property developers should gradually stabilise starting in the second half of the year. STRABAG Real Estate's prudent acquisition policy and conservative project valuation have so far proved robust, however. The strong development and implementation competence with regard to sophisticated sustainability and new work concepts could give STRABAG a competitive edge in the future.

Selected projects – International + Special Divisions segment

Country	Project	Order backlog in € mn	As % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1,176	5.0
United Kingdom	Woodsmith Project	588	2.5
Canada	Scarborough Subway Extension Line 2	268	1.1
Germany	U5 East, Hamburg	174	0.7
United Arab Emirates	twofour54 Studios	151	0.6

Segment Other

Service companies and central staff divisions

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

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	223.31	138.12	62	85
Revenue	57.81	17.64	>100	40
Order backlog	25.33	19.42	30	6
EBIT	3.30	1.00	>100	2
EBIT margin (% of revenue)	5.7	5.7		
Employees (FTE)	7,583	7,017	8	566

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 management task

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 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 categories

The Group's internal risk reporting defines the following central risk categories:

Risk management using defined risk groups

- External risks
- Operating and technical risks
- Financial risks
- Ethical risks
- Human resource risks
- IT risks
- Investment risks
- Legal risks
- Political risks

Additional risks exist with regard to work safety, environmental protection, quality, business continuity and supply chain.

Following ISO 31000 and the Committee of Sponsoring Organisations of the Treadway Commission (COSO), our risk management system forms part of our integrated management system. We deal with the risks identified by us as follows:

External risks

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

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 risks

Active liquidity and receivables management

Under financial risks, STRABAG understands risks in financial matters and in accounting, including instances of manipulation. Special attention is paid to the **liquidity and receivables management**, which is secured through continuous financial planning and daily status reports. Compliance with internal commercial guidelines is ensured by the central accounting and controlling departments, which are also responsible for internal reporting and the periodic planning process. Risks from possible instances of manipulation (acceptance of advantages, fraud, deception or other infringements of the law) are monitored by the central divisions in general and the **internal audit department** in particular.

STRABAG is subject to interest, currency, credit and liquidity risks with regard to its assets, liabilities and planned transactions. The goal of financial risk management is to minimise these risks through ongoing financial activities. The basic principles of the financial policy are determined by the Management Board and monitored by the Supervisory Board. The implementation of the financial policy and responsibility for the ongoing risk management are the domain of the Group's treasury department. Detailed information can be found in the Notes under item 35 Financial Instruments.

Ethical risks

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 STRABAG online whistleblower platform. Details on the ethical risks are available in the sustainability 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 sustainability 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

Strategic minority holdings

The shares in mixing companies typically involve **sector-typical minority interests**. With these companies, economies of scope are at the fore.

As part of the Group Strategy 2030, STRABAG intends to build more in the energy sector, among other things. The focus is on renewable energy and heat generation and storage. Against this backdrop, STRABAG has held a minority stake in the battery storage manufacturer CMBlu Energy since 2023.

Legal risks

Legal risks avoided through extensive risk analysis

The central division CML Construction Services supports the risk management of the operating entities in matters of construction management and construction operation in all project phases **(Contract Management)** and provides, organises and coordinates legal advice **(Legal Services)** in this regard. Its most important tasks include comprehensive reviews and consultation in project acquisition – e.g., analysis and clarification of tender conditions, performance specifications, pre-contract agreements, tender documents, draft contracts and framework conditions – as well as support in project management.

Political risks

Interruptions and expropriations conceivable

The Group also operates in countries experiencing political instability. Interruptions of construction activity, restrictions on ownership by foreign investors, and even expropriations are among the possible consequences of political changes which could have an impact on the Group's financial structure. These risks are analysed during the tendering phase and assessed by **internal commissions**.

Occupational safety

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 sustainability report pursuant to Sec 267a UGB.

Environmental protection

Certified environmental and energy management system desired

STRABAG undertakes to avoid negative environmental impacts as far as possible within its own sphere of influence - insofar as this is technically feasible and economically justifiable. It also does its part to reduce negative impacts along the supply chain. STRABAG operates an effective environmental and energy management system based on **ISO 14001** or **EMAS, ISO 50001** or equivalent and seeks – wherever possible – to minimise the use of natural resources, avoid waste and promote recycling. Details on the environmental risks are available in the sustainability report pursuant to Sec 267a UGB. Risks from the effects of climate change are presented in the Notes.

Quality

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.

Supply chain

Evaluation of partner companies to reduce risks in the supply chain

In the interest of quality and efficiency, STRABAG not only taps its own skills and resources to work off its orders, but also relies on the support of proven subcontractors and suppliers. The company focuses on long-term partnerships, a clear, transparent and complete description of the services and products to be procured, and an agreement on acceptance criteria for the products and services. STRABAG also systematically **evaluates subcontractors, service providers and suppliers** as part of its **decision-making** foundation for **future orders**.

A review of the current risk situation reveals that there were no risks which jeopardised the company's existence, nor were there any visible future risks.

Report on key features of the internal control and risk management system in relation to the financial reporting process

Introduction

The control structure as defined by COSO (Committee of Sponsoring Organisations of the Treadway Commission) provides the basis for describing the key features of the internal control and risk management systems with regard to the financial reporting process in the management report. The COSO framework consists of five interrelated components: control environment, risk assessment, information and communication, control activities and monitoring activities. On this basis, the STRABAG Group has set up a corporate-wide risk management system in accordance with generally accepted principles. The aim of the internal control system is to support the management in such a way that it is able to ensure internal controls with regard to financial reporting which are effective and which are improved on an ongoing basis. The system is geared to the compliance with rules and regulations and to creating conditions which are conducive to performing specific controls in key accounting processes.

Control environment

Internal audit report

Find out more

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 at the end of the 2023 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

Technology leadership is a central component of STRABAG SE's Group Strategy 2030. Besides using new technologies, the Group initiates forward-looking projects, brings its in-house innovations to market maturity and pursues research partnerships, thereby consolidating its expertise across the entire Group. STRABAG spent a total of around € 17 million on research, development and innovation activities in the 2023 financial year (2022: approx. € 16 million).

Innovation and digitalisation concentrated in SID

Digitalisation and sustainability are the overriding themes these days in all segments of the construction industry. On the way to becoming a data-driven organisation, STRABAG is therefore focusing on cloud-based data storage, breaking down data silos and encouraging regular communication and exchange. The Group is committed to the ongoing advancement of the BIM 5D® digital working method, construction-specific applications for sensor technology, the Internet of Things (IoT) and artificial intelligence (AI). It is also helping to drive the advance of automation through robotic applications and semi-autonomous machines. At the same time, STRABAG is putting enormous effort into strategic innovation projects in the area of environmental sustainability. Central topics here are the circular economy and sustainable thinking with regard to energy, engineering and materials development.

Since 2020, **STRABAG Innovation & Digitalisation (SID)** – with 425 employees at over 15 locations – has taken the lead in initiating developments and providing expert support while maintaining a full overview of corporate-wide innovation activities and their measurable results. Numerous research and development projects are realised in close collaboration between the various operating divisions and the central divisions BMTI, TPA and Zentrale Technik. A large portion of the development work is triggered by the construction projects themselves. Certain issues also require medium-term collaboration with research institutions and partner companies.

Projects in Transportation Infrastructures

Top priorities in **transportation infrastructures** are the digitalisation and automation of construction processes as well as the development of sustainable production and paving methods. The quarry operated by STRABAG subsidiary Mineral Baustoff GmbH in Eigenrieden in Thuringia, for example, is currently being transformed into STRABAG's **first climate-neutral quarry** through digital planning, semi-autonomous machine technology and the use of renewable forms of energy.

In 2023, **EFKON** – a STRABAG subsidiary active in the field of traffic telematics systems – focused on the development of a new vehicle identification system for road monitoring vehicles. These vehicles are used to monitor the correct behaviour of road users in a toll system. The EFKON sensor platform uses laser sensors, image recording systems and communication technologies to correctly identify the relevant vehicle data and analyse hazardous materials signs on vehicles, among other things.

The Process Stability in Road Construction group at **TPA** succeeded in acquiring its first EU research project. The primary aim of the project, known as **InfraROB**, is to significantly increase road safety for both road users and construction site personnel. The project also aims at significantly reducing costs and minimising disruptions to traffic.

STRABAG AG and **TPA** launched an air-purifying and noise-reducing **multifunctional asphalt surface course called ClAir®** in 2023, showing how in-house developments can be successfully established on the market. During the reporting year, a total of 11,000 m² of ClAir® asphalt was installed, while a further project with an area of 12,000 m² is already planned for 2024 in Wuppertal.

The **EMili** project is also focused on road solutions as a driver of innovation. **Inductive charging** coils are being installed in asphalt and concrete roads on a trial basis to test how to charge electric vehicles while driving. The trial will generate new insights into the reliable integration of this technology while laying the foundations for potential future business areas.

Projects in Building Construction & Civil Engineering

In the **building construction and civil engineering segment**, rapid progress is being made in the development of **generative design**. By combining human expertise with artificial intelligence, this model-based design method offers building planners various possibilities for designing sustainable buildings across all specialist disciplines.

Mischek Systembau GmbH completed its **Push Over** research project in 2023. The aim of the project was to investigate the behaviour of the coursing joint and bend-resistant corners in framed solid precast walls in the event of an earthquake. The research results are a significant contribution to improved earthquake safety as well as providing additional application options for solid precast walls with lower material consumption.

Projects in Artificial Intelligence (AI)

STRABAG also made further progress in the area of **AI** in 2023. The Group is using machine learning models in conjunction with language models to generate **data-driven risk assessments** for construction projects both at the time of tender submission and during the execution phase. The high accuracy of these models has been verified and reviewed for plausibility by means of human expertise.

The **Off-Highway Twins** project uses **AI** to derive models of infrastructure objects and their surroundings in real time by merging geodata with machine-derived sensor and telemetry data.

Building Information Modelling in Broadband Expansion

In the expansion of broadband networks, STRABAG is using Building Information Modelling to develop concepts for the digital support of authorisation procedures, approval processes and coordination proceedings.

Website Corporate Governance Report

Consolidated Corporate Governance Report

Find out more

The Consolidated Corporate Governance Report is available on the STRABAG SE website.

Disclosures under Section 243a Para 1 UGB

One Share – One Vote

1. The share capital of STRABAG SE as at 31 December 2023 amounted to € 102,600,000 and consisted 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 were bearer shares and were traded in the Prime Market segment of the Vienna Stock Exchange. Three shares were and 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 9.

2. The following resolutions on capital measures were passed at the company's Annual General Meeting on 16 June 2023:

   a. resolution concerning the increase of the share capital of the company from company funds through conversion of a portion of the committed reserves in the amount of € 1,900,000,000.00 shown in the annual financial statements as at 31 December 2022 into share capital without the issue of new shares (capital adjustment pursuant to Section 1 et seq. of the Austrian Capital Adjustment Act (Kapitalberichtigungsgesetz, or "KapBG");
   b. resolution concerning the ordinary reduction of the share capital of the company by € 996,620,004.30 pursuant to Section 175 et seq. of the Austrian Stock Corporation Act (Aktiengesetz, or "AktG") for the purpose of allocation to non-committed reserves with reduction of the pro rata amount of the share capital attributable to each no-par value share (without consolidation of shares);
   c. resolution concerning the reduction of the share capital of the company by € 903,379,995.70 in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG for the purpose of repayment of part of the share capital with reduction of the pro rata amount of the share capital attributable to each no-par value share (without consolidation of shares);
   d. resolution concerning the ordinary increase of the share capital of the company pursuant to Section 150 et seq. AktG by up to € 24,995,248.00 through the issue of up to 24,995,248 new no-par value bearer shares with contributions in kind to be raised by way of shareholder waiver of distribution claims from the capital reduction (item c).

   The aforementioned resolutions were subject to certain conditions. To begin with, the resolutions on items a), b) and c) and the resolution on the ordinary non-cash capital increase under item d) were entered in the commercial register. The shareholders entitled to dividends were therefore granted the right to choose whether they wish to receive the dividend entitlement under item c) in cash or in the form of new shares as part of a subscription offer. Shareholders of 62,487,931 shares, corresponding to 60.90% of the share capital, opted for the distribution in the form of new shares.

   After the reporting period, the implementation of the ordinary non-cash capital increase was entered in the commercial register on 21 March 2024. As a consequence, 15,621,982 new shares were issued. The share capital of STRABAG SE has therefore been increased from € 102,600,000.00 by € 15,621,982.00 to € 118,221,982.00 and now consists of 118,221,982 fully paid-in, no-par value shares with a pro rata value of the share capital of € 1 per share. 118,221,979 shares are bearer shares and can be traded in the Prime Market segment of the Vienna Stock Exchange. Three shares are (still) registered shares. Each bearer share and each registered share is entitled to one vote.

3. 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 (or at least was controlled by him at that time). 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.

4. 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 with effect from 31 December 2022. 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.

5. 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 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.

6. As at 31 December 2023, the company held 2,779,006 own shares (2.7% of the share capital), which it acquired as part of a share purchase agreement concluded with Haselsteiner Familien Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. and UNIQA Österreich Versicherungen AG on the occasion of their mandatory takeover bid on the basis of the authorisation granted by the Annual General Meeting on 24 June 2022 pursuant to Section 65 Para 1 No 8 AktG (see item 12). The rights from these 2,779,006 no-par value shares are therefore now suspended in accordance with Section 65 Para 5 AktG.

7. 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 2023:
   – Haselsteiner Group: 28.3%
   – Raiffeisen Group: 14.2%
   – UNIQA Group: 15.3%
   – MKAO "Rasperia Trading Limited": 27.8%

   Following implementation of the non-cash capital increase of STRABAG SE on 21 March 2024 as described in item 2, the following shareholders will, to the knowledge of STRABAG SE hold a direct or indirect interest of at least 10.0% of the share capital of STRABAG SE:
   – Haselsteiner Group: 30.7%
   – Raiffeisen Group: 15.4%

– UNIQA Group: 16.6%
– MKAO “Rasperia Trading Limited”: 24.1%

Following the reporting period, the company on 26 March 2024 received major holdings notifications pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG) of 2018 stating that MKAO “Rasperia Trading Limited” had been transferred to Iliadis JSC. According to these notifications, MKAO “Rasperia Trading Limited”, with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control. As the company has no further information regarding this transaction, it is unable to carry out a final (sanctions) review. The company therefore continues to assume that the STRABAG shares held by MKAO “Rasperia Trading Limited” remain frozen in accordance with the EU Sanctions Regulation and that MKAO “Rasperia Trading Limited” cannot exercise the rights associated with these shares. As far as the company is aware, the acquisition of 28,500,000 STRABAG shares by Raiffeisenbank International AG as announced in the major holdings notification pursuant to Sections 130ff BörseG 2018 has not yet been completed.

8. As outlined in item 6, the company held 2,779,006 own shares as at 31 December 2023, corresponding to 2.7% of the share capital. The remaining shares in the share capital of STRABAG SE, totalling around 11.7%, were in free float as at 31 December 2023. Since implementation of the increase in the company’s share capital on 21 March 2024 as described in item 2, the 2,779,006 treasury shares correspond to around 2.4% of the share capital and the free float to around 10.9%.

9. 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. As at 31 December 2023, registered share No. 2 is held by MKAO “Rasperia Trading Limited”. Since – as explained in items 3 and 7 – 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.

10. No employee stock option programmes exist.

11. No further regulations exist beyond the aforementioned items regarding the nomination and recall of members of the Management and Supervisory Boards or regarding changes to the Articles of Association which are not a direct result of relevant law and legislation.

12. 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 Section 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 Section 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).

13. 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.

14. 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

Based on the continuing high order backlog, which already extends into 2025, the Management Board expects the **output volume** to increase slightly from its already high level. Specifically, this figure is forecast to reach around € 19.4 billion in the 2024 financial year, with contributions coming especially from the two operating segments North + West and South + East.

Due to the economic challenges in the construction industry, the earnings for 2023 do not change anything about the target of generating an **EBIT margin** of at least 4% in the 2024 financial year.

Net investment (cash flow from investing activities) in 2024 is not expected to exceed € 750 million.

Events after the reporting period

The material events after the reporting period are described in item 41 of the Notes.

Villach, 4 April 2024

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Central Staff Divisions and Central Divisions BMTI, CML, SID, TPA and ZT, Winding up Russia

Mag. Christian Harder
CFO
Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Member of the Management Board
Segment North + West

Dipl.-Ing. Siegfried Wanker
Member of the Management Board
Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Member of the Management Board
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 2023, 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 2023, 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 (“Auditor 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 results 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 2023 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 joint arrangements, 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 joint arrangements.

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 Auditor 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 Auditor 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 Auditor Regulation

We were elected as auditors at the Annual General Meeting on 16 June 2023 and were appointed by the supervisory board on 16 June 2023 to audit the financial statements of Company for the financial year ending on 31 December 2023.

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 Auditor Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 Auditor 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, 4 April 2024

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 has been qualified electronically signed and is only valid in this version. 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 as at 31 December 2023

2023

Balance sheet as at 31 December 2023

	31.12.2023	31.12.2022
	€	T€
Assets		
A. Non-current assets:		
I. Tangible assests:		
Other facilities, furniture and fixtures and office equipment	1,027,556.82	1,027
II. Financial assests:		
1. Investments in subsidiaries	2,579,963,786.35	2,542,740
2. Investments in participation companies	24,266,674.57	24,367
3. Loans to participation companies	68,524,884.81	75,057
4. Other loans	24,975.32	24
	2,672,780,321.05	2,642,188
	2,673,807,877.87	**2,643,214**
B. Current assets:		
I. Accounts receivable and other assets:		
1. Trade receivables	0.00	3
2. Receivables from subsidiaries	597,441,899.53	519,616
thereof with a remaining term more than one year	272,113,990.40	269,714
3. Receivables from participation companies	5,273,022.27	5,696
4. Other receivables and assets	21,347,783.52	24,584
thereof with a remaining term more than one year	17,719,139.52	20,919
	624,062,705.32	549,899
II. Cash assets, including bank accounts	213,958.35	495
	624,276,663.67	**550,394**
C. Accruals and deferrals	**10,806,209.83**	**10,599**
D. Deferred tax assets	**9,577,033.00**	**12,343**
Group	**3,318,467,784.37**	**3,216,551**

	31.12.2023	31.12.2022
	€	T€
Equity and liabilities		
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	-2,779,006.00	-1,695
	99,820,994.00	100,905
II. Capital reserves		
1. committed	824,962,905.51	2,159,447
2. not committed	996,620,004.30	0
	1,821,582,909.81	2,159,447
III. Retained earnings:		
1. Legally required reserves	72,672.83	73
2. Voluntary reserves	530,458,227.60	214,834
	530,530,900.43	214,907
IV. Reserves for own shares	2,779,006.00	1,695
V. Unappropriated net profit	260,088,360.40	502,740
thereof profit brought forward	0.00	502,740
	2,714,802,170.64	**2,979,694**
B. Provisions:		
1. Provistions for taxes	27,965.00	728
2. Other provisions	14,247,767.00	18,394
	14,275,732.00	**19,122**
C. Accounts payable		
1. Trade payables	3,089,278.60	1,926
thereof with a remaining term up to one year	3,089,278.60	1,926
2. Payables to subsidiaries	163,521,321.86	107,122
thereof with a remaining term up to one year	163,521,321.86	107,122
3. Payables to participation companies	586,441.87	586
thereof with a remaining term up to one year	586,441.87	586
4. Other payables	422,192,839.40	108,101
thereof taxes	1,337,297.90	446
thereof social security liabilities	36,038.33	30
thereof to shareholder with frozen shareholder rights	340,575,011.95	41,325
thereof with a remaining term up to one year	422,192,839.40	108,101
	589,389,881.73	**217,735**
thereof with a remaining term up to one year	589,389,881.73	217,735
Group	**3,318,467,784.37**	**3,216,551**

Income statement for the 2023 financial year

	2023	2022
	€	T€
1. Revenue (Sales)	88,280,121.38	83,374
2. Other operating income:		
a) Income from disposal of and reversal of impairment losses of non-current assets other than financial assets	37,922.29	0
b) Miscellaneous	1,580,245.38	23
	1,618,167.67	**23**
3. Cost of materials and services:		
a) Materials	-68,046.33	-37
b) Services	-24,113,708.19	-23,301
	-24,181,754.52	**-23,338**
4. Employee benefits expense:		
a) Salaries	-9,904,521.96	-9,710
b) Social expenditures	-1,412,456.38	-1,264
therof contributions to employee benefit plans	-166,260.10	-111
thereof social security contributions, as well as payroll-related and other mandatory contributions	-840,582.36	-604
thereof other social ependitures	-405,613.92	-549
	-11,316,978.34	**-10,974**
5. Depreciation	-26,526.51	-23
6. Other operating expenses:		
a) Taxes other than those included in item 15	-195,321.68	-292
b) Miscellaneous	-34,681,108.58	-31,571
	-34,876,430.26	**-31,863**
7. Subtotal of items 1 through 6 (operating result)	**19,496,599.42**	**17,199**
8. Income from investments	290,013,246.17	251,950
thereof from subsidiaries	288,364,217.43	245,971
9. Other interests and similar income	17,593,396.38	8,291
thereof from subsidiaries	11,453,100.62	4,012
10. Income from disposal and write-up of financial assets and marketable securities	216,056.68	0
11. Expenses related to financial assets:		
a) Depreciation from subsidiaries	-959,255.15	-3,330
b) Other depreciation	-100,000.00	-700
c) Other expenses from subsidiaries	-344,227.20	-3,117
d) Other	-410,000.00	-150
	-1,813,482.35	**-7,297**
12. Interests and similar expenses	-11,326,015.49	-4,306
thereof from subsidiaries	-10,565,656.18	-3,222
13. Subtotal of item 8 through 12 (financial result)	**294,683,201.39**	**248,637**
14. Result before taxes	**314,179,800.81**	**265,836**
15. Taxes on income and gains	653,077.92	-6,217
thereof income tax	423,336.58	-1,050
thereof tax allocation	2,996,036.34	-1,732
thereof deferred taxes	-2,766,295.00	-3,435
16. Income after Taxes = net income for the year	**314,832,878.73**	**259,620**
17. Allocation to retained earnings (voluntary reserves)	-54,744,518.33	-259,620

18. Profit for the period	**260,088,360.40**	**0**
19. Profit brought forward	0.00	502,740
20. Unappropriated net profit	**260,088,360.40**	**502,740**

Notes to the 2023 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 2023 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 2023 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.

