

ANNUAL REPORT 2022/23

FINANCIAL STATEMENTS



CONTENTS

BALANCE SHEET

as of 31 March 2023 4

INCOME STATEMENT

for the financial year 2022/23 6

NOTES

for the financial year 2022/23 8
Statement of changes in fixed assets as of 31 March 2023 16
Grants as of 31 March 2023 20
List of investments as of 31 March 2023 21

MANAGEMENT REPORT

for the financial year 2022/23 25

AUDITOR'S REPORT

Report on the financial statements 41

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Current information about the company and its construction projects can be found on the following media channels:

-  [swietelsky.at](https://www.swietelsky.at) / [swietelsky.de](https://www.swietelsky.de)
-  [wir-swietelskys.at](https://www.wir-swietelskys.at) / [wir-swietelskys.de](https://www.wir-swietelskys.de)
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-  [Swietelsky AG](https://www.twitter.com/Swietelsky-AG)

BALANCE SHEET

AS OF 31 MARCH 2023

ASSETS

	31/3/2023 EUR	31/3/2022 kEUR
A. Non-current assets:		
I. Intangible assets	2,047,693.00	4,221
II. Tangible fixed assets:		
1. Land, land rights and buildings, including buildings on third-party land	61,782,942.98	60,848
2. Technical equipment and machinery	86,785,881.46	71,369
3. Other equipment, operating and office equipment	15,940,746.73	14,882
4. Prepayments and assets under construction	2,640,158.92	28,421
	167,149,730.09	175,520
III. Non-current financial assets:		
1. Shares in affiliated companies	86,976,538.02	83,165
2. Loans to affiliated companies	2,850,000.00	3,350
3. Other non-current equity investments	10,158,198.10	10,158
4. Loans to other non-current investees and investors	10,485,863.71	9,926
5. Non-current (book-entry) securities	68,946,627.00	18,980
	179,417,226.83	125,579
	348,614,649.92	305,321
B. Current assets:		
I. Unfinished construction work	636,579,570.00	821,344
Advances received	-583,079,553.59	-770,224
	53,500,016.41	51,120
II. Inventories:		
1. Raw materials, consumables and supplies	15,332,545.24	14,924
2. Undeveloped land	65,516,608.19	50,890
3. Real estate	65,935,806.12	55,139
Advances received	-21,419,926.52	-16,244
	44,515,879.60	38,895
4. Prepayments	3,738,112.75	2,865
	129,103,145.78	107,575
III. Receivables and other assets:		
1. Trade receivables	97,240,487.03	70,585
<i>of which due after one year</i>	<i>994,641.97</i>	<i>512</i>
2. Receivables from project consortiums	26,480,154.31	23,729
3. Receivables from affiliated companies	157,396,843.72	151,783
<i>of which due after one year</i>	<i>43,548,909.96</i>	<i>39,915</i>
4. Receivables from other non-current investees and investors	7,586,380.98	9,354
<i>of which due after one year</i>	<i>100,000.00</i>	<i>100</i>
5. Other receivables and other assets	6,148,713.47	7,268
<i>of which due after one year</i>	<i>3,429,078.68</i>	<i>1,937</i>
	294,852,579.51	262,718
IV. Cash-in-hand, bank balances	135,822,931.05	137,429
	613,278,672.75	558,842
C. Prepaid expenses	2,068,742.29	1,011
D. Deferred taxes	1,919,373.13	1,847
	965,881,438.09	867,021

EQUITY AND LIABILITIES

	31/3/2023 EUR	31/3/2022 KEUR
A. Equity:		
I. Called up and paid share capital (Subscribed capital)	7,705,000.01	7,705
II. Capital reserves:		
1. Allocated capital reserves	402,344.72	402
2. Unallocated capital reserves	57,867,111.19	57,867
	58,269,455.91	58,269
III. Revenue reserves:		
1. Legal reserve	480,076.74	480
2. Other reserves (distributable reserves)	35,667,952.89	35,668
	36,148,029.63	36,148
IV. Net retained profits	246,761,508.25	209,612
<i>of which retained profits brought forward</i>	<i>169,611,576.31</i>	<i>145,899</i>
	348,883,993.80	311,734
B. Grants:		
Investment grants	2,475,554.04	1,462
C. Provisions:		
1. Provisions for severance payments	20,859,698.00	23,459
2. Provisions for pensions	16,218.00	25
3. Provisions for taxes	30,026,231.97	34,924
4. Other provisions	117,249,531.27	106,712
	168,151,679.24	165,120
D. Liabilities:		
1. Liabilities to banks	63,753.55	14
<i>of which due within one year</i>	<i>63,753.55</i>	<i>14</i>
2. Payments received on account of orders	90,423,677.94	103,811
<i>of which due within one year</i>	<i>90,423,677.94</i>	<i>103,811</i>
3. Trade payables	244,140,194.28	223,181
<i>of which due within one year</i>	<i>225,573,922.88</i>	<i>199,838</i>
<i>of which due after one year</i>	<i>18,566,271.40</i>	<i>23,343</i>
4. Liabilities to project consortiums	12,220,689.58	17,380
<i>of which due within one year</i>	<i>12,220,689.58</i>	<i>17,380</i>
5. Liabilities to affiliated companies	55,316,560.53	10,239
<i>of which due within one year</i>	<i>55,316,560.53</i>	<i>10,239</i>
6. Liabilities from other non-current investees and investors	615,820.17	831
<i>of which due within one year</i>	<i>615,820.17</i>	<i>831</i>
7. Other liabilities	43,589,514.96	33,247
<i>of which taxes</i>	<i>9,822,160.