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.

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. The shift from private to public contracts is expected to continue in the short term. STRABAG is well positioned in this respect, as over 60% of its customers are in the public sector. In addition, the Group has a diversified portfolio in building construction and positive trends were recognisable in commercial and industrial construction. Residential construction activities account for less than 10% of the Group’s total output.

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.

The STRABAG SE Group is heavily dependent on fossil fuels. Stricter regulations and higher prices resulting from CO_2 pricing present the risk of volatile and higher energy and commodity prices that cannot be fully passed on to customers.

Stricter environmental protection regulations and additional expenses for climate-friendly business processes are expected to lead to cost increases and a further rise in construction prices.

The risk exists that fewer contracts will be awarded, particularly for the construction of new roads, due to a change in public investment habits and stricter zoning laws, which will have to be compensated for by contracts in other business areas.

Demand is set to increase for sustainable buildings that take life-cycle considerations into account as well as for reconstruction, conversion and refurbishment work on existing buildings and the circularity of the built environment. Public sector clients are starting to issue tenders that include sustainability as an evaluation criterion. 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.

The increase in extreme weather events will lead to construction delays and increased insurance costs.

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.

The increasing demand for climate-resilient construction and refurbishment as well as the development of new business models for the generation and use of renewable energy sources are seen as key opportunities in this regard.

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.

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 € 1,000.00 / previous year: up to € 800.00) are depreciated in full in the year in which they are acquired.

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

Financial assets

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

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

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

Increases in non-current assets

The value of non-current assets is increased where there is no more cause for depreciation. The increase is carried out up to a maximum of the amortised cost, taking into account the regular depreciation that would have had to be carried out 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% (previous year: 23% respectively 24%). 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 € 5,271,534.00 (previous year: T€ 5,381) 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 € 286,282.38 (previous year: T€ 160) 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€ 10,000).

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:

	31.12.2023	31.12.2022
	€	T€
Tangible assets	1,667.00	0
Remaining seventh from depreciation of participation	35,013,272.00	46,237
Provisions	6,516,000.00	7,204
Liabilities	108,333.00	217
Total	**41,639,272.00**	**53,657**
Resulting deferred taxes on 31.12. (23 % / previous year: 23 % respectively 24 %)	**9,577,033.00**	**12,343**

The deferred taxes developed as follows:

	2023	2022
	€	T€
Balance on 1.1.	**12,343,328.00**	**15,778**
Change in profit or loss	-2,766,295.00	-3,435
Balance on 31.12.	**9,577,033.00**	**12,343**

Equity

The fully paid-in share capital as at 31 December 2023 amounts to € 102,600,000.00 and is divided into 102,599,997 no-par bearer shares and three registered shares.

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 was also intended to remove the restriction on voting rights of the bidders (and the legal entities acting jointly with them) that existed at the time 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 were 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.

Various capital measures were approved at the **Annual General Meeting of STRABAG SE held on 16 June 2023**. These resolutions are summarised as follows:

a) Resolution concerning the capital adjustment from company funds

The share capital of the Company of currently € 102,600,000.00 shall be increased by € 1,900,000,000.00 to € 2,002,600,000.00 from company funds through conversion of the corresponding portion of the committed capital reserves reported in the annual financial statements for the year ending 31 December 2022 pursuant to Section 1 et seq. KapBG with retroactive effect to the beginning of the current financial year without the issue of new shares.

b) Resolution concerning the ordinary reduction of the share capital of the Company for the purpose of allocation to non-committed reserves

The share capital of the Company shall be reduced in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG from the amount of the share capital after the capital adjustment of € 2,002,600,000.00 by € 996,620,004.30 to € 1,005,979,995.70 for the purpose of allocation to non-committed reserves of the Company, whereby the reduction of the share capital of the Company shall be effected by reducing the pro-rata amount of the share capital of the Company attributable to the individual no-par share without reverse stock split ("capital reduction for allocation to non-committed reserves").

c) Resolution concerning the ordinary reduction of the share capital of the Company for the purpose of distribution to the shareholders

The share capital of the Company shall be reduced in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG from the amount of the share capital after the ordinary capital reduction for allocation to non-committed reserves in the amount of € 1,005,979,995.70 by € 903,379,995.70 to € 102,600,000.00 for the purpose of repaying the reduction amount to the shareholders of the Company ("capital reduction for the purpose of distribution") according to the following specifications and under the following conditions:

(i) The reduction of the share capital of the Company shall be effected by reducing the pro-rata amount of the share capital attributable to each no-par share to the minimum amount of € 1.00 pursuant to Section 8 Para 3 AktG without reverse stock split.

(ii) The distribution entitlement resulting from the capital reduction in accordance with the conditions set out in this resolution in the amount of € 9.05 per no-par share entitled to distribution ("distribution entitlement") shall be paid in cash or, at the option of each shareholder, in new shares of the Company issued in connection with the non-cash capital increase to be resolved under item d).

(iii) For the distribution entitlement and its payment, the following conditions apply:

a. The condition precedent of the fulfilment of the legal payment requirements pursuant to Section 178 Para 2 AktG.

b. The condition precedent that shareholders of the Company, in respect of shares entitled to distribution that together represent at least approximately 57.78% of the share capital of the Company, have elected the payment of the distribution from the capital reduction in new shares of the Company and the contribution in kind determined in the resolution concerning the ordinary capital increase (item d)) is raised through waiver of the distribution entitlements for these shares within the determined implementation period.

c. The resolutory condition if the implementation of the non-cash increase of the share capital (item d)) is not entered in the commercial register pursuant to Section 156 AktG by 31 March 2024 at the latest.

If one of the conditions precedent (a. or b.) does not occur, no distribution entitlement arises and no payment can be made and, accordingly, the distribution entitlement cannot be used to raise the non-cash contribution of the ordinary capital increase (item d)). In these cases, the alternative purpose of the ordinary capital reduction shall be to transfer the amount of the capital reduction to non-committed reserves of the Company.

If the resolutory condition (c.) occurs, the distribution entitlement from the capital reduction shall lapse accordingly and no payment can be made and the alternative purpose of the ordinary capital reduction shall be to transfer the amount of the capital reduction to non-committed reserves of the Company. This purpose shall then also apply to that amount of distribution entitlements already waived to raise the non-cash contribution of the ordinary capital increase (item d)).

d) Resolution concerning the ordinary non-cash increase of the share capital of the Company

(i) The new shares shall be issued at an issue price of € 1.00 per share (minimum issue price pursuant to Section 8 Para 3 AktG), thus at a total issue price of up to € 24,955,248.00.

(ii) The new shares shall participate in the profits from the beginning of the financial year, for which, at the time of the issue of the new shares, no resolution has yet been passed on the appropriation of the balance sheet profit.

(iii) The shareholders shall be granted the legal subscription rights. The subscription ratio shall be set at 1:4 (1 new share for 4 existing shares) ("subscription ratio") and the subscription price per new share at € 36.20 ("subscription price"). The contribution in kind to be made for the subscription of each new share will therefore comprise 4 distribution entitlements in the nominal amount of € 9.05 per share entitled to distribution. The subscription price and the subscription ratio are based on an business value of the Company with a valuation date of 16 June 2023 (date of the Annual General Meeting of the Company), from which a pro-rata business value per share of the Company of € 36.22 is derived as of 16 June 2023 ("reference price"), taking into account the distribution entitlement from the ordinary capital reduction for the purpose of the distribution of € 9.05. The subscription ratio is calculated as the ratio of the result of dividing the reference price by the nominal amount of a distribution entitlement (€ 9.05) rounded down to two decimal places after the decimal point. The subscription price shall correspond to the subscription ratio multiplied by the nominal amount of a distribution entitlement (€ 9.05).

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. Consequently, MKAO "Rasperia Trading Limited" is not entitled to a rights offer for new shares in respect of its 28,500,001 ordinary shares.

The aim of the capital measures was to reduce the stake of minority shareholder MKAO "Rasperia Trading Limited" from 27.8% to below 25%.

The full text of the resolutions is available on the website of STRABAG SE at www.strabag.com.

The subscription period for choosing the share option ended on 29 September 2023. As contractually agreed in advance, the core shareholders – the Haselsteiner family, UNIQA and Raiffeisen – chose to exercise the share-based option. Additionally, 26.4% of STRABAG SE's free float shareholders also opted to receive new shares, thereby supporting the goal of the ongoing capital measures to reduce the shareholding interest held by MKAO "Rasperia Trading Limited".

As a result, shareholders representing 87.6% of the eligible shares chose the share-based option. This corresponds to 60.9% of the company's share capital and therefore met the acceptance quota as one of the conditions precedent for the distribution.

15,621,982 new shares were therefore issued as part of the ordinary non-cash capital increase in March 2024, increasing the share capital by 15.2% from € 102,600,000.00 to € 118,221,982.00. The share capital increase was entered into the commercial register on 21 March 2024. The stake held by minority shareholder MKAO "Rasperia Trading Limited" was thus reduced from 27.8% to 24.1%.

Consequently, only the capital reduction amount of € 337,864,220.15 attributable to the distribution option is represented as a decrease in equity and other liabilities in the financial statements as at 31 December 2023. The first payment of the dividend from the capital decrease to the free float will be made on 15 April 2024; the amount attributable to the minority shareholder MKAO "Rasperia Trading Limited" has been frozen due to the sanctions provisions.

MKAO "Rasperia Trading Limited" contested the resolutions passed by the Annual General Meeting, although the action was dismissed by the Regional Court of Klagenfurt. The ruling is not yet final, however.

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 € 1,361,389.41 (previous year: T€ 1,336) 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" was – at least until 22 March 2024 – 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. Irrespective of this, as a result of the EU sanctions against Oleg Deripaska 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 16 June 2023. 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, as in the previous year, not paid out. As at 31 December 2023, unpaid dividend claims amounting to T€ 82,650 (2022: T€ 41,325) are therefore reported as other liabilities.

Several capital measures were approved at the 19th Annual General Meeting of STRABAG SE on 16 June 2023. See also the comments under item Equity. With these measures, which were completed with entry of the capital increase into the commercial register on 21 March 2024, the stake held by MKAO “Rasperia Trading Limited” was reduced from 27.8% to 24.1%.

As the shares in STRABAG SE held by MKAO “Rasperia Trading Limited” and all rights associated with these shares, including voting rights and dividend entitlements, are frozen by the EU sanctions against Oleg Deripaska, MKAO “Rasperia Trading Limited” was not entitled to a rights offer for new shares in respect of its 28,500,001 ordinary shares in the company.

The distribution entitlement attributable to MKAO “Rasperia Trading Limited” from the capital reduction, amounting to T€ 257,925, is recognised as other liabilities and will also be withheld due to the existing sanctions.

On 19 December 2023, the Management Board of STRABAG SE was informed by the Russian joint stock corporation Iliadis JSC and Oleg Deripaska, by means of a major holdings notification pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG), that Iliadis JSC on 14 December 2023 concluded a purchase agreement for 100% of the shares in MKAO “Rasperia Trading Limited”, although this transaction had not yet been carried out.

The Management Board of STRABAG SE was then informed that Raiffeisenbank International AG wants to acquire the 28,500,000 shares in STRABAG SE held by MKAO “Rasperia Trading Limited”. According to the announcement by Raiffeisenbank International AG, the multiple-step transaction – further details of which were not known to STRABAG SE – is subject to various reviews, approvals and other conditions, including a sanctions review, and was expected to close in the first quarter of 2024.

On 26 March 2024, the company was informed by means of major holdings notifications pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG) that the transaction in Russia that had been announced in December 2023 had been completed and that MKAO “Rasperia Trading Limited” had been transferred to Iliadis JSC. According to these notifications, MKAO “Rasperia Trading Limited”, with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control.

The company has no further information regarding the transaction that has now been completed as announced in the major holdings notifications. It is therefore currently not possible to carry out a sanctions review, so that the company continues to assume that the STRABAG shares held by MKAO “Rasperia Trading Limited” remain frozen in accordance with the EU Sanctions Regulation.

STRABAG has no information on the implementation status of the intended acquisition of STRABAG shares by Raiffeisenbank International AG.

Contingent liabilities

	31.12.2023	31.12.2022
	€	T€
Sureties/Guarantees	127,499,429.41	124,439
Cash-Clearing Liabilities	1,466,447,608.42	1,417,872
Total	**1,593,947,037.83**	**1,542,311**
thereof with subsidiaries	1,529,369,010.88	1,478,565

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 2023 is € 491,637,788.83 (previous year: T€ 438,961).

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 2023 amount to € 974,809,819.59 (previous year: T€ 978,911).

In addition, there are letters of comfort for individual construction projects as well as performance bonds in the amount of € 1,074,202,950.64 (previous year: T€ 1,026,968).

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 € 8,753,725.56 (previous year: T€ 8,256) for the 2024 financial year. The sum of all obligations for the next five years is € 43,768,627.80 (previous year: T€ 41,281).

IV. Notes to the income statement

Revenues (sales)

	2023	2022
	€	T€
Domestic revenue	41,364,105.28	39,687
Foreign revenue	46,916,016.10	43,687
Total	**88,280,121.38**	**83,374**

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 5 employees during the year (previous year: 6 employees).

The salaries of the Management Board members in the 2023 financial year amounted to T€ 9,953 (previous year: T€ 9,815).

Of the benefits paid to company pension funds, T€ 166 (previous year: T€ 111) related to members of the Management Board.

Other operating expenses

Supervisory Board member salaries in the period under review amounted to € 240,000.00 (previous year: T€ 244).

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

Taxes on income and gains

Based on the rules developed by the OECD for the introduction of a global minimum tax, the EU on 22 December 2022 adopted a directive on a global minimum level of taxation. The individual member states had until 31 December 2023 to transpose the directive into national legislation. As a result, the OECD's so-called Pillar II rules become applicable for accounting periods starting with the 2024 financial year. The basic idea of the rather complex rules is that in jurisdictions in which the effective tax rate determined in accordance with Pillar II is below 15% additional taxes must be levied either in that jurisdiction itself or at the level of the highest parent company.

As the law is only applicable to financial years beginning on or after 31 December 2023, there will be no impact on the actual tax expense for the 2023 financial year.

With Hungary, Bulgaria, Montenegro, Bosnia and the United Arab Emirates, the STRABAG SE Group operates in countries with a nominal tax rate below 15%, meaning that additional tax expense is to be expected for the 2024 financial year as a result of the Pillar II rules. As the majority of the operating business is conducted in countries with higher tax rates (in particular Germany and Austria), however, the additional tax expense will not be of any material significance. In accordance with section 198 (10) no. 4 UGB, no deferred tax assets or liabilities are recognised in the annual financial statements due to Pillar II regulations.

V. Additional disclosures

Events after the reporting period

With entry of the increase in the share capital from € 102,600,000.00 to € 118,221,982.00 in the commercial register on 21 March 2024, the capital measures approved by the Annual General Meeting on 16 June 2023 to reduce the stake held by the minority shareholder MKAO "Rasperia Trading Limited" were completed. As of this date, the increase in the share capital can be recognised in the balance sheet. A detailed description of the capital measures can be found under item Equity.

On 26 March 2024, STRABAG SE received major holdings notifications from Oleg Deripaska and Iliadis JSC indicating that MKAO "Rasperia Trading Limited" had been transferred to Iliadis JSC, thus completing the sale in Russia that had been announced in December 2023.

According to the notifications, MKAO "Rasperia Trading Limited", with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control.

STRABAG has no further information regarding the transaction that has now been completed in Russia as announced in the major holdings notifications. It is therefore currently not possible to carry out a sanctions review, so that STRABAG continues to assume that the STRABAG shares held by MKAO "Rasperia Trading Limited" remain frozen in accordance with the EU Sanctions Regulation.

Appropriation of net income

The Management Board proposes to pay out a dividend in the amount of € 2.20 per dividend-bearing share for the 2023 financial year. Taking into account the increase in share capital on 21 March 2024 to 118,221,982 shares, the maximum distribution amount would be € 260,088,360.40.

Other information

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.

The tax allocation agreement stipulates that the group members pay tax allocations to the group parent in the event of positive annual results. If the group members have negative annual results, they receive a negative tax allocation from the group parent. The tax charges or tax reliefs resulting from the income of the group members are settled annually and when the tax results change.

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 months9 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 2024 financial year.

The expenses for the auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, for the financial year amount to T€ 1,025 (previous year: T€ 889), of which T€ 74 (previous year: T€ 69) are for the audit of the financial statements, T€ 789 (previous year: T€ 730) for other audit services and T€ 162 (previous year: T€ 90) for miscellaneous services.

In addition, T€ 11 (previous year: T€ 88) were calculated for miscellaneous services to subsidiaries.

Villach, 04 April 2024

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Central Staff Divisions and Central Divisions BMTI, CML, SID, TPA and ZT, Winding up Russia

Mag. Christian Harder
CFO
Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Member of the Management Board
Segment North + West

Dipl.-Ing. Siegfried Wanker
Member of the Management Board
Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Member of the Management Board
Segment South + East

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 2023

		Acquisition and production costs			
€	Balance as at 1.1.2023	Additions	Transfers	Disposals	**Balance as at 31.12.2023**
I. Tangible assets					
Other facilities, furniture and fixtures and office equipment	1,318,105.20	70,588.24	0.00	65,126.05	1,323,567.39
	1,318,105.20	**70,588.24**	**0.00**	**65,126.05**	**1,323,567.39**
II. Financial assets:					
1. Investments in subsidiaries	2,755,990,412.12	37,966,823.09	0.00	8,305,425.18	2,785,651,810.03
2. Investments in participation companies	36,217,683.57	0.00	0.00	0.00	36,217,683.57
3. Loans to participation companies	75,057,022.81	4,400,735.00	0.00	10,932,873.00	68,524,884.81
4. Other loans	23,587.30	1,388.02	0.00	0.00	24,975.32
	2,867,288,705.80	**42,368,946.11**	**0.00**	**19,238,298.18**	**2,890,419,353.73**
Group	**2,868,606,811.00**	**42,439,534.35**	**0.00**	**19,303,424.23**	**2,891,742,921.12**

	Accumulated Depreciation						**Carrying amounts**	
	Balance as at 1.1.2023	Additions	Reversal of impairment losses	Transfers	Disposals	Balance as at 31.12.2023	**Carrying amount 31.12.2023**	**Carrying amount 31.12.2022**
I.								
	291,192.74	26,526.51	0.00	0.00	21,708.68	296,010.57	1,027,556.82	1,026,912.46
	291,192.74	**26,526.51**	**0.00**	**0.00**	**21,708.68**	**296,010.57**	**1,027,556.82**	**1,026,912.46**
II.								
1.	213,250,191.71	959,255.15	216,000.00	0.00	8,305,423.18	205,688,023.68	2,579,963,786.35	2,542,740,220.41
2.	11,851,009.00	100,000.00	0.00	0.00	0.00	11,951,009.00	24,266,674.57	24,366,674.57
3.	0.00	0.00	0.00	0.00	0.00	0.00	68,524,884.81	75,057,022.81
4.	0.00	0.00	0.00	0.00	0.00	0.00	24,975.32	23,587.30
	225,101,200.71	**1,059,255.15**	**216,000.00**	**0.00**	**8,305,423.18**	**217,639,032.68**	**2,672,780,321.05**	**2,642,187,505.09**
	225,392,393.45	**1,085,781.66**	**216,000.00**	**0.00**	**8,327,131.86**	**217,935,043.25**	**2,673,807,877.87**	**2,643,214,417.55**

List of investments

(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	17,968	9,368
"SBS Strabag Bau Holding Service GmbH", Spittal an der Drau	100.00	293,587	16,404
"Strabag" d.o.o. Podgorica, Podgorica	100.00	6,547	265
Asphalt & Beton GmbH, Spittal an der Drau	100.00	8,663	197
Bau Holding Beteiligungs GmbH, Spittal an der Drau	65.00	1,567,238	137,606
BHG Sp. z o.o., Pruszkow	100.00	5,363	639
CML CHILE SPA, Vitacura	100.00	[4]	[4]
CML Construction Services AB, Stockholm	100.00	5	0
CML Construction Services, Antwerpen	100.00	59	10
CML Construction Services A/S, Trige	100.00	81	-2
CML Construction Services d.o.o. Beograd, Belgrade	100.00	188	39
CML CONSTRUCTION SERVICES d.o.o., Ljubljana	100.00	8	0
CML CONSTRUCTION SERVICES d.o.o., Zagreb	100.00	216	25
CML Construstion Services EOOD, Sofia	100.00	-3	-6
CML Construction Services GmbH, Cologne	100.00	655	582
CML Construction Services GmbH, Schlieren	100.00	182	14
CML Construction Services GmbH, Vienna	100.00	309	34
CML CONSTRUCTION SERVICES LIMITED, London	100.00	-32[3]	27[3]
CML CONSTRUCTION SERVICES LIMITED, Missisauga	100.00	[4]	[4]
CML CONSTRUCTION SERVICES Sp. z o.o., Pruszkow	100.00	766	269
CML CONSTRUCTION SERVICE S.R.L., Bologna	100.00	55	15
CML CONSTRUCTION SERVICES s. r. o., Bratislava	100.00	202	32
CML CONSTRUCTION SERVICES s.r.o., Prague	100.00	193	23
CML Construction Services Zrt., Budapest	100.00	342	42
DC1 Immo GmbH, Vienna	100.00	6,210	17
DRP, d.o.o., Ljubljana	100.00	-8,432	-1
ERRICHTUNGSGESELLSCHAFT STRABAG SLOVENSKO s.r.o., Bratislava-Ruzinov	100.00	24,093	199
Erste Nordsee-Offshore-Holding GmbH, Vienna	51.00	110	-257
KMG - KLIPLEV MOTORWAY GROUP A/S, Aarhus	100.00	1,660	148
Mazowieckie Asfalty Sp. z o.o., Pruszkow	100.00	-40[3]	-4[3]
Mineral Abbau GmbH, Spittal an der Drau	100.00	16,284	4,354
OOO "CML", Moscow	100.00	348	77
PRZEDSIEBIORSTWO ROBOT DROGOWYCH SPOLKA Z OGRANICZONA ODPOWI W LIKWIDACJI, Choszczno	100.00	[4]	[4]
SAT REABILITARE RECICLARE SRL, Cluj-Napoca	100.00	4,351	2,842
SAT SANIRANJE cesta d.o.o., Zagreb	100.00	708	307

Name and residence of the company:	Interest %	Equity/ negative Equity[1] T€	Result of the financial year[2] T€
Investments in subsidiaries:			
SAT SLOVENSKO s.r.o., Bratislava	100.00	2,558	673
SF Bau vier GmbH, Vienna	100.00	17,315	-1,343
STRABAG AG, Schlieren	100.00	-23,419	3,315
STRABAG AG, Cologne	100.00	1,250,418	214,735
STRABAG Infrastruktur Development, Moscow	100.00	75	126
STRABAG Oy, Helsinki	100.00	46	-13
STRABAG Real Estate GmbH, Cologne	28.40	173,712	15,927
Strabag RS d.o.o., Banja Luka	100.00	-820	-26
STRABAG Silnice a.s. , Prague	100.00	3404	696
TECH GATE VIENNA Wissenschafts- und Technologiepark GmbH, Vienna	94.00	9,999	1,435
TPA GmbH, Cologne	100.00	3,747	1,032
Zweite Nordsee-Offshore-Holding GmbH, Vienna	51.00	-9,070	-1,016

1 according to Para 224 Sec 3 UGB

2 net income/loss of the year

3 financial statements as of 31.12.2022

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, 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 31.12.2022

[4] no statement according to Para 242 Sec 2 UGB

Management and Supervisory Board

Management Board:

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

Mag. Christian Harder

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

Dipl.-Ing. Siegfried Wanker

Dipl.-Ing. (FH) Alfred Watzl

Supervisory Board:

Mag. Kerstin Gelbmann (Chairman since 1 January 2024)

Dr. Alfred Gusenbauer (Chairman until 31 December 2023)

Mag. Erwin Hameseder (Vice Chairman)

Dr. Andreas Brandstetter

Dr. Valerie Hackl (since 25 January 2024)

Mag. Gabriele Schallegger

Dipl.-Ing. Andreas Batke (works council)

Magdolna P. Gyulalné (works council)

Georg Hinterschuster (works council)

Wolfgang Kreis (works council)

Group management report

2023

Important events

STRABAG commissioned to build more roads in Oman

February 2023 | Segment International + Special Divisions

STRABAG is developing new markets in the Middle East.
© STRABAG

STRABAG, together with its joint venture partner Al-Rosan, was awarded a contract to construct further roads in Oman by the country's Public Authority for Special Economic Zones and Free Zones. The contract value for STRABAG amounts to approximately € 130 million.

The highways with a total length of around 51 km will connect Duqm Airport with the Ras Markaz region. Work began in February 2023, with the roads scheduled to be opened to traffic in mid-2025. STRABAG has been active in road construction in Oman since 1971 and employs a total of around 1,800 people in the Middle East region.

STRABAG subsidiary building office property with green building status in Berlin

March 2023 | Segment North + West

Green building with campus
© ZÜBLIN

The STRABAG subsidiary ZÜBLIN was awarded a contract worth € 76.8 million for the construction of a pioneering office property with green building status in Berlin. The project, known as Inspire Neukölln, will be energy-efficient and can be operated without fossil fuels, making it entirely carbon-neutral. Inspire Neukölln, which is aiming for platinum certification by the German Sustainable Building Council (DGNB), is being prepared for certification by WELL, BREEAM and LEED. Completion is scheduled for August 2025.

STRABAG building the foundations for Latin America's largest wind farm

March 2023 | Segment International + Special Divisions

STRABAG is utilising the opportunities offered by alternative energy sources.
© STRABAG

STRABAG is focusing increasingly on projects associated with the energy transition. In recent years, the Group has already built foundations for 140 wind turbines with a total capacity of 850 MW in the Atacama Desert of Chile for customers Colbún and Engie. In 2023, the company obtained another order from Engie worth € 100 million for 55 wind turbines, including the construction of the foundations and all earthworks. In northern Chile, wind farms and photovoltaic facilities are planned to secure the energy supply for the national mining industry in the future. Chile also wants to become the main producer of green hydrogen in the next few years.

STRABAG building steelworks for Cognor S.A. in Poland

May 2023 | Segment South + East

Modern steelworks built using BIM 5D
© STRABAG

STRABAG is building a production and storage facility for a rolling mill of steel manufacturer Cognor S.A. in the southern Polish city of Siemianowice Śląskie. The contract has a value of € 69.7 million. The project is being realised using the BIM 5D, which creates a digital twin of the object to be built.

A particular challenge is the dismantling and demolition of the foundations of the old tube rolling mill and the reinforced concrete construction for the new rolling mill. The work is scheduled for completion in December 2024.

STRABAG Group receives ISO certification for business compliance

May 2023 | STRABAG SE

STRABAG SE was certified by Austrian Standards to ISO 37001 (Anti-Bribery Management Systems) and ISO 37301 (Compliance Management Systems). The certification is valid for all fully consolidated companies.

This makes STRABAG the first globally active Austrian company to achieve such an overall certification. Further audits will follow in the coming years to maintain the certification.

STRABAG subsidiary commissioned with general renovation of Cologne Central Library

August 2023 | Segment North + West

STRABAG makes reconstruction, conversion and refurbishment a priority.
© ZÜBLIN

On behalf of the City of Cologne, STRABAG subsidiary ZÜBLIN is carrying out the general renovation of the city's main public library. The contract volume for ZÜBLIN amounts to € 67.2 million. The construction marks a milestone in the City of Cologne's sustainable urban development plans.

Preserving the building while optimising its technical systems helps to conserve resources and reduce carbon emissions. Thermal renovation and the optimisation of energy concepts enable the building to be operated in an energy-efficient manner. Completion is scheduled for 2027.

STRABAG building Germany's most modern underground metro in Hamburg

August 2023 | Segment North + West

The next construction section for the U5 underground line in Hamburg was awarded to STRABAG.
© Hamburger Hochbahn AG

ZÜBLIN, in a joint venture with Wayss & Freytag Ingenieurbau AG, was commissioned to carry out the structural work on the second construction section for the new U5 underground line in Hamburg (lot 2) with a contract value of € 581.5 million. The contract for the structural work on lot 1 was awarded to the same joint venture in December 2022.

The two lots, which form the first, eastern section of the new metro line, include the construction of five stations as well the excavation of 4.5 km of tunnel through shield tunnelling and 1.5 km of tunnel using the cut-and-cover method.

New strategy "People. Planet. Progress." presented at Capital Markets Day

September 2023 | STRABAG SE

STRABAG CEO Klemens Haselsteiner presents the new corporate strategy.
© STRABAG

As part of a strategic update, CEO Klemens Haselsteiner and a group of specially chosen experts presented the new corporate strategy for 2030, "People. Planet. Progress.", to Austrian and international capital market participants. The focus until 2030 will be on the following six key strategic topics: employee focus, global-local presence, circularity, expertise in the energy sector, technology leadership and depth of value creation.

"We plan to grow profitably and achieve real added value for people and the environment. We want to be a pioneer in climate-friendly construction, actively shape the energy transition and sustainably reinforce our technology leadership. We are convinced that we will be able to build on our previous achievements and have set ourselves the ambitious goal of attaining an EBIT margin of 6% by 2030," says Klemens Haselsteiner. The event was attended by around 50 investors and analysts in Vienna and via livestream.

STRABAG building third longest bridge in Poland

September 2023 | Segment South + East

STRABAG demonstrates its expertise in bridge construction
© Photo and Rendering: Trasal Sp. z o.o.

STRABAG was awarded the € 66.3 million contract to build a new bridge over the river San near the Polish city of Stalowa Wola. The bridge, with a total length of 1,760 metres, forms part of the road construction works between Zaklików and Stalowa Wola and when completed will be the third longest bridge in Poland.

The contract includes not only the construction of the bridge, but also the construction of a new and the expansion of an existing section of road.

ZÜBLIN commissioned to construct university building for Ruhr University Bochum

September 2023 | Segment North + West

Turnkey construction of new replacement building for physics, astronomy and neuroinformatics
© ZÜBLIN, Rendering Gerber Architekten

STRABAG subsidiary ZÜBLIN was awarded the contract for the turnkey construction of a new replacement building for Ruhr University Bochum with a contract volume of around € 269.5 million. The project consists of a 14-storey building with two adjoining five- to six-storey low-rise buildings. The main user will be the Faculty of Physics and Astronomy at Ruhr University Bochum. Completion is scheduled for November 2027.

STRABAG building new development with headquarters for Raiffeisen-Landesbank Tirol

October 2023 | Segment South + East

Making the impossible possible by building within the built environment
© Toni Rappersberger

STRABAG is erecting the structural works of a new urban development for Raiffeisen-Landesbank Tirol in Innsbruck, which will also be home to the bank's headquarters in the future. STRABAG's approach beginning during the planning stages was to reuse as many parts of the existing building as possible. This meant carefully dismantling the building down to its reinforced concrete skeleton even as work on the new building was already underway.

The contract covers all works on the project with a total usable area of around 23,000 m² up to completion of the structural works in the summer of 2024, accounting for around one third of the total construction volume. When completed, the nine-storey building will be almost entirely energy self-sufficient thanks to geothermal energy and photovoltaics. Wood is being used as a building material from the fourth floor upwards. The timber construction concept was awarded first place in the Build the (Im)Possible architecture competition.

STRABAG building microtunnel for Ostsee LNG pipeline in Baltic Sea

October 2023 | Segment International + Special Divisions

Offshore pipeline to link Mukran with Lubmin
© STRABAG

STRABAG has been commissioned by RWE and GASCADE Gastransport GmbH to build two trenchless shore crossings for the Ostsee Anbindungsleitung (OAL) pipeline in Mecklenburg-Vorpommern with a length of 755 metres and 353 metres, respectively, and a contract value of € 44 million. The diameter of the two microtunnels is exactly two metres.

The offshore pipeline will connect the planned liquefied natural gas (LNG) terminal in the port of Mukran with the German pipeline network in Lubmin. Large transport capacities exist in Lubmin to transport the gas from the coast in the north-east to the main centres of demand in Germany and in Central and South-East Europe.

STRABAG awarded contract to modernise Masaryk Railway Station in Prague

December 2023 | Segment South + East

Greened pedestrian platform will enable barrier-free access to the railway tracks.
© Správa železnic

STRABAG, through its Czech subsidiary STRABAG Rail a.s., is realising the renovation and upgrade of the historic Masaryk Railway Station in the heart of Prague. The project, commissioned by the Czech railway administration Správa železnic and worth € 137 million, includes the modernisation and expansion of the railway tracks as well as the construction of a distinctive pedestrian platform over the tracks as an architectural link to the surrounding area. The work is expected to take around 44 months in total, construction began in January 2024. STRABAG Rail a.s. will be executing the construction works in a joint venture with STRABAG s.r.o.

Capital market information

since May 2023 | STRABAG SE

STRABAG
SOCIETAS EUROPAEA

In May, STRABAG SE announced capital measures to reduce the shareholding interest of MKAO “Rasperia Trading Limited” – a company controlled by the sanctioned Russian citizen Oleg Deripaska – in STRABAG from 27.8% to less than 25%. This move was designed to reduce significant disadvantages and risks for STRABAG SE. The capital measures were unanimously approved by the shareholders at the 19th Annual General Meeting in June. MKAO “Rasperia Trading Limited” contested the resolutions passed by the Annual General Meeting in this regard, although the action was dismissed by the Regional Court of Klagenfurt. The ruling is not yet final, however.

The measure involves a conditional distribution to be made from the reserves of STRABAG SE, with shareholders given the option of receiving the distribution in the form of new shares or in cash. Shareholders representing a total of 87.6% of the eligible shares chose the share-based option. This corresponds to 60.9% company’s share capital.

The implementation of the ordinary non-cash capital increase was entered into the commercial register of the Regional Court of Klagenfurt on 21 March 2024. The company’s share capital increased from € 102,600,000 to € 118,221,982, reducing the stake held by MKAO “Rasperia Trading Limited” from 27.8% to 24.1%.

In December, the Management Board of STRABAG SE was informed by the Russian joint stock corporation Iliadis JSC and Oleg Deripaska, by means of a major holdings notification pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG), that Iliadis JSC on 14 December 2023 had concluded a purchase agreement for 100% of the shares in MKAO “Rasperia Trading Limited”. According to the shareholding notification, MKAO “Rasperia Trading Limited” would no longer be (indirectly) controlled by Oleg Deripaska once the purchase agreement is executed. Also in December, the Management Board of STRABAG SE was informed that Raiffeisenbank International AG was interested in acquiring the 28,500,000 shares in STRABAG SE held by MKAO “Rasperia Trading Limited”. According to the announcement by Raiffeisenbank International AG, the multiple-step transaction – further details of which were not known to STRABAG SE – is subject to various reviews, approvals and other conditions, including a sanctions review.

On 26 March 2024, the company was informed by means of major holdings notifications pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG) that the transaction in Russia that had been announced in December 2023 had been completed and that MKAO “Rasperia Trading Limited” had been transferred to Iliadis JSC. According to these notifications, MKAO “Rasperia Trading Limited”, with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control.

The company has no further information regarding the transaction that has now been completed as announced in the major holdings notifications. It is therefore currently not possible to carry out a sanctions review, so that the company continues to assume that the

STRABAG shares held by MKAO “Rasperia Trading Limited” remain frozen in accordance with the EU Sanctions Regulation. The company had no concrete information on the implementation status of the intended acquisition by Raiffeisenbank International AG at the time of the audit opinion.

An action brought by MKAO “Rasperia Trading Limited” against the resolutions of the 18th Annual General Meeting of 24 June 2022 was dismissed by both the Regional Court of Klagenfurt and by the Higher Regional Court in Graz. These proceedings have not yet been finalised. Another action brought by MKAO “Rasperia Trading Limited” against the resolutions of the Extraordinary General Meeting of 5 May 2022 was also dismissed by both the Regional Court of Klagenfurt and the Higher Regional Court of Graz. These proceedings have not yet been finalised either.

Country report

Country risk

STRABAG operates in over 50 countries, thereby diversifying its country risk

STRABAG sees itself as a European technology group for construction services with a strong focus on Central and Eastern Europe. To diversify the country risk even further, however, and to profit from market opportunities, STRABAG operates on other continents as well. 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 and established organisational structures make it easier to export and use the technology in new regions with little expense.

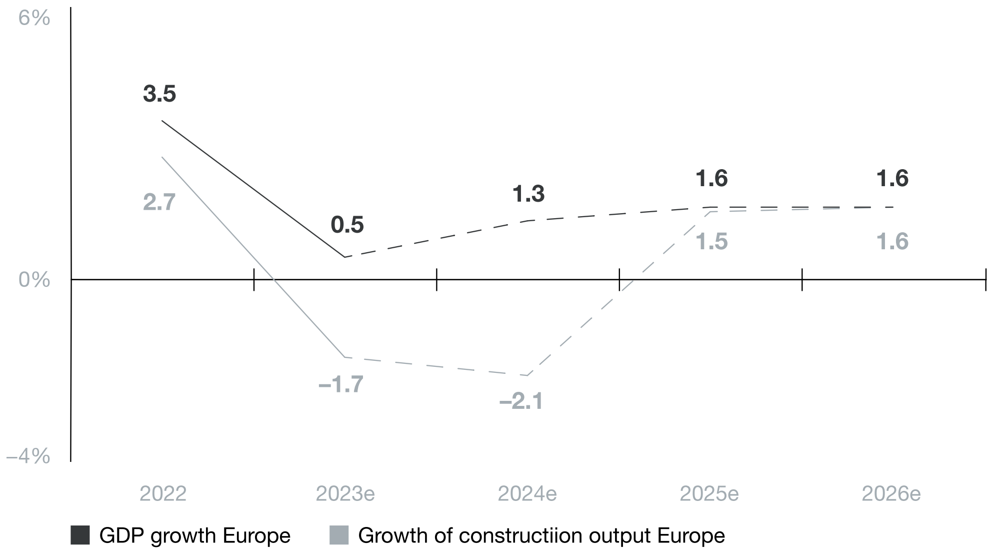
The STRABAG SE Group boosted its **output volume** by 8% to € 19,139.14 million in the 2023 financial year, setting a new record for this figure. Growth in almost all of the Group's key markets contributed to this development, with the largest increases in output recorded in Germany and Romania as well as in transportation infrastructures in Poland. In the Czech Republic, output declined, as expected, after a selective approach was taken in response to increased competition in transportation infrastructures. Apart from this, only smaller markets such as Sweden and Denmark recorded a decline in output.

Output volume by country

€ mn	**2023**	**% of total output volume 2023**	2022	% of total output volume 2022	Δ %	Δ absolute
Germany	9,045	47	8,347	47	8	698
Austria	3,070	16	2,935	17	5	135
Poland	1,329	7	1,126	6	18	203
Czech Republic	999	5	1,093	6	-9	-94
Hungary	808	4	688	4	17	120
United Kingdom	672	4	578	3	16	94
Americas	564	3	558	3	1	6
Romania	519	3	315	2	65	204
Slovakia	410	2	351	2	17	59
Croatia	242	1	238	1	2	4
Switzerland	226	1	197	1	15	29
Middle East	219	1	252	1	-13	-33
Benelux	190	1	176	1	8	14
Rest of Europe	155	1	169	1	-8	-14
Asia	150	1	136	1	10	14
Serbia	139	1	146	1	-5	-7
Slovenia	118	1	81	0	46	37
Sweden	106	1	152	1	-30	-46
Bulgaria	65	0	68	0	-4	-3
Italy	62	0	21	0	195	41
Africa	31	0	47	0	-34	-16
Denmark	20	0	61	0	-67	-41
Total	**19,139**	**100**	**17,735**	**100**	**8**	**1,404**

Global economy

Growth comparison construction vs GDP Europe



Slower growth

Global economic growth in 2023 weakened slightly for the second year in a row. This development is mainly due to the impacts from the tight monetary policy to curb persistently high inflation, restrictive lending conditions and the resulting lower level of investment. In addition to the Russian war of aggression against Ukraine, the latest conflict in the Middle East is increasing the geopolitical risks. An escalation of the conflict could lead to a rise in energy prices, which in turn could have an impact on global economic activity and inflation. Other risks include weaker than expected growth in China and a further fragmentation of the retail sector. At the same time, the financial 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 World Bank expects the global economy to grow by 2.6% in 2023 and by 2.4% in 2024. The current phase of low growth is likely to continue, as prices are expected to remain high for the foreseeable future. The World Bank puts the global rate of inflation at 6.9% in 2023, with a slight decline to 5.8% in 2024.

The OECD estimates the European Union’s economic growth at 0.6% in 2023. The gross domestic product of the 19 Euroconstruct countries (EC-19) rose by 0.5% in 2023. The growth rates of the individual countries vary only slightly, ranging between -0.8% and +2.3%. GDP growth of 1.3% is expected for the EC-19 region in 2024, followed by 1.6% in both 2025 and 2026.

All growth forecasts as well as the particular national construction volumes are taken from the Euroconstruct and EECFA (Eastern European Construction Forecasting Association) winter 2023 reports. The indicated market share data are based on the data from the year 2023 and 2023 estimates from Euroconstruct and EECFA.

The construction industry

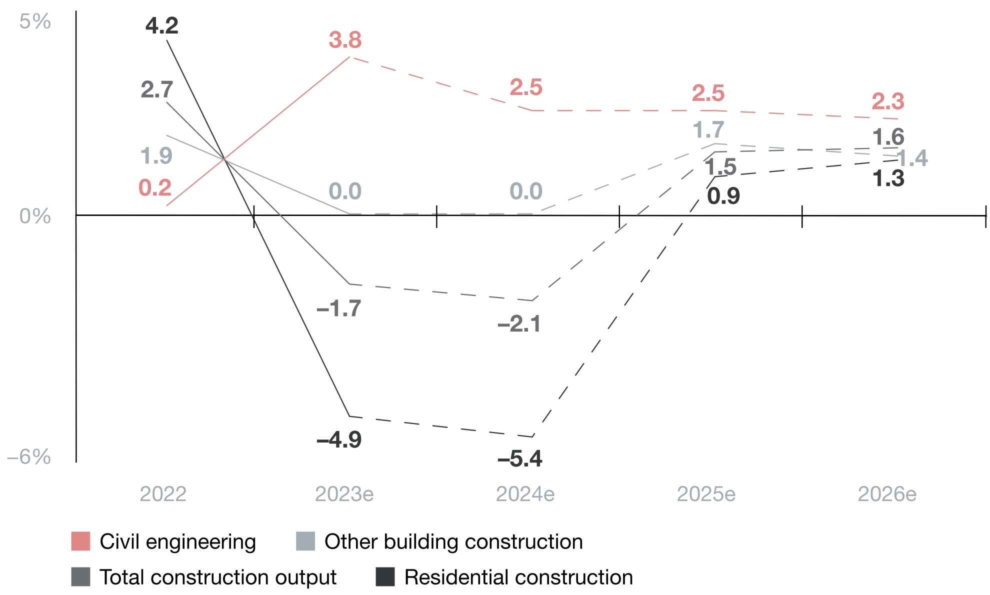
Diverging trends in the construction sector

The construction industry in the 19 Euroconstruct countries recorded a decline of 1.7% in 2023 (2022: +2.7%). The repeated increase in key interest rates in Europe, combined with national budget bottlenecks and higher construction costs, led to several project launches being postponed. Offsetting this, however, were the positive impacts from public funding, particularly for the climate-related renovation and refurbishment of existing buildings. Despite the tight financing conditions and subdued domestic and foreign demand, however, growth is expected to stabilise rapidly as soon as inflation begins to ease and the global upturn starts to gain traction.

In a sector-by-sector comparison, civil engineering proved resilient in 2023 and performed best with an increase of 3.8%. Non-residential construction stagnated (0%), while residential construction suffered a significant downturn of -4.9% due to the general market environment. The strongest growth was recorded by the Irish construction industry with an increase of 3.2%, followed by Spain with +2.8% and Poland with +2.2%. Sweden brought up the rear with -10.6%, followed by Finland (-10.1%) and Hungary (-8.0%). Construction growth in the 19 Euroconstruct countries will continue to decline in 2024 at -2.1%. An increase of 1.5% and 1.6% is expected again in 2025 and 2026 respectively.

Construction sectors

Growth comparison of construction sectors in Europe



Civil engineering resilient, residential construction in sharp decline

Residential construction, which continues to account for almost half of total European construction output, declined by 4.9% in 2023 with a volume of € 1,001.9 billion. In absolute figures, Germany achieved the highest construction volume in residential construction ahead of Italy, followed by France and the United Kingdom. Euroconstruct predicts a further decline in construction output of 5.4% in this segment in 2024. The trend will return to positive territory in 2025 at +0.9%, with +1.3% forecast for 2026.

Non-residential construction, which accounts for 30% of the European construction volume, stagnated in 2023 (0%). Germany is the largest market for this segment, followed by the United Kingdom, France and Italy. The highest growth rates were recorded in the Czech Republic and Italy, followed by Ireland and Spain, while the weakest growth in non-residential construction was registered in Denmark, Slovakia, Hungary and Sweden. Euroconstruct forecasts further stagnation for the segment in 2024 (0%), with growth of 1.7% and 1.4% expected for 2025 and 2026 respectively.

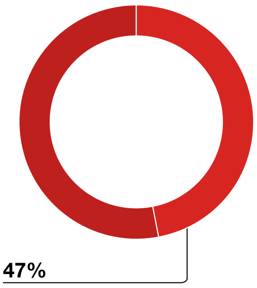
Civil engineering, which contributes around 20% to European construction output, proved to be the fastest-growing segment in 2023 at +3.8%. Developments in the individual countries varied greatly. In absolute figures, Germany was ahead of Italy, the United Kingdom and France. The strongest growth, meanwhile, was recorded in Italy, Slovakia, Poland and Spain, with the largest decline in Finland. The growth rate for European civil engineering is expected to be 2.5% in both 2024 and 2025, with an increase of 2.3% expected for 2026. More than half of European civil engineering investments are channelled into road and rail networks, followed by energy and water supply projects.

STRABAG delivers the bulk of its services in the infrastructure sector, with a focus on transportation infrastructure projects. More than 60% of our customers are in the public sector. Public-sector demand in the area of infrastructure in particular has a stabilising effect. Residential construction accounts for less than 10% of Group output.

Developments in the core markets of STRABAG SE

Below we present the development of the national economies and of the respective construction industries in STRABAG SE's eight core markets during the past year. These countries accounted for 85% of Group output in 2023 and their development is therefore of particular importance to STRABAG.

Germany



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Germany	47	461.4	-0.5	1.0	-2.3	-2.2

The German economy recorded a GDP decline of 0.5% in 2023. After more than a decade of low interest rate policies, the economy is now preparing for noticeably higher interest rates once again. Energy prices remained high by international standards, accompanied by persistently high inflation. At the same time, companies were faced with considerable challenges from national and European regulations with regard to climate protection measures. Nevertheless, Euroconstruct expects slight growth of 1.0% again as early as 2024. In the medium term, the growth rate is likely to stabilise between 1.0% and 1.5% a year.

The German construction industry recorded a 2.3% decline in construction output in 2023 – due primarily to the situation in building construction and, in particular, residential construction. Construction companies with diversified service portfolios continue to benefit from well-filled order books. In addition to the ECB's interest rate turnaround, the construction sector also had to deal with a shortage of skilled labour, a significant rise in construction costs and continued high inflation. Encouraging signs for the future come from the federal government's financing commitments for railway expansion and the continuing high demand for infrastructure. Euroconstruct is forecasting a decline of 2.2% for the sector in 2024, followed by a decline of 0.9% in 2025 and 0.6% in 2026.

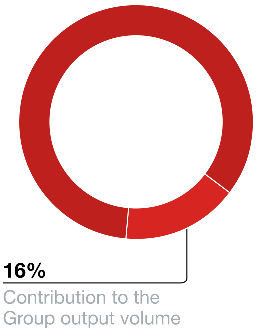
In **residential construction**, the construction volume fell by 3.1% in 2023. Against the backdrop of significantly higher mortgage interest rates, lower public subsidies and higher construction prices, both private clients and residential construction companies refrained from new construction projects. On the other hand, the sector received a boost from government subsidies for renovations and the thermal refurbishment of buildings. Euroconstruct expects the residential construction sector to reach a temporary low of -4.5% in 2024, with a smaller downturn of 2.5% and 1.3% per year forecast for 2025 and 2026 respectively.

Non-residential construction, which shrank by 2.4% in 2023, suffered from the economic uncertainty and partial investment restraint on the part of companies and the public sector, especially at the local level. Despite this, Euroconstruct expects the sector to continue to grow by 0.1% and 0.9% in 2024 and 2025 respectively, with the trend turning slightly negative at -0.1% in 2026.

The **civil engineering** sector recorded slight growth of 0.3% in 2023. The long-term government investment programmes in rail and road infrastructure continue to have a positive effect. Investments in energy transition projects are giving the sector a new tailwind. Local governments, on the other hand, remained cautious in some cases due to higher construction prices for road and hydraulic engineering projects. Civil engineering is expected to grow by 1.7% in 2024, followed per year by 1.2% in 2025 and 0.5% in 2026.

The STRABAG Group has a market share of 2.0% of the total construction market in Germany. Its 12.9% share of the German road construction sector is significantly higher than that of the market as a whole. With € 9,045.59 million, around 47% of STRABAG's total Group output volume was generated in Germany in 2023 (2022: 47%). Most of the output is allocated to the North + West segment, while the property and facility services provided in Germany are allocated to International + Special Divisions.

Austria



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Austria	16	53.1	-0.8	1.2	-2.7	-4.1

With a GDP decline of 0.8%, the Austrian economy experienced a mild recession in 2023. The energy price shocks of the previous year and a sharp reduction in inventories led to an industrial recession in Europe in 2023 that affected Austria as well. At 7.7%, inflation remained above the EU average. The increased workforce retention during the downturn nevertheless ensured a robust labour market. Euroconstruct forecasts growth of 1.2% for 2024, 1.6% for 2025 and 1.7% for 2026.

The Austrian construction industry experienced a decline of 2.7% in 2023. Construction investment – especially in building construction – was noticeably dampened by the European Central Bank's interest rate hikes. The rise in construction costs also impacted real growth in the construction industry. The introduction of stricter lending guidelines for residential construction loans (Regulation on Real Estate Financing Measures in Credit Institutions – KIM-VO) was a source of additional pressure. In this environment, Euroconstruct continues to expect a significant decline of 4.1% for 2024. Positive momentum is forecast again for 2025 and 2026, with growth rates of 0.4% and 1.9% respectively.

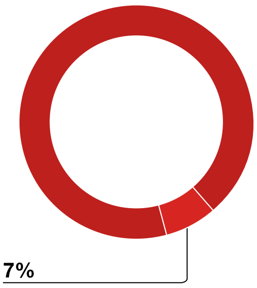
Among the individual construction sectors, **residential construction** saw the sharpest decline in 2023 at 4.7%, as expected. In Austria, the impact is even more pronounced than in other European countries due to a combination of persistently high inflation, higher mortgage interest rates and stricter lending guidelines. New construction suffered the greatest losses, while renovation still showed slight growth due to ecological and energy-related factors. Overall, a further sharp decline of 6.0% is forecast for residential construction in 2024. The downward development will continue in 2025 at 0.5%. The trend is not expected to turn positive again until 2026 with slight growth of 1.4%.

The construction volume in **non-residential construction** in 2023, which was negatively impacted by the combination of the economic downturn, higher construction costs and rising interest rates, fell by 2.1%. While high order backlogs from the previous year were still being fulfilled in the industrial sector, some of the planned investments in office and commercial buildings were postponed for the time being. Euroconstruct expects the downturn to intensify in 2024 with a decline of 3.7% before investment recovers in 2025 with an increase of 1.7%, followed by a return to strong growth of 3.9% in 2026.

Civil engineering showed a clearly positive trend of 2.8% in 2023 due to strong government investment in infrastructure programmes. The further expansion of the road and, in particular, the rail network was a fixed item in the Austrian budget. Investments in the energy sector for the expansion of renewable energy sources and investments in the telecommunications sector for a nationwide broadband network are becoming increasingly important. Growth of 0.9% is expected in 2024, followed by a plus of 0.2% in 2025 before the trend turns slightly negative with -1.0% in 2026.

The STRABAG Group generated 16% of the total Group output volume in its home market of Austria in 2023 (2022: 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 € 3,069.61 million in 2023. This gives STRABAG a 5.8% share of the construction volume in the overall market in Austria. In road construction, the market share stands at 47.3%.

Poland



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Poland	7	66.7	0.3	2.9	2.2	2.5

Following the strong economic growth in 2022, which was mainly due to post-Covid-19 effects, GDP growth in Poland weakened to +0.3% in the reporting year. Factors contributing to this development included the high inflation of 11.1%, higher interest rates and the associated weaker demand from the private sector. Uncertainties in connection with the Russian war of aggression in neighbouring Ukraine and the delayed impacts from supply chain disruptions also dampened growth. Government investments, anti-crisis programmes and net exports in particular had a positive effect. Euroconstruct is forecasting GDP growth of 2.9% for 2024, followed by 3.5% in 2025 and 3.0% in 2026.

The Polish construction industry grew by 2.2% in 2023, slightly outpacing GDP growth, but weaker than in the two previous years. Construction-specific products were less available and supply chains were disrupted, while the shortage of skilled labour remained high. In recent years, construction activity in Poland has been stimulated by government programmes, particularly for public buildings and facilities as well as infrastructure. Euroconstruct expects the Polish construction industry to grow by 2.5% in 2024, with growth of 3.4% and 3.5% respectively in the two following years.

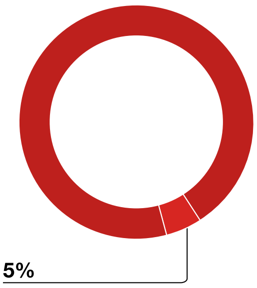
Residential construction, with a decline of 3.1%, proved to be the weakest sector of the Polish construction industry in 2023. Contributing to this situation were rising loan instalments, stricter procurement rules and higher construction costs. Stability measures and government stimulus programmes have helped to slow the trend. Euroconstruct forecasts a further 2.0% decline in residential construction output for 2024. In 2025 and 2026, however, the expected reduction in lending rates should lead to growth of 3.0% and 1.5% respectively.

Non-residential construction in Poland grew by 1.0% in 2023, with the momentum almost exclusively due to the strong increase in public investments. High costs for building materials, wages, electricity and fuel hit this segment hard as well. The market for office and commercial buildings was the weakest, while growth was recorded among industrial, warehouse and agricultural buildings. Large companies in particular invested heavily in 2023. Euroconstruct expects non-residential construction to grow by 3.0% in 2024 and by 2.4% and 2.5% in the following two years.

Civil engineering, with growth of 7.6%, proved to be the strongest segment of the Polish construction industry in 2023. This performance was driven by the momentum of infrastructure projects, which are closely linked to Poland's economic policy and the European Union's climate policy. Road construction, which grew by 11.4%, and energy supply exhibited particularly strong growth. Further growth drivers include the government's long-term programmes for the period until 2030, such as the new national road programme and the national railway programme. The election of a new government also increases the chances of previously withheld EU funds being released. In the field of energy supply, the planned construction of two nuclear power plants should provide further growth momentum. Euroconstruct is forecasting growth of 5.2% for Polish civil engineering in 2024, followed by a plus of 4.6% in 2025 and 5.6% in 2026.

As the number two in the construction sector in Poland, STRABAG realised a construction volume of € 1,328.83 million here in 2023, representing 7% of the Group's total output volume (2022: 6%). Poland thus represents the third-largest market of the STRABAG Group. Its market share in the entire Polish construction market was 2.0% and its share of road construction was 8.7%.

Czech Republic



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Czech Republic	5	32.4	-0.3	2.0	-1.8	0.2

The Czech economy in 2023 was seriously affected by higher interest rates and by the impact from the high rate of inflation of around 11.0% on both businesses and households. Despite high government spending and strategic investments, GDP was slightly negative at -0.3%. There are plans to gradually consolidate public budgets, which will also affect private households. By contrast, EU investments, particularly from the 2021–2027 programming period, as well as the Modernisation Fund and the EU's recovery plan, are having a positive effect. Other contributing factors include the continued rise in exports, the stable import situation and low unemployment compared to the rest of the EU. Euroconstruct estimates that inflation will fall to between 2% and 3% as early as 2024, enabling GDP growth of 2.0% this year. An increase of 2.6% and 2.3% is then forecast for 2025 and 2026 respectively.

The output of the Czech construction industry fell by 1.8% in 2023. The ongoing shortage of skilled labour as well as price increases for materials, energy, fuel and loans posed major challenges for the sector. On the other hand, the government stimulated renovation projects with subsidies to increase energy efficiency. The construction industry also benefited from funding under several EU programmes. Euroconstruct expects a slight increase of 0.2% for the sector in 2024, with higher growth of 3.5% and 6.4% expected in the following two years.

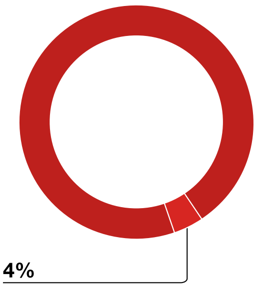
Residential construction fell by 9.6% in the reporting year, having been particularly hard hit by persistently high loan instalments. Real estate prices fell in many regions of the country, and a massive decline was recorded in the volume of real estate loans. The market for renovations, in contrast, remained stable. Euroconstruct is therefore forecasting only a slight decline of 1.2% in residential construction for 2024, followed by strong growth of 6.2% and 10.1% for 2025 and 2026 respectively.

After several years of negative growth, **non-residential construction** experienced a significant plus of 4.5% in the Czech Republic in 2023. This development was mainly due to industrial and logistics buildings, which were positively influenced by the booming business of online retail. The public sector is also encouraging construction related to schools, universities and hospitals. The market for office buildings, on the other hand, remains weak. Non-residential construction is expected to grow only slightly by 1.1% in 2024, followed by stronger growth of 3.9% in both 2025 and 2026.

Output in the Czech Republic's **civil engineering** segment remained stable in 2023 (+0.9%), mainly due to ongoing investments in the national and local transport infrastructure. Driving this development were railway systems, telecommunications and energy suppliers. The largest transportation infrastructure project is a new metro line in Prague. Civil engineering is also set to benefit from public funding and subsidies from the EU and from the European Investment Bank (EIB) in the future, not least with regard to the energy transition. For 2024 and 2025, Euroconstruct expects output in this segment to remain stable at +0.8% and 0.0% respectively, before strong growth of 5.1% in 2026.

STRABAG is the number one on the market in the Czech Republic. With an output volume of € 998.65 million in 2023, around 5% of the Group's total output (2022: 6%) was generated in the country. The market share in the entire construction market is 3.1% and in road construction amounts to 13.3%.

Hungary



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Hungary	4	19.3	0.0	3.5	-8.0	-3.8

The Hungarian economy stagnated in 2023 with GDP growth of 0.0%. The main factors behind this development were the high inflation, rising consumer prices, high interest rates and the government's investment freeze. Euroconstruct expects an increase in wages as well as consumption and, as a result, a return to growth in the coming years. The employment rate, already high, looks set to increase even slightly further. The government is also showing increasing budgetary discipline. The GDP is therefore forecast to grow by 3.5% in both 2024 and 2025 and by 3.6% in 2026.

The output of the Hungarian construction industry decreased by 8.0% in 2023. After several years of strong stimulus from the government, its investment freeze affected almost the entire sector. The situation could change if the resources from the EU funds, which are currently still being blocked, were to be released. The government has announced a ten-year development plan to be presented mid-2024. Euroconstruct is forecasting a decline of 3.8% for the Hungarian construction industry in 2024, with a trend reversal expected starting in 2025 (+4.9%) and growth of 5.4% forecast for 2026.

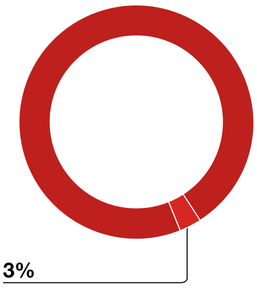
The sharp downturn in Hungarian **residential construction** (2023: -17.2%) is particularly dramatic, with the decline in new residential construction being the main contributing factor. The high construction costs, sharply rising interest rates and low sales prices gave developers little incentive to invest. Government subsidies and a recommended annual interest rate cap of 8.5% provide some relief. The market for renovations also declined in 2023, though it could recover as early as 2024, whereas new construction is not expected to pick up again until 2025. Accordingly, Euroconstruct is forecasting a decline of 3.6% for Hungarian residential construction in 2024, with the segment expected to grow by 4.0% again from 2025 and by as much as 5.5% in 2026.

Non-residential construction in Hungary fell by 4.8% in the reporting year. The government's investment freeze had a significant impact here as well. The goal of creating a comprehensive ecosystem for e-mobility in Hungary could, however, positively stimulate the market for industrial and logistics buildings. Euroconstruct anticipates a further decline of 4.8% in this segment in 2024, with an increase of 2.7% and 2.8% expected for 2025 and 2026 respectively.

The Hungarian **civil engineering** segment, including road construction and other transport infrastructure projects, declined by 3.8% in 2023. In contrast, intensified reindustrialisation had a positive effect, with a plus in energy and water supply projects. In the short term, however, the trend in civil engineering will continue to be curbed by the suspension of state investments and the postponement of planned renovation work on the road network during modification of the road concessions. The freezing of EU funds is continuing to have a negative impact as well. The Euroconstruct forecast therefore predicts a further decline of 2.4% in this segment in 2024, before a strong recovery sets in again in 2025 and 2026, with growth of 9.2% and 9.1% respectively.

The STRABAG Group generated € 807.74 million, or 4% of its output, in Hungary in 2023 (2022: 4%). This puts STRABAG in fourth place in the Hungarian construction market. Its share of the total market reached 4.2%, that in road construction 12.5%.

Romania



Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Romania	3	32.5	2.0	3.4	-1.9	-6.4

The Romanian economy grew by 2.0% in 2023, less strongly than in the two previous years. The outlook remains positive, albeit subdued. The increase in consumer prices (8.8%) is expected to slow significantly from 2024 onwards, although lending rates will remain high for longer. EECFA is forecasting GDP growth of 3.4% and 4.2% for 2024 and 2025 respectively.

In contrast to the development of the economy as a whole, output in the Romanian construction industry fell by 1.9% in the reporting year. High energy prices and construction costs, partly due to higher personnel expenses, affected all segments. The budget available from Romania's National Recovery and Resilience Plan (NRRP) decreased, which had a significant impact on the healthcare and energy sectors. The decline in the energy sector, however, is more than offset by the European Union's REPowerEU plan. In the 2024 election year, with elections at local, national and EU level, the focus will be more on local and socially impactful projects – at the expense of longer-term projects. According to EECFA calculations, construction output in Romania will fall by a further 6.4% in 2024 before recovering slightly (+1.9%) in 2025.

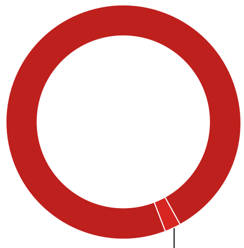
The Romanian **residential construction** sector suffered a significant slump in 2023 (-8.6%), as high inflation and expensive lending rates as well as increased construction costs dampened both supply and demand. Building permits and the amount of usable space fell by almost a fifth, particularly in the Bucharest region (-36%) and the west of the country. EECFA expects a further downward correction for residential construction in 2024 (-7.6%). In 2025, a return to slight growth of 1.8% is expected for the segment thanks to falling inflation and lower lending rates.

The development of the **non-residential construction** segment in Romania was very mixed in 2023, with a slight decline of 0.8% overall. Sharp declines were recorded due to lower demand and changing trends in the market for office buildings. By contrast, healthcare buildings and educational facilities increased by 12.1% in 2023 due to co-financing from the previous EU programming period. The recovery of private consumption was reflected in an upturn in retail and wholesale properties. Industrial buildings and warehouses also remained on a growth path. EECFA is forecasting a decline of 4.0% for the segment in 2024, followed by a return to growth of 2.9% in 2025.

Civil engineering, with growth of 7.3%, proved to be the strongest segment of the Romanian construction industry in 2023. On the one hand, projects from the 2014–2020 EU programming period were still being completed; on the other hand, investments from the NRRP were already underway. The focus was on transportation infrastructures as well as on structures in the energy and pipeline sectors. The switch to the new EU programme along with greater budget discipline will lead to a decline in construction output, however. EECFA is forecasting a decline of 6.5% for the Romanian civil engineering segment in 2024, followed by a slight recovery of 1.2% in 2025.

With an output of € 519.26 million in 2023, the STRABAG Group holds a 1.6% share in the entire Romanian construction market. In road construction, the share of the market stands 4.6%.

Slovakia



2%
Contribution to the Group output volume

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Slovakia	2	8.8	1.5	2.7	0.1	2.9

The Slovakian economy grew by 1.5% in the reporting year. Key economic indicators, such as private and public consumption as well as imports and exports declined, however. The inflation rate in 2023 stood at just over 10%. The shortage of labour was particularly evident in industry and construction. The automotive industry, on the other hand, was able to compensate for the decline in private consumption. EU programmes and funds, which provided stimulus in the fields of transport, the environment, digitalisation, science and research, had a positive effect. Euroconstruct expects Slovakia's GDP to grow by 2.7% in 2024, 3.4% in 2025 and 2.1% in 2026.

The Slovakian construction industry generated slight growth of 0.1% in 2023. High material and labour costs and rising lending rates led to a gradual decline in construction investments. As expected, the number of projects in transportation infrastructures fell significantly before the elections in autumn. Following the elections, the number of projects put out to tender is expected to increase once again. Euroconstruct is forecasting a reduction in public investment from the state budget. The development of construction output in the coming years will therefore depend on how effectively the funds from the EU's recovery plan and the new EU programming period are used. Euroconstruct predicts growth of 2.9% for the Slovakian construction industry in 2024, followed by a plus of 0.7% and 3.9% respectively in the following years.

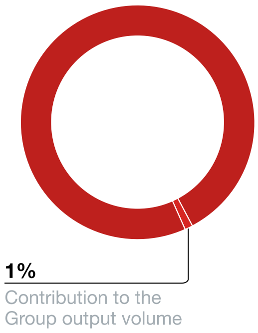
Slovakia's **residential construction** output fell by 2.6% in 2023. High lending interest and high construction prices dampened demand from developers and smaller investors alike. Funds from the European recovery plan are to be used in the future primarily to promote renovations aimed at increasing energy efficiency. The demand for flats in Bratislava and other larger cities is also continuing. After a further slight decline in 2024 (-0.3%), Euroconstruct expects residential construction to grow again in 2025 and 2026 with a plus of 3.3% and 5.6% respectively.

Output in **non-residential construction** fell significantly in 2023 (-5.5%). The market for office buildings was especially hard hit, while growth was reported for educational facilities and healthcare buildings. The automotive industry remains the largest private investor in the country. Euroconstruct expects the greatest input for the segment to come from the European recovery plan, particularly in the healthcare sector. Non-residential construction is expected to pick up significantly in 2024 with an increase of 6.3%, while growth of 3.8% and 2.7% is expected for the following two years.

Slovakia's **civil engineering** sector, with a plus of 14.5%, proved to be by far the strongest segment in the reporting year, mainly due to the end of the EU programming period. The frontrunner was transportation infrastructures – with motorways, expressways and city bypasses as well as maintenance and renovation work. The expansion of the bicycle network was also driven forward. The rail, water and wastewater, and renewable energy sectors will receive additional funding from the European recovery plan. Euroconstruct expects a further increase of 4.7% for the segment in 2024, followed by a decline of 7.9% in 2025 and a further increase of 2.1% in 2026.

With a market share of 4.7% and an output volume of € 410.26 million in 2023, STRABAG is the leader in Slovakia. In road construction, STRABAG's share is 18.9%. In 2023, Slovakia contributed 2% to the Group's total output volume (2022: 2%).

Croatia



	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
Croatia	1	6.7	2.6	2.5	9.1	1.6

The Croatian economy grew by 2.6% in the reporting year. A key factor contributing to this development was Croatia's entry into the Schengen area and the eurozone at the beginning of the year. The high-tech sector continued to perform strongly, and tourism also delivered very good results once again. Croatia also became more successful in acquiring and quickly utilising EU funds, especially for the National Recovery and Resilience Plan (NRRP), as well as funds from international financial institutions. Inflation stood at 8.1% in 2023. EECFA expects further GDP growth of 2.5% and 2.8% for 2024 and 2025 respectively.

With strong growth of 9.1%, the Croatian construction industry performed much better than the economy as a whole in 2023. This was true for all segments. Construction growth is expected to weaken significantly again in the coming years, however, among other things due to rising real estate prices and more difficult financing conditions. EECFA forecasts an increase in construction output of 1.6% for the segment in both 2024 and 2025.

The Croatian **residential construction** sector grew more strongly than expected in 2023, with a plus of 6.5%. Domestic demand was up as many young families are looking for new and larger living space. Foreign demand also increased, despite the recession in Austria and Germany. A downward correction in residential construction output is expected in the following years, mainly due to rising real estate prices and the high level of inflation. For 2024 and 2025, EECFA is forecasting declines of 5.6% and 4.1% respectively.

Non-residential construction recorded a strong increase of 8.0% in the reporting year. The market for office buildings grew particularly strongly (+13.7%). Renovations with the aim of building energy-efficient and environmentally friendly offices are being driven by the NRRP. The healthcare and educational buildings sector (+11.5%) is also booming thanks to EU and other international funds being channelled into this segment. The market for industrial buildings, warehouses and hotels also developed very promisingly. EECFA forecasts growth of 3.1% for non-residential construction in Croatia in 2024, followed by a slight decline of 0.5% in 2025.

With growth of 13.3% in the reporting year, **civil engineering** proved to be the strongest segment of the Croatian construction industry. This growth was driven in particular by complex large-scale construction projects at industrial locations and in transportation infrastructures. Croatia was able to convince the EU to extend two core network corridors of the European transport network TEN-T to the country. The expansion of the railway network, which is in need of renovation, is also planned for the next decade. Investments in the electricity grid and the expansion of renewable energies are expected to provide new stimulus as well. EECFA's forecasts are correspondingly positive, with Croatia's civil engineering segment expected to grow by 9.1% in 2024 and by 8.8% in 2025.

With an output of € 241.63 million in 2023, the STRABAG Group holds a 3.6% share in the entire Croatian construction market. In Croatian road construction, the share of the market stands 7.8%.

Further countries and regions

	Contribution to the Group output volume (%)	Overall construction volume (€ bn)	GDP growth (%)		Construction growth (%)	
	2023	2023	2023e	2024e	2023e	2024e
United Kingdom	4	264.1	0.4	0.3	-1.6	-2.1
Switzerland	1	69.8	0.8	1.9	-1.1	1.6
Sweden	< 1	55.6	-0.6	1.0	-10.6	-5.7
Serbia	< 1	5.7	2.5	3.5	9.0	-1.9
Slovenia	< 1	5.0	1.6	2.8	4.1	-0.9
Bulgaria	< 1	11.1	2.0	1.8	3.4	2.0
Denmark	< 1	43.7	1.5	1.3	-6.1	-4.9
Italy	< 1	280.8	0.8	0.8	-0.7	-7.3

STRABAG is also active in the Americas, the Middle East, Africa and Asia as well as in Benelux and other European countries. These regions account for 7% of Group revenue (2022: 8%).

Order backlog

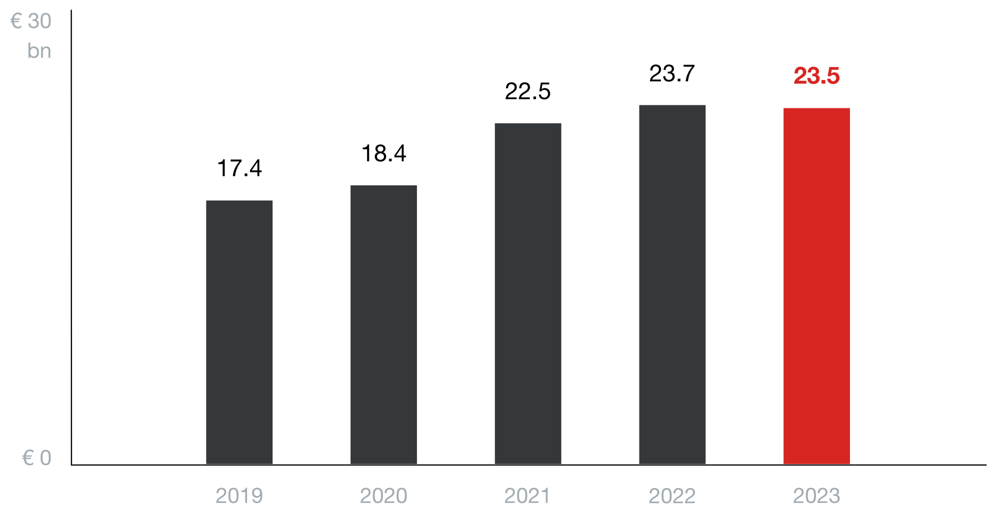
Order Backlog by segment as at 31 December 2023

€ mn	Total 2023	North + West	South + East	International + Special Divisions	Other	Total 2022	Δ Total %	Δ Total absolute
Germany	12,544	10,750	432	1,341	21	11,154	12	1,390
Austria	2,360	48	2,026	286	0	2,992	-21	-632
Poland	1,944	1	1,906	37	0	1,634	19	310
United Kingdom	1,794	7	5	1,782	0	2,216	-19	-422
Czech Republic	939	0	935	3	1	993	-5	-54
Americas	614	0	0	614	0	883	-30	-269
Romania	496	13	479	4	0	567	-13	-71
Middle East	462	0	27	435	0	256	80	206
Italy	459	0	2	457	0	374	23	85
Hungary	348	0	348	0	0	719	-52	-371
Croatia	323	0	323	0	0	408	-21	-85
Slovakia	232	0	225	7	0	320	-28	-88
Rest of Europe	192	0	182	7	3	270	-29	-78
Asia	175	0	12	163	0	253	-31	-78
Benelux	158	147	0	11	0	220	-28	-62
Switzerland	111	104	5	2	0	101	10	10
Sweden	108	108	0	0	0	98	10	10
Slovenia	59	0	59	0	0	95	-38	-36
Africa	53	0	43	10	0	72	-26	-19
Serbia	49	0	49	0	0	67	-27	-18
Denmark	29	29	0	0	0	16	81	13
Bulgaria	17	0	16	1	0	31	-45	-14
Total	**23,466**	**11,207**	**7,074**	**5,160**	**25**	**23,739**	**-1**	**-273**

€ 23.5 billion
Order backlog

Despite sharp declines on the residential construction market, the **order backlog** remained more or less stable at a very high level of € 23,466.13 million (-1% compared to 31 December 2022). The order backlog grew in Germany, primarily in building construction and civil engineering, in Poland, and in the Middle East, among other regions. As a result of the current interest rate level and the stricter lending guidelines for mortgage loans compared to the rest of Europe, the order backlog in Austria remained below the above-average level of the previous year. The decline in the United Kingdom and in the Americas can be explained by the gradual completion of major projects in those regions.

Development of order backlog



Additions to the order backlog in Germany include the expansion of the U5 subway lines in Hamburg and Munich, the turnkey construction of a replacement building for Ruhr University in Bochum, and the construction of the sustainable office building Inspire Neukölln in Berlin. In the Middle East, infrastructure and building construction projects worth around € 383 million were acquired in the United Arab Emirates, Oman and Qatar. In the Czech Republic, the Group was awarded the contract to modernise the Masaryk railroad station in Prague, while in Poland STRABAG is constructing a production and logistics building for Cognor S. A. and building the country's third longest bridge over the river San near the city of Stalowa Wola.

Construction sites included in the order backlog as at 31 December 2023

Category	Number of construction sites	Number of construction sites as % of total	Order backlog € mn	Order backlog as % of total
Small orders (€ 0–1 mn)	10,184	79	2,028	9
Medium-sized orders (€ 1–15 mn)	2,153	17	3,734	16
Large orders (€ 15–50 mn)	321	3	4,258	18
Very large orders (>€ 50 mn)	171	1	13,446	57
Total	**12,828**	**100**	**23,466**	**100**

The total order backlog is comprised of **12,828 individual projects**. More than 10,100 of these, or 79%, involve small orders with a volume of up to € 1 million each; the remaining proportion of 21% covers medium-sized to very large orders with contract volumes of € 1 million and up. A total of merely 171 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 2023 added up to 21% of the order backlog.

Selected large projects in the order backlog as at 31 December 2023

Country	Project	Order backlog € mn	As % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1,176	5.0
Germany	US hospital, Weilerbach	627	2.7
Germany	Bayerische Versorgungskammer	595	2.5
United Kingdom	Woodsmith Project	592	2.5
Germany	U5 East, Hamburg	580	2.5
Germany	Central Business Tower	393	1.7
Germany	Stuttgart 21, underground railway station	283	1.2
Germany	Replacement building, Ruhr University Bochum	270	1.2
Canada	Scarborough Subway Extension Line 2	268	1.1
Germany	Friedrichspark Berlin	171	0.7
Total		**4,955**	**21.1**

Financial performance

The consolidated **Group revenue** for the 2023 financial year amounted to € 17,666.54 million. As many of the acquisitions involved large-scale projects realised under a joint venture arrangement, the revenue growth, at 4%, was less pronounced than the 8% growth in output. This effect is also reflected in the ratio of revenue to output, which fell year-on-year from 96% to 92%. The operating segments North + West contributed 41%, South + East 42% and International + Special Divisions 17% to the revenue.

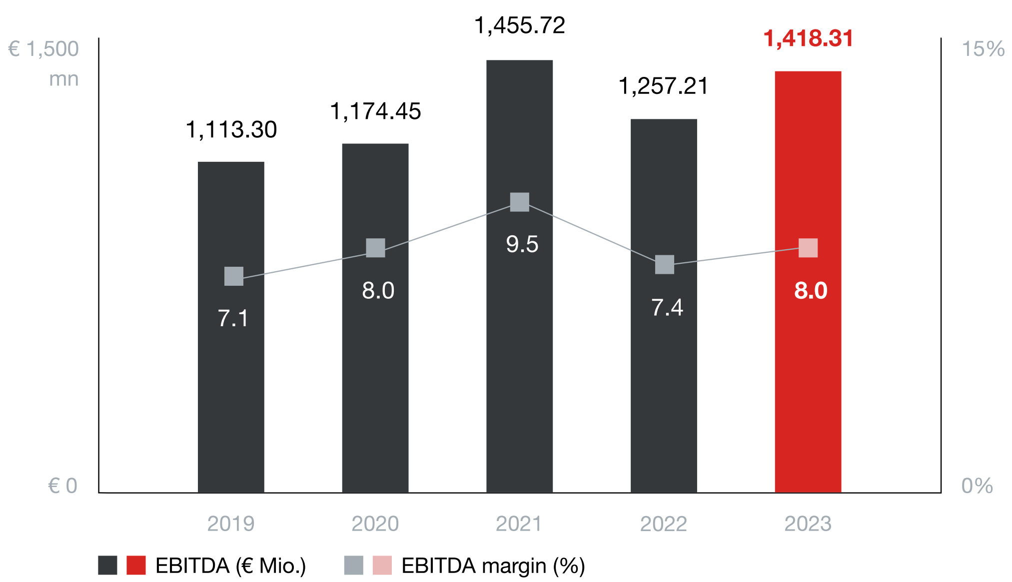
The **changes in inventories** mainly involve real estate project developments. Successful sales were more than compensated for by new projects. The **own work capitalised** fell at a low level due to the completion of several corporate locations. The total of **expenses for construction materials, consumables and services used** and **employee expense**, expressed in relation to the revenue, remained almost constant at 90% (2022: 89%) – despite the at times high inflation.

Expenses

€ mn	**2023**	2022	Δ %
Construction materials, consumables and services used	11,275.08	10,988.65	3
Employee benefits expense	4,540.90	4,133.73	10
Other operating expenses	1,086.60	1,013.28	7
Depreciation and amortisation expense	538.12	550.81	-2

The **earnings from equity-accounted investments** increased significantly to € 144.13 million in the reporting period, mainly thanks to higher earnings from joint ventures. The **net income from investments**, which comprises the dividends and expenses of many smaller companies and financial investments, fell slightly compared to the previous year.

Development of EBITDA and EBITDA margin



In total, the **earnings before interest, taxes, depreciation and amortisation (EBITDA)** increased by 13% to € 1,418.31 million, continuing the trend of exceeding the € 1.0 billion mark established in recent years. As a result, the **EBITDA margin** showed a year-on-year increase from 7.4% to 8.0%. The depreciation and amortisation expense fell slightly by 2.3% to € 538.12 million.

The **earnings before interest and taxes (EBIT)** increased significantly by 25% to € 880.20 million in 2023. The EBIT margin grew to 5.0% (2022: 4.2%), thus exceeding the original forecast. This development is due to positive earnings effects resulting from the strong market positions in the North + West segment.

The **net interest income** increased to € 44.13 million (2022: € 10.7 million). The strong year-on-year growth is primarily due to higher interest income – caused by the higher interest rate level and STRABAG SE's net cash position. The exchange rate result included in this figure turned negative in 2023 at € -15.90 million (2022: € 3.20 million) due to negative exchange rate differences.

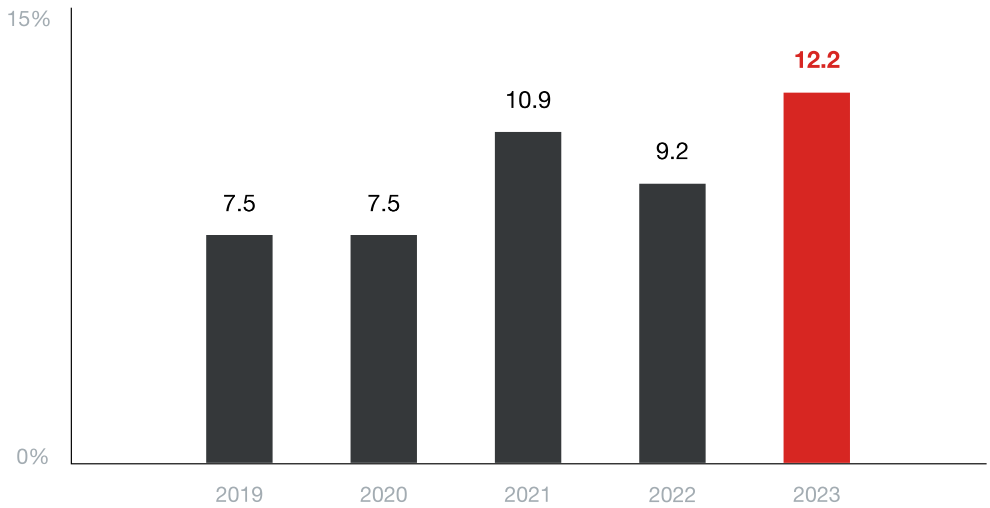
31.5%
Effective tax rate

On balance, the **earnings before taxes** totalled € 924.32 million. The **income tax rate**, at 31.5%, was slightly lower than in the previous year. The **net income** amounted to € 633.39 million, which corresponds to an increase of 32% compared to 2022.

€ 6.30
Earnings per share

The earnings owed to minority shareholders totalled € 2.89 million, compared to € 7.68 million in the previous year. The **net income after minorities** increased by 33% to € 630.51 million, the highest figure in the history of STRABAG SE. The **earnings per share** amounted to € 6.30 (2022: € 4.60).

Development of ROCE



The **return on capital employed (ROCE)** rose from 9.2% in the previous year to 12.2%. This is the highest value in the history of STRABAG SE.

Financial position and cash flows

Balance sheet

€ mn	**31.12.2023**	**% of balance sheet total**	31.12.2022	% of balance sheet total
Non-current assets	5,477	40	5,292	42
Current assets	8,229	60	7,392	58
Equity	4,409	32	4,025	32
Non-current liabilities	2,228	16	2,194	17
Current liabilities	7,069	52	6,465	51
Total	**13,706**	**100**	**12,684**	**100**

The **total of assets and liabilities** increased year-on-year from € 12,683.76 million to € 13,706.21 million mainly due to the increase in cash and cash equivalents and inventories. A decline was recorded in other financial assets.

32.2%
Equity ratio

The **equity** as at 31 December 2023 was up to € 4,409.36 million. The previous buyback obligation for own shares in the amount of a maximum of 10% of the share capital was to be deducted directly from retained earnings as at 31 December 2022 as part of the mandatory anticipatory offer at the time. As only 2.7% of own shares were ultimately purchased, the difference of € 291.31 million was transferred back to retained earnings in 2023. This was offset by capital reductions of € 337.87 million from the capital measures implemented starting in September 2023 to reduce the stake held by MKAO “Rasperia Trading Limited”. The capital reductions implemented as part of these measures changed the ratio of free reserves to appropriated reserves. The **equity ratio** increased to 32.2% (31 December 2022: 31.7%).

Key balance sheet figures

	31.12.2019	31.12.2020	31.12.2021	31.12.2022	**31.12.2023**
Equity ratio (%)	31.5	33.9	33.3	31.7	32.2
Net debt (€ mn)	-1,143.53	-1,747.23	-1,937.18	-1,927.70	-2,643.24
Gearing ratio (%)	-29.7	-42.5	-47.6	-47.9	-59.9
Capital employed (€ mn)	5,838.71	5,815.14	5,750.63	5,407.37	5,726.41

€ 2.6 billion
Net cash position

Another **net cash position** was reported for 31 December 2023 – with a noticeable increase to € 2,643.24 million due primarily to higher cash and cash equivalents and a further reduction in financial liabilities.

Calculation of net debt[1]

€ mn	31.12.2019	31.12.2020	31.12.2021	31.12.2022	**31.12.2023**
Financial liabilities	1,422.21	1,156.01	1,193.62	957.20	898.93
Severance provisions	124.68	122.55	108.36	91.38	98.27
Pension provisions	435.92	428.36	376.83	333.55	319.85
Non-recourse debt	-665.53	-597.20	-652.74	-607.97	-509.67
Cash and cash equivalents	-2,460.81	-2,856.95	-2,963.25	-2,701.85	-3,450.62
Total	**-1,143.53**	**-1,747.23**	**-1,937.18**	**-1,927.70**	**-2,643.24**

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.

The **cash flow from operating activities** increased significantly year-on-year from € 812.86 million to € 1,816.51 million. This development is due to an increase in cash flow from earnings on the one hand and an unexpected reduction in working capital on the other. The forecast reduction in advance payments as a result of higher interest rates did not materialise for the time being.

The **cash flow from investing activities** was more negative, as expected, particularly due to higher investments in financial assets and enterprise acquisitions, including acquisitions in facility services, energy and building services management, and amounted to € -654.87 million (2022: € -560.42 million).

The **cash flow from financing activities** was less negative at € -430.58 million (2022: € -503.66 million). The repayment of a bond in the amount of € 200 million in the previous year resulted in an effect that more than compensated for the acquisition of own shares tendered as part of an anticipatory mandatory offer by the Austrian core shareholders.

Report on own shares

The company held 2,779,006 treasury shares (2.7% of the share capital) as at 31 December 2023. Following entry of the ordinary non-cash capital increase in the commercial register on 21 March 2024, the volume of own shares held as a percentage of the share capital fell to 2.4%.

Further details can be found in the management report under Disclosures under Sec 243a Para 1 UGB.

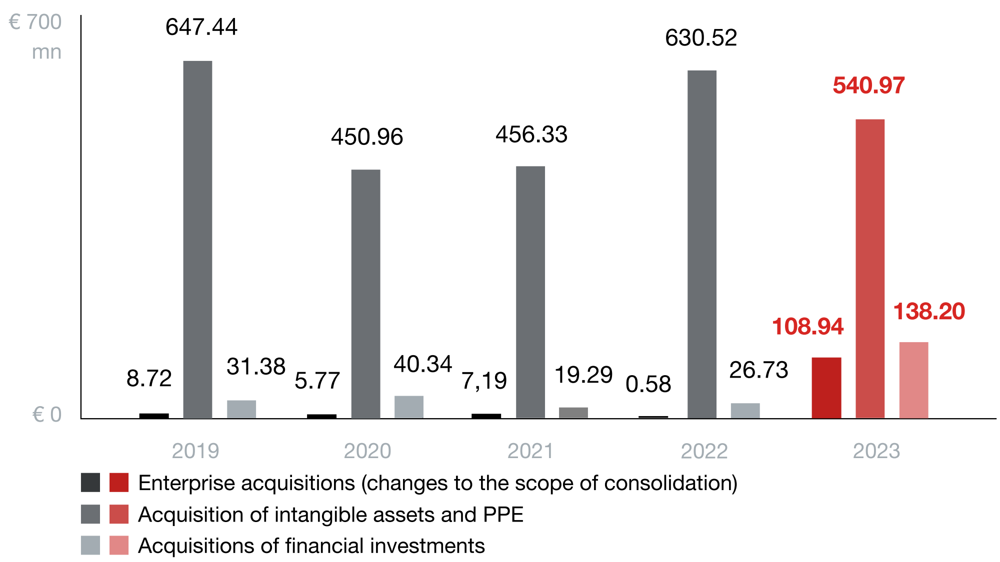
Capital expenditures

€ 655 million

Net investments

STRABAG had forecast **net investments** (cash flow from investing activities) of up to € 700 million for the 2023 financial year. In the end, they amounted € 654.87 million.

Composition of CapEx



The **gross investments (CapEx)** before subtraction of proceeds from asset disposals stood at € 788.11 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 € 540.97 million, the purchase of financial assets in the amount of € 138.20 million and € 108.94 million from changes to the scope of consolidation

Particularly significant investments include maintenance expenditures at our permanent establishments in the core markets of Germany, Austria and Poland as well as additional investments in the construction materials network in several different countries. The latter mainly involve investments in modern asphalt and concrete mixing plants to promote circularity within the Group. Investments were also made in tunnelling as part of several ongoing large-scale projects in the United Kingdom and the Americas.

Expenditures on intangible assets and on property, plant and equipment during the year under report must be seen against the depreciation and amortisation expense in the amount of € 549.16 million. At € 7.45 million, goodwill impairment was slightly higher than the previous year’s value of € 6.70 million. This was offset by write-ups from investment property totalling € 18.5 million.

Financing and treasury

Key figures treasury

	2019	2020	2021	2022	**2023**
Interest and other income (€ mn)	30.97	27.89	26.96	50.74	119.19
Interest and other expense (€ mn)	-56.32	-48.49	-39.53	-40.07	-75.07
EBIT/net interest income (x)	-23.8	-30.6	-71.3	66.2	19.9
Net debt/EBITDA (x)	-1.0	-1.5	-1.3	-1.5	-1.9

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 liquidity situation is continuously monitored by treasury management, managed via a corporate-wide cash pooling system and supported at project level by strict working capital management.

€ 3.5 billion
Cash and cash equivalents

The existing **liquidity** of € 3.5 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 € 8.5 billion. The credit lines include a syndicated surety credit line in the amount of € 2.0 billion and a revolving syndicated cash credit line of € 0.4 billion, each with a term to maturity until 2026. The Group also has bilateral credit lines with banks. With a high degree of diversification regarding its surety and cash credit, STRABAG creates an adequate risk spread in the provision of the credit lines and secures its comfortable liquidity position.

BBB, stable
S&P corporate credit rating

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 October 2023. 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

€ mn	**Book value 31.12.2023**	Book value 31.12.2022
Bank borrowings	534.71	624.76
Lease liabilities	364.22	332.44
Total	**898.93**	**957.20**

Report on the financial performance, financial position and cash flows of STRABAG SE

Financial performance

The company's revenue increased by € 4.91 million compared with the previous year, growing from € 83.37 million to € 88.28 million. This development is attributable to the pass-through of higher insurance premiums and an increase in intra-group allocations.

	2023	2022
Revenue in T€ (sales)	88,280	83,374
Earnings before interest and taxes in T€ (EBIT)	307,913	261,851
Return on sales in % (ROS)[1]	>100,0	>100,0
Return on equity in % (ROE)[2]	11.0	8.9
Return on investment in % (ROI)[3]	9.4	8.0

1 ROS = EBIT / revenue

2 ROE = EBT / avg. equity

3 ROI = EBIT / avg. total capital

The earnings before interest and taxes (EBIT) were characterised by a sharp rise in investment income and, with a plus of € 46.06 million, increased significantly from € 261.85 million in 2022 to € 307.91 million in 2023.

The operating earnings for the 2023 financial year amounted to € 19.50 million, a plus of € 2.30 million compared to the previous year's figure (€ 17.20 million). The positive earnings effect is due to the aforementioned increase in intra-group allocations and the one-off income from a compensation payment received.

The significant increase in financial earnings, which grew by € 46.04 million from € 248.64 million to € 294.68 million, was achieved through higher profit and loss transfers from subsidiaries. Another positive impact on earnings resulted from the lower expenses for financial assets compared to the previous year. In the previous year, write-downs of investments had had a negative impact on earnings.

Net interest income showed a positive interest balance of € 6.27 million (2022: € 3.98 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 € 314.83 million for the 2023 financial year (2022: € 259.62 million).

The improved earnings are also positively reflected in the profitability indicators.

Financial position and cash flows

The total assets of STRABAG SE increased slightly to € 3.3 billion in 2023 compared with the previous year (€ 3.2 billion). Significant changes were recorded in only a few balance sheet items.

The increase in receivables from subsidiaries relates to receivables from profit and loss transfers. The increase in payables to subsidiaries results from payables from cash clearing.

Other liabilities increased by € 314.09 million compared to the previous year. This is mainly due to the dividend payable from the capital reduction as well as the dividends for the 2022 financial year that were withheld from MKAO "Rasperia Trading Limited" due to the imposed sanctions. This effect was offset, however, by the repayment of the liability from the acquisition of own shares.

The result was an increased net debt amounting to € 557.00 million as at 31 December 2023 compared to € 203.47 million in the previous year. The gearing ratio increased from 6.8% in the previous year to 20.5% in the year under report.

	2023	2022
Net debt in T€[1]	556,996	203,472
Working capital in T€[2]	298,581	236,976
Equity ratio in %	81.8	92.6
Gearing ratio in %[3]	20.5	6.8

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 = net debt / equity

The working capital increased by € 61.60 million in the 2023 financial year, growing from € 236.98 million in the 2022 financial year to € 298.58 million, due to the increase in receivables from profit and loss transfers.

The equity ratio fell due to a decrease in equity from 92.6% in the previous year to 81.8% in 2023. This figure remains at a very high level, however.

	2023	2022
Cash flow from operating activities	260,394	342,725
Cash flow from investing activities	-34,194	-7,265
Cash flow from financing activities	-226,481	-339,569

The cash flow from operating activities of € 260.39 million is largely attributable to the cash flow from earnings. The increase of the working capital had a negative impact.

The cash flow from investing activities saw an inflow of € 4.11 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 € 38.04 million as well as by € 0.26 million related to the disposal of financial assets. In total, the cash flow from investing activities amounts to € -34.19 million.

The build-up of receivables from cash clearing resulted in a cash inflow of € 40.05 million in the cash flow from financing activities. After deducting the dividend payments for the 2022 financial year in the amount of € 158.32 million (the dividend attributable to the shares held by MKAO "Rasperia Trading Limited" was withheld due to the sanctions imposed on Oleg Deripaska) and for the acquisition of treasury shares in the amount of € 108.21 million, the total cash outflow from financing activities in 2023 amounted to € 226.48 million.

Report on own shares

As at 31 December 2023, STRABAG SE held 2,779,006 no-par value bearer shares in the amount of 2.7% of the share capital. The corresponding value of the share capital thus amounts to € 2,779,006.00. The acquisition took place 9 February 2023 at a purchase price of

€ 38.94 per share to any purpose allowed under Section 65 Para 1 No 8 of the Austrian Stock Corporation Act (AktG), including but not limited to the purpose of using own shares as acquisition currency. As 1,694,816 STRABAG shares had been tendered for sale in the mandatory bid by 31 December 2022, these shares were already presented as own shares in the annual financial statements for the year ending 31 December 2022.

Following entry of implementation of the ordinary non-cash capital increase in the commercial register on 21 March 2024, the volume of own shares held as a percentage of the share capital fell to 2.4%.

Segment report

Overview of the four segments within the group

The business of STRABAG SE was divided into four segments in 2023, 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 2023, the segments were comprised as follows:

North + West

Management Board responsibility: Jörg Rösler
Germany, Switzerland, Benelux (until 31 December 2023), Scandinavia, Ground Engineering

Management Board responsibility: Klemens Haselsteiner
Benelux (since 1 January 2024)

South + East

Management Board responsibility: Alfred Watzl
Austria, Poland, Czech Republic, Slovakia, Hungary, South-East Europe, Environmental Technology, Construction Materials (since 1 July 2023)

International + Special Divisions

Management Board responsibility: Siegfried Wanker
Tunnelling, International, Infrastructure Development, Real Estate Development, Services, Construction Materials (until 30 June 2023)

Other

Management Board responsibility: Klemens Haselsteiner and Christian Harder
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.

Segments are primarily categorised according to geographical aspects. Specialities in particular – e.g. tunnelling – are naturally in demand worldwide. Such business fields are shown in the International + Special Divisions segment. At the same time, the North + West and South + East segments sometimes include international business fields such as environmental technology.

Certain services may be performed in more than one segment. The activities below have been assigned to those segments in which the most significant portion of the services was provided. Details are available in the table.

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.

Range of services offered

	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			√
Renewable Energy Development			√
Operation/Maintenance/Marketing of PPP and Renewable Energy Projects			√
Property and Facility Services			√

Segment North + West

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

With effect from 1 January 2023, Switzerland was added to the North + West segment, Poland to the South + East segment. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	8,216.66	7,865.46	4	351
Revenue	7,280.19	7,157.26	2	123
Order backlog	11,207.13	10,337.38	8	870
EBIT	644.82	456.53	41	188
EBIT margin (% of revenue)	8.9	6.4		
Employees (FTE)	22,136	21,683	2	453

Output volume – North + West segment

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Germany	7,614	7,206	6	408
Switzerland	216	190	14	26
Benelux	172	143	20	29
Sweden	95	121	-21	-26
Austria	36	50	-28	-14
United Kingdom	29	48	-40	-19
Romania	26	26	0	0
Denmark	20	56	-64	-36
Rest of Europe	6	18	-67	-12
Hungary	1	5	-80	-4
Poland	1	1	0	0
Middle East	1	1	0	0
Total	**8,217**	**7,865**	**4**	**352**

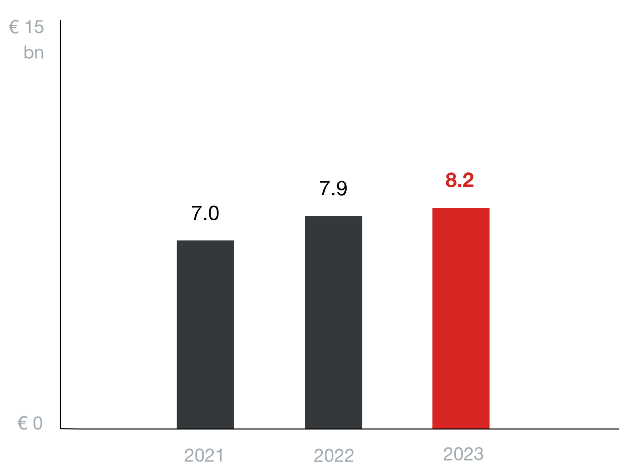
Output, revenue and EBIT

Germany as a driver of higher output

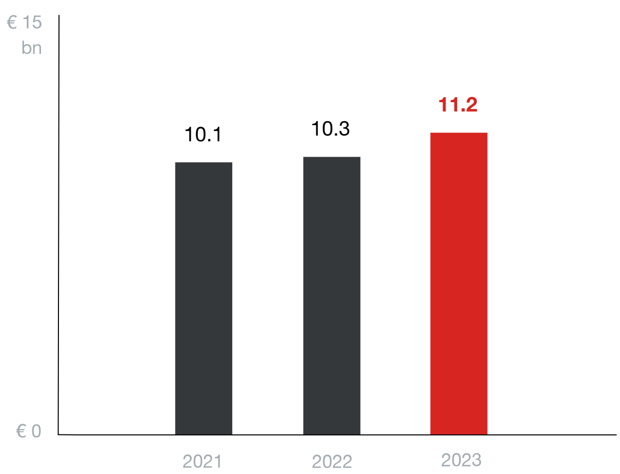
The North + West segment recorded a 4% year-on-year increase in **output volume** to € 8,216.66 million in 2023. This was attributable in particular to the home market of Germany, both in building construction and civil engineering as well as in transportation infrastructures, and to a lesser extent to the Benelux countries and Switzerland. This growth was contrasted by declines in Denmark and Sweden.

Revenue grew by 2% to € 7,280.19 million. The **EBIT** increased sharply by 41% to € 644.82 million, resulting in a very high EBIT margin of 8.9%. This development is due on the one hand to the absence of negative earnings effects from large-scale projects in Denmark and the Netherlands. On the other hand, cost inflation in Germany weakened and follow-up negotiations for large infrastructure projects were successfully concluded. The latter, however, does not represent a regularly recurring earnings component.

Output volume



Order backlog



Order backlog

Order backlog expanded at high level

The **order backlog** as at 31 December 2023 grew by 8% from an already very high level to € 11,207.13 million, mainly due to growth in the home market of Germany. Notable additions to the order backlog in Germany include the extension of the U5 underground lines in Hamburg and Munich, the turnkey construction of a replacement building for Ruhr University Bochum and the construction of the sustainable office property Inspire Neukölln in Berlin.

Employees

The **number of employees** in the North + West segment in 2023 was up by 2% to 22,136 FTEs. In line with the strong output growth, the largest staff increase was recorded in the home market of Germany. Declines were registered on a smaller scale in Denmark, the Benelux countries and Sweden.

Outlook

Slight output growth expected

Based on the continuing high order backlog, STRABAG expects slight output growth in the North + West segment in 2024 despite the challenging conditions.

In **Germany**, material prices are showing signs of normalising and stabilising, while energy prices remain at a comparatively high level. We are compensating for the decline in demand in residential and office construction caused by the current interest rate situation with projects in infrastructure and industrial construction. A slight shift from private to public clients is evident here. In the German transportation infrastructure business, the current volume of orders forms a solid basis for a similar output level as in the previous year. Increased demand and new projects are increasingly being observed in projects relating to the energy transition.

Predatory pricing remains a serious concern in the **Benelux** countries. Here the Group will continue to pursue its chosen path of consolidation and stabilisation together with a highly selective bidding strategy. In the Netherlands and Belgium, opportunities are likely to arise in industrial construction, particularly in projects relating to the energy transition.

The consolidation and stabilisation that was initiated in **Scandinavia** will be continued here as well. The focus will be on medium-sized projects, primarily in commercial and industrial construction.

The demand for construction services in **Switzerland** remains stable. Following a period of successful consolidation, we are continuing on our growth path. The necessary investments have already been made.

Selected projects – North + West segment

Country	Project	Order backlog in € mn	As % of total Group order backlog
Germany	US hospital, Weilerbach	627	2.7
Germany	Bayerische Versorgungskammer	577	2.5
Germany	U5 East, Hamburg	406	1.7
Germany	Central Business Tower	393	1.7
Germany	Stuttgart 21, underground railway station	283	1.2

Segment South + East

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

With effect from 1 January 2023, Switzerland was added to the North + West segment, Poland to the South + East segment. The construction materials business, previously reported as part of International + Special Divisions, was integrated into the South + East segment with retroactive effect from 1 January 2023. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	7,741.90	7,087.08	9	655
Revenue	7,344.06	6,788.98	8	555
Order backlog	7,074.25	7,969.32	-11	-895
EBIT	392.57	236.89	66	156
EBIT margin (% of revenue)	5.3	3.5		
Employees (FTE)	27,057	27,514	-2	-457

Output volume – South + East segment

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Austria	2,722	2,616	4	106
Poland	1,262	1,065	19	197
Czech Republic	981	1,073	-9	-92
Hungary	784	656	20	128
Romania	486	280	74	206

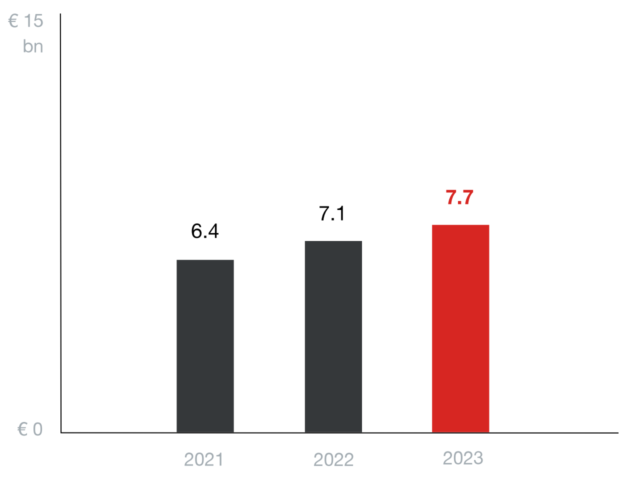
€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Germany	423	354	19	69
Slovakia	398	341	17	57
Croatia	241	238	1	3
Serbia	137	145	-6	-8
Slovenia	117	79	48	38
Rest of Europe	93	154	-40	-61
Bulgaria	59	51	16	8
Africa	16	9	78	7
Italy	9	11	-18	-2
United Kingdom	7	7	0	0
Middle East	6	1	> 100	5
Switzerland	3	3	0	0
Asia	-2	4	n.a.	-6
Total	**7,742**	**7,087**	**9**	**655**

Output, revenue and EBIT

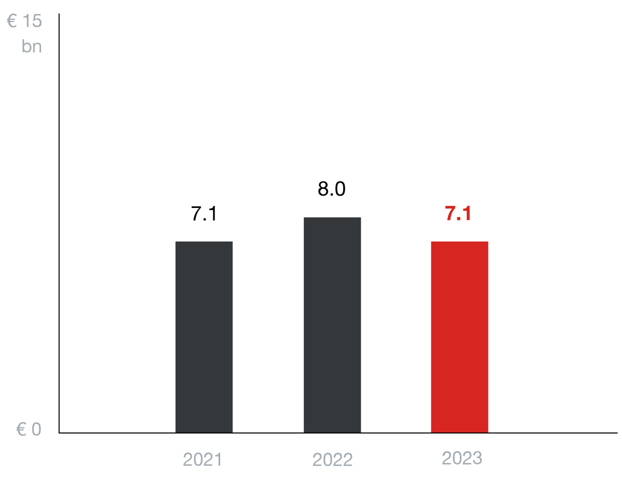
Strong output growth in Romania and Poland

The **output volume** in the South + East segment grew significantly by 9% to € 7,741.90 million in the 2023 financial year. The largest output growth in absolute terms was generated in Romania, followed by Poland and Hungary. With the exception of the Czech Republic, output also increased in the home market of Austria and in the remaining countries of Central and Eastern European. **Revenue** increased in line with output, growing by 8% to € 7,344.06 million. Earnings improvements in the markets of Eastern and South-East Europe led to a significant 66% increase in the EBIT to € 392.57 million. At 5.3%, the **EBIT** margin for the South + East segment was above the Group average in 2023.

Output volume



Order backlog



Order backlog

Sharp decline in residential construction in Austria

The **order backlog** fell by 11% year-on-year to € 7,074.25 million. As a result of the current interest rate level and the stricter lending guidelines for mortgage loans compared to the rest of Europe, the order backlog remained below the above-average level of the previous year, particularly in Austria. In Hungary, the order backlog declined due to the government investment freeze and the withholding of EU funds. In contrast, growth was generated in Poland. Notable new orders here include the construction of a production and logistics building for Cognor S. A. and the construction of the country's third-longest bridge over the river San near the town of Stalowa Wola.

Employees

The **number of employees** fell by 2% to 27,057 FTEs in 2023. Declining figures were recorded in Croatia, Hungary and Bulgaria, among others. In line with the higher output, staff numbers grew in Romania.

Outlook

Stable output at a high level

The outlook in the South + East segment is expected to remain stable at a high level in 2024.

In **Austria**, the significant decline in demand for residential construction persists due to the interest rate situation and tighter lending standards. Now that the European Central Bank's cycle of interest rate hikes has presumably come to an end, market participants are beginning to adjust to the new framework. The stimulus measures announced by the Austrian government should also have a positive effect. In other building construction, demand for commercial and industrial construction and for public building construction is having a positive impact. Transportation infrastructures and infrastructure construction are generally stable, although high inflation is restricting the public sector's budgetary leeway. The expected reduction in energy, material and subcontractor costs could have a positive effect on earnings.

In **Poland**, tenders for transportation infrastructure projects recently fell off due to the change of government and the upcoming local elections. EU structural funding means that new investments are expected, particularly in railway construction and relating to the energy transition. Residential construction is also developing more favourably again. In other building construction, a positive trend is emerging with industrial projects.

The situation in **Hungary** remains challenging. The significant decline in the construction volume is due in particular to the withholding of EU funds. On the positive side, however, there are increasing orders from the automotive industry and from automotive suppliers manufacturing in the country.

The **Czech transportation infrastructures** sector remains dominated by predatory pricing for large-scale projects. The high demand for special infrastructure in tunnelling, ground engineering and hydraulic engineering is being met through internal collaboration within the Group. In railway construction, a new large-scale project was acquired at the beginning of the year with the modernisation of the Masaryk railway station in Prague. Private investors remain inhibited in building construction by the high interest rates. Industrial and office construction recorded a sharp decline, and the residential construction market is also at a lower level than in the same period of the previous year.

In **Slovakia**, the number of projects put out to tender in transportation infrastructures is expected to increase again after the parliamentary elections in 2023. In building construction, private investors are being adversely affected by the interest rate situation. In contrast, positive trends are emerging in public building construction.

The development of demand in the markets of **South-East Europe** is mixed. In Croatia and Slovenia, the focus is on transportation infrastructures and the construction of industrial facilities. In Romania, contract awards may be delayed in general due to upcoming local elections. Romania's public building construction sector is showing positive trends, despite the increasing competition from outside of Europe.

The **building materials and environmental technology** activities that are bundled in the South + East segment are showing a satisfactory trend overall. These activities are of key importance for the action areas of circularity and expertise in the energy sector in our Strategy 2030.

Selected projects – South + East segment

Country	Project	Order backlog in € mn	As % of total Group order backlog
Czech Republic	D1 Říkovice–Přerov	157	0.7
Austria	Medical rehabilitation centre, Vienna	138	0.6
Czech Republic	Modernisation of Masaryk Railway Station, Prague	137	0.6
Romania	Mihail Kogălniceanu Airport	136	0.6
Poland	A2 Siedlce Zachód–Malinowiec	126	0.5
Czech Republic	Pankrác–Olbrachtova underground line	120	0.5

Segment International + Special Divisions

The International + Special Divisions segment comprises the majority of STRABAG SE's non-European business in addition to its global tunnelling activities. The segment also encompasses infrastructure development, real estate development, and property and facility services, irrespective of where these are performed.

The construction materials business, previously reported as part of the International + Special Divisions segment, was integrated into the South + East segment with retroactive effect from 1 January 2023. The previous year's figures have been adjusted accordingly.

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	2,957.27	2,644.81	12	312
Revenue	2,984.48	3,061.97	-3	-77
Order backlog	5,159.42	5,412.72	-5	-253
EBIT	-132.10	44.81	n.a.	-177
EBIT margin (% of revenue)	-4.4	1.5		
Employees (FTE)	20,360	17,526	16	2,834

Output volume – International + Special Divisions segment

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Germany	953	754	26	199
United Kingdom	635	523	21	112
Americas	562	556	1	6
Austria	262	244	7	18
Middle East	211	250	-16	-39
Asia	152	132	15	20

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Italy	53	10	>100	43
Poland	51	46	11	5
Benelux	17	33	-48	-16
Africa	15	38	-61	-23
Slovakia	11	9	22	2
Rest of Europe	11	-6	n.a.	17
Sweden	10	29	-66	-19
Czech Republic	6	7	-14	-1
Romania	4	7	-43	-3
Switzerland	3	2	50	1
Slovenia	1	2	-50	-1
Denmark	0	5	-100	-5
Hungary	0	2	-100	-2
Bulgaria	0	2	-100	-2
Total	**2,957**	**2,645**	**12**	**312**

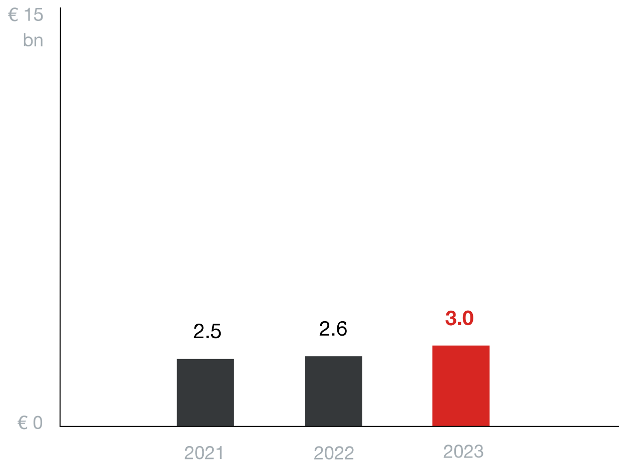
Output, revenue and EBIT

Significant output growth

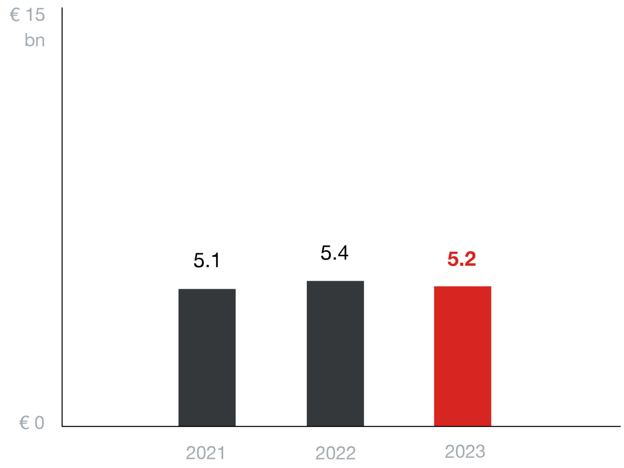
The International + Special Divisions segment generated a 12% higher **output volume** of € 2,957.27 million in 2023. The strongest output growth was registered in Germany, primarily due to an acquisition in the Property & Facility Services division. The completion of several large-scale projects in the United Kingdom as well as road construction and road maintenance projects in Italy also contributed to the significant increase in this figure.

In contrast to output, **revenue** fell by 3% to € 2,984.48 million, reflecting the change in the revenue-to-output ratio from 116% to 101%. The segment is subject to regular fluctuations due to the presence of large-scale and mega-sized projects. Higher earnings contributions were achieved in property and facility services and in infrastructure development, among others. The real estate development business also performed robustly despite the challenging environment, making a positive contribution to earnings. These developments were more than offset by provisions for two major international projects, however, resulting in a negative **EBIT** of € -132.10 million (2022: € 44.81 million).

Output volume



Order backlog



Order backlog

Order backlog down due to ongoing fulfilment of megaprojects

The **order backlog** as at 31 December 2023 was down 5% year-on-year to € 5,159.42 million. Notable declines were recorded in the Americas and in the United Kingdom, where several megaprojects in tunnelling, including Line 2 of the Toronto subway or the HS2 high-speed rail line between London and Birmingham, are in the process of being fulfilled. In contrast, strong order growth was registered in Germany, and tunnelling and road construction orders were successfully acquired in Italy and the Middle East.

Employees

Given the relative size of the individual projects within the International + Special Divisions segment, the **number of employees** in the various countries varies greatly. Overall, the headcount increased by 16% to 20,360 FTEs. In line with the output trend, staff numbers were up year-on-year, particularly in Germany and the Americas, but also in Asia.

Outlook

Noticeable increase in output expected

For 2024 as a whole, the International + Special Divisions segment is expected to achieve a noticeably higher output volume than in the previous year, supported especially by the order situation in tunnelling.

Due to the size of the projects, the **tunnelling business** is subject to constant volatility. The low market volume in tunnelling and increased price competition in Austria were more than compensated for by large infrastructure projects in Germany. Despite the gradual fulfilment of large-scale projects in the United Kingdom, Chile and Canada, the order backlog was maintained at a high level following a number of successful acquisitions.

The **international business**, with its focus on established markets in the Middle East, is developing at an above-average rate. Internationally, STRABAG is a successful provider of specialised construction services, for example in test track construction and asphalt hydraulic engineering. New orders for intelligent transport systems in India are having a positive impact on output. In Chile, opportunities in the renewable energy sector continue to present themselves following the successful realisation of several projects in this field.

Stable development, combined with opportunities for organic growth, is expected in the **property and facility services** business in 2024. Following the successful integration of facility management service provider Bockholdt GmbH & Co. KG in Germany, the focus will be on services for the decarbonisation of properties. At the same time, the expansion of MEP and energy management services is to be further accelerated, organically as well as through acquisitions.

In **infrastructure development**, the situation remains challenging for large-scale projects in the European core markets, although a few tenders are expected in road construction. In South America, an increase in new tenders is expected in the infrastructure sector. In line with the Group Strategy 2030, STRABAG is focussing increasingly on the development of renewable energy projects in its core markets.

Real estate development is being adversely affected in particular by the interest rate turnaround and the bleak economic environment. At the same time, there are signs of a supply gap, particularly for sustainable properties. With expectations of interest rate cuts, the environment for property developers should gradually stabilise starting in the second half of the year. STRABAG Real Estate's prudent acquisition policy and conservative project valuation have so far proved robust, however. The strong development and implementation competence with regard to sophisticated sustainability and new work concepts could give STRABAG a competitive edge in the future.

Selected projects – International + Special Divisions segment

Country	Project	Order backlog in € mn	As % of total Group order backlog
United Kingdom	HS2 high-speed rail line	1,176	5.0
United Kingdom	Woodsmith Project	588	2.5
Canada	Scarborough Subway Extension Line 2	268	1.1
Germany	U5 East, Hamburg	174	0.7
United Arab Emirates	twofour54 Studios	151	0.6

Segment Other

Service companies and central staff divisions

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

€ mn	**2023**	2022	Δ 2022-2023 %	Δ 2022-2023 absolute
Output volume	223.31	138.12	62	85
Revenue	57.81	17.64	>100	40
Order backlog	25.33	19.42	30	6
EBIT	3.30	1.00	>100	2
EBIT margin (% of revenue)	5.7	5.7		
Employees (FTE)	7,583	7,017	8	566

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 management task

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 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 categories

The Group's internal risk reporting defines the following central risk categories:

Risk management using defined risk groups

- External risks
- Operating and technical risks
- Financial risks
- Ethical risks
- Human resource risks
- IT risks
- Investment risks
- Legal risks
- Political risks

Additional risks exist with regard to work safety, environmental protection, quality, business continuity and supply chain.

Following ISO 31000 and the Committee of Sponsoring Organisations of the Treadway Commission (COSO), our risk management system forms part of our integrated management system. We deal with the risks identified by us as follows:

External risks

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

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 risks

Active liquidity and receivables management

Under financial risks, STRABAG understands risks in financial matters and in accounting, including instances of manipulation. Special attention is paid to the **liquidity and receivables management**, which is secured through continuous financial planning and daily status reports. Compliance with internal commercial guidelines is ensured by the central accounting and controlling departments, which are also responsible for internal reporting and the periodic planning process. Risks from possible instances of manipulation (acceptance of advantages, fraud, deception or other infringements of the law) are monitored by the central divisions in general and the **internal audit department** in particular.

STRABAG is subject to interest, currency, credit and liquidity risks with regard to its assets, liabilities and planned transactions. The goal of financial risk management is to minimise these risks through ongoing financial activities. The basic principles of the financial policy are determined by the Management Board and monitored by the Supervisory Board. The implementation of the financial policy and responsibility for the ongoing risk management are the domain of the Group's treasury department. Detailed information can be found in the Notes under item 35 Financial Instruments.

Ethical risks

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 STRABAG online whistleblower platform. Details on the ethical risks are available in the sustainability 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 sustainability 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

Strategic minority holdings

The shares in mixing companies typically involve **sector-typical minority interests**. With these companies, economies of scope are at the fore.

As part of the Group Strategy 2030, STRABAG intends to build more in the energy sector, among other things. The focus is on renewable energy and heat generation and storage. Against this backdrop, STRABAG has held a minority stake in the battery storage manufacturer CMBlu Energy since 2023.

Legal risks

Legal risks avoided through extensive risk analysis

The central division CML Construction Services supports the risk management of the operating entities in matters of construction management and construction operation in all project phases **(Contract Management)** and provides, organises and coordinates legal advice **(Legal Services)** in this regard. Its most important tasks include comprehensive reviews and consultation in project acquisition – e.g., analysis and clarification of tender conditions, performance specifications, pre-contract agreements, tender documents, draft contracts and framework conditions – as well as support in project management.

Political risks

Interruptions and expropriations conceivable

The Group also operates in countries experiencing political instability. Interruptions of construction activity, restrictions on ownership by foreign investors, and even expropriations are among the possible consequences of political changes which could have an impact on the Group’s financial structure. These risks are analysed during the tendering phase and assessed by **internal commissions**.

Occupational safety

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 sustainability report pursuant to Sec 267a UGB.

Environmental protection

Certified environmental and energy management system desired

STRABAG undertakes to avoid negative environmental impacts as far as possible within its own sphere of influence - insofar as this is technically feasible and economically justifiable. It also does its part to reduce negative impacts along the supply chain. STRABAG operates an effective environmental and energy management system based on **ISO 14001** or **EMAS, ISO 50001** or equivalent and seeks – wherever possible – to minimise the use of natural resources, avoid waste and promote recycling. Details on the environmental risks are available in the sustainability report pursuant to Sec 267a UGB. Risks from the effects of climate change are presented in the Notes.

Quality

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.

Supply chain

Evaluation of partner companies to reduce risks in the supply chain

In the interest of quality and efficiency, STRABAG not only taps its own skills and resources to work off its orders, but also relies on the support of proven subcontractors and suppliers. The company focuses on long-term partnerships, a clear, transparent and complete description of the services and products to be procured, and an agreement on acceptance criteria for the products and services. STRABAG also systematically **evaluates subcontractors, service providers and suppliers** as part of its **decision-making** foundation for **future orders**.

A review of the current risk situation reveals that there were no risks which jeopardised the company's existence, nor were there any visible future risks.

Report on key features of the internal control and risk management system in relation to the financial reporting process

Introduction

The control structure as defined by COSO (Committee of Sponsoring Organisations of the Treadway Commission) provides the basis for describing the key features of the internal control and risk management systems with regard to the financial reporting process in the management report. The COSO framework consists of five interrelated components: control environment, risk assessment, information and communication, control activities and monitoring activities. On this basis, the STRABAG Group has set up a corporate-wide risk management system in accordance with generally accepted principles. The aim of the internal control system is to support the management in such a way that it is able to ensure internal controls with regard to financial reporting which are effective and which are improved on an ongoing basis. The system is geared to the compliance with rules and regulations and to creating conditions which are conducive to performing specific controls in key accounting processes.

Control environment

Internal audit report

Find out more

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 at the end of the 2023 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

Technology leadership is a central component of STRABAG SE's Group Strategy 2030. Besides using new technologies, the Group initiates forward-looking projects, brings its in-house innovations to market maturity and pursues research partnerships, thereby consolidating its expertise across the entire Group. STRABAG spent a total of around € 17 million on research, development and innovation activities in the 2023 financial year (2022: approx. € 16 million).

Innovation and digitalisation concentrated in SID

Digitalisation and sustainability are the overriding themes these days in all segments of the construction industry. On the way to becoming a data-driven organisation, STRABAG is therefore focusing on cloud-based data storage, breaking down data silos and encouraging regular communication and exchange. The Group is committed to the ongoing advancement of the BIM 5D® digital working method, construction-specific applications for sensor technology, the Internet of Things (IoT) and artificial intelligence (AI). It is also helping to drive the advance of automation through robotic applications and semi-autonomous machines. At the same time, STRABAG is putting enormous effort into strategic innovation projects in the area of environmental sustainability. Central topics here are the circular economy and sustainable thinking with regard to energy, engineering and materials development.

Since 2020, **STRABAG Innovation & Digitalisation (SID)** – with 425 employees at over 15 locations – has taken the lead in initiating developments and providing expert support while maintaining a full overview of corporate-wide innovation activities and their measurable results. Numerous research and development projects are realised in close collaboration between the various operating divisions and the central divisions BMTI, TPA and Zentrale Technik. A large portion of the development work is triggered by the construction projects themselves. Certain issues also require medium-term collaboration with research institutions and partner companies.

Projects in Transportation Infrastructures

Top priorities in **transportation infrastructures** are the digitalisation and automation of construction processes as well as the development of sustainable production and paving methods. The quarry operated by STRABAG subsidiary Mineral Baustoff GmbH in Eigenrieden in Thuringia, for example, is currently being transformed into STRABAG's **first climate-neutral quarry** through digital planning, semi-autonomous machine technology and the use of renewable forms of energy.

In 2023, **EFKON** – a STRABAG subsidiary active in the field of traffic telematics systems – focused on the development of a new vehicle identification system for road monitoring vehicles. These vehicles are used to monitor the correct behaviour of road users in a toll system. The EFKON sensor platform uses laser sensors, image recording systems and communication technologies to correctly identify the relevant vehicle data and analyse hazardous materials signs on vehicles, among other things.

The Process Stability in Road Construction group at **TPA** succeeded in acquiring its first EU research project. The primary aim of the project, known as **InfraROB**, is to significantly increase road safety for both road users and construction site personnel. The project also aims at significantly reducing costs and minimising disruptions to traffic.

STRABAG AG and **TPA** launched an air-purifying and noise-reducing **multifunctional asphalt surface course called ClAir®** in 2023, showing how in-house developments can be successfully established on the market. During the reporting year, a total of 11,000 m² of ClAir® asphalt was installed, while a further project with an area of 12,000 m² is already planned for 2024 in Wuppertal.

The **EMili** project is also focused on road solutions as a driver of innovation. **Inductive charging** coils are being installed in asphalt and concrete roads on a trial basis to test how to charge electric vehicles while driving. The trial will generate new insights into the reliable integration of this technology while laying the foundations for potential future business areas.

Projects in Building Construction & Civil Engineering

In the **building construction and civil engineering segment**, rapid progress is being made in the development of **generative design**. By combining human expertise with artificial intelligence, this model-based design method offers building planners various possibilities for designing sustainable buildings across all specialist disciplines.

Mischek Systembau GmbH completed its **Push Over** research project in 2023. The aim of the project was to investigate the behaviour of the coursing joint and bend-resistant corners in framed solid precast walls in the event of an earthquake. The research results are a significant contribution to improved earthquake safety as well as providing additional application options for solid precast walls with lower material consumption.

Projects in Artificial Intelligence (AI)

STRABAG also made further progress in the area of **AI** in 2023. The Group is using machine learning models in conjunction with language models to generate **data-driven risk assessments** for construction projects both at the time of tender submission and during the execution phase. The high accuracy of these models has been verified and reviewed for plausibility by means of human expertise.

The **Off-Highway Twins** project uses **AI** to derive models of infrastructure objects and their surroundings in real time by merging geodata with machine-derived sensor and telemetry data.

Building Information Modelling in Broadband Expansion

In the expansion of broadband networks, STRABAG is using Building Information Modelling to develop concepts for the digital support of authorisation procedures, approval processes and coordination proceedings.

Website Corporate Governance Report

Consolidated Corporate Governance Report

Find out more

The Consolidated Corporate Governance Report is available on the STRABAG SE website.

Disclosures under Section 243a Para 1 UGB

One Share – One Vote

1. The share capital of STRABAG SE as at 31 December 2023 amounted to € 102,600,000 and consisted 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 were bearer shares and were traded in the Prime Market segment of the Vienna Stock Exchange. Three shares were and 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 9.

2. The following resolutions on capital measures were passed at the company's Annual General Meeting on 16 June 2023:

   a. resolution concerning the increase of the share capital of the company from company funds through conversion of a portion of the committed reserves in the amount of € 1,900,000,000.00 shown in the annual financial statements as at 31 December 2022 into share capital without the issue of new shares (capital adjustment pursuant to Section 1 et seq. of the Austrian Capital Adjustment Act (Kapitalberichtigungsgesetz, or “KapBG”);
   b. resolution concerning the ordinary reduction of the share capital of the company by € 996,620,004.30 pursuant to Section 175 et seq. of the Austrian Stock Corporation Act (Aktiengesetz, or “AktG”) for the purpose of allocation to non-committed reserves with reduction of the pro rata amount of the share capital attributable to each no-par value share (without consolidation of shares);
   c. resolution concerning the reduction of the share capital of the company by € 903,379,995.70 in accordance with the provisions on ordinary capital reductions pursuant to Section 175 et seq. AktG for the purpose of repayment of part of the share capital with reduction of the pro rata amount of the share capital attributable to each no-par value share (without consolidation of shares);
   d. resolution concerning the ordinary increase of the share capital of the company pursuant to Section 150 et seq. AktG by up to € 24,995,248.00 through the issue of up to 24,995,248 new no-par value bearer shares with contributions in kind to be raised by way of shareholder waiver of distribution claims from the capital reduction (item c).

   The aforementioned resolutions were subject to certain conditions. To begin with, the resolutions on items a), b) and c) and the resolution on the ordinary non-cash capital increase under item d) were entered in the commercial register. The shareholders entitled to dividends were therefore granted the right to choose whether they wish to receive the dividend entitlement under item c) in cash or in the form of new shares as part of a subscription offer. Shareholders of 62,487,931 shares, corresponding to 60.90% of the share capital, opted for the distribution in the form of new shares.

   After the reporting period, the implementation of the ordinary non-cash capital increase was entered in the commercial register on 21 March 2024. As a consequence, 15,621,982 new shares were issued. The share capital of STRABAG SE has therefore been increased from € 102,600,000.00 by € 15,621,982.00 to € 118,221,982.00 and now consists of 118,221,982 fully paid-in, no-par value shares with a pro rata value of the share capital of € 1 per share. 118,221,979 shares are bearer shares and can be traded in the Prime Market segment of the Vienna Stock Exchange. Three shares are (still) registered shares. Each bearer share and each registered share is entitled to one vote.

3. 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 (or at least was controlled by him at that time). 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.

4. 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 with effect from 31 December 2022. 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.

5. 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 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.

6. As at 31 December 2023, the company held 2,779,006 own shares (2.7% of the share capital), which it acquired as part of a share purchase agreement concluded with Haselsteiner Familien Privatstiftung, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. and UNIQA Österreich Versicherungen AG on the occasion of their mandatory takeover bid on the basis of the authorisation granted by the Annual General Meeting on 24 June 2022 pursuant to Section 65 Para 1 No 8 AktG (see item 12). The rights from these 2,779,006 no-par value shares are therefore now suspended in accordance with Section 65 Para 5 AktG.

7. 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 2023:
   – Haselsteiner Group: 28.3%
   – Raiffeisen Group: 14.2%
   – UNIQA Group: 15.3%
   – MKAO "Rasperia Trading Limited": 27.8%

   Following implementation of the non-cash capital increase of STRABAG SE on 21 March 2024 as described in item 2, the following shareholders will, to the knowledge of STRABAG SE hold a direct or indirect interest of at least 10.0% of the share capital of STRABAG SE:
   – Haselsteiner Group: 30.7%
   – Raiffeisen Group: 15.4%

– UNIQA Group: 16.6%
– MKAO “Rasperia Trading Limited”: 24.1%

Following the reporting period, the company on 26 March 2024 received major holdings notifications pursuant to Sections 130ff of the Austrian Stock Exchange Act (BörseG) of 2018 stating that MKAO “Rasperia Trading Limited” had been transferred to Iliadis JSC. According to these notifications, MKAO “Rasperia Trading Limited”, with its 24.1% stake in STRABAG SE, is now controlled by Iliadis JSC, and Oleg Deripaska has relinquished his previous (indirect) control. As the company has no further information regarding this transaction, it is unable to carry out a final (sanctions) review. The company therefore continues to assume that the STRABAG shares held by MKAO “Rasperia Trading Limited” remain frozen in accordance with the EU Sanctions Regulation and that MKAO “Rasperia Trading Limited” cannot exercise the rights associated with these shares. As far as the company is aware, the acquisition of 28,500,000 STRABAG shares by Raiffeisenbank International AG as announced in the major holdings notification pursuant to Sections 130ff BörseG 2018 has not yet been completed.

8. As outlined in item 6, the company held 2,779,006 own shares as at 31 December 2023, corresponding to 2.7% of the share capital. The remaining shares in the share capital of STRABAG SE, totalling around 11.7%, were in free float as at 31 December 2023. Since implementation of the increase in the company’s share capital on 21 March 2024 as described in item 2, the 2,779,006 treasury shares correspond to around 2.4% of the share capital and the free float to around 10.9%.

9. 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. As at 31 December 2023, registered share No. 2 is held by MKAO “Rasperia Trading Limited”. Since – as explained in items 3 and 7 – 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.

10. No employee stock option programmes exist.

11. No further regulations exist beyond the aforementioned items regarding the nomination and recall of members of the Management and Supervisory Boards or regarding changes to the Articles of Association which are not a direct result of relevant law and legislation.

12. 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 Section 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 Section 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).

13. 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.

14. 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

Based on the continuing high order backlog, which already extends into 2025, the Management Board expects the **output volume** to increase slightly from its already high level. Specifically, this figure is forecast to reach around € 19.4 billion in the 2024 financial year, with contributions coming especially from the two operating segments North + West and South + East.

Due to the economic challenges in the construction industry, the earnings for 2023 do not change anything about the target of generating an **EBIT margin** of at least 4% in the 2024 financial year.

Net investment (cash flow from investing activities) in 2024 is not expected to exceed € 750 million.

Events after the reporting period

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

Villach, 4 April 2024

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Central Staff Divisions and Central Divisions BMTI, CML, SID, TPA and ZT, Winding up Russia

Mag. Christian Harder
CFO
Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Member of the Management Board
Segment North + West

Dipl.-Ing. Siegfried Wanker
Member of the Management Board
Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Member of the Management Board
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 2023, 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 2023 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 ("Auditor 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 2,579,964) in and receivables (TEUR 597,442) from affiliated companies represent a major portion of the assets (TEUR 3,318,468) reported in the annual financial statements of STRABAG SE as of 31 December 2023.

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, acknowledged 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 Auditor 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 Auditor 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 16. June 2023 and were appointed by the supervisory board on 16. June 2023 to audit the financial statements of Company for the financial year ending on 31 December 2023.

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 Auditor Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 Auditor 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

4. April 2024

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. The document has been qualified electronically signed and is only valid in this version. The financial statements, together with our auditor's opinion, may only be published if the financial statements and the management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Business Code) applies.

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, 4 April 2024

The Management Board

Klemens Haselsteiner, BBA, BF
CEO
Central Staff Divisions and Central Divisions BMTI, CML, SID, TPA and ZT, Winding up Russia

Mag. Christian Harder
CFO
Central Division BRVZ

Dipl.-Ing. (FH) Jörg Rösler
Member of the Management Board
Segment North + West

Dipl.-Ing. Siegfried Wanker
Member of the Management Board
Segment International + Special Divisions

Dipl.-Ing. (FH) Alfred Watzl
Member of the Management Board
Segment South + East

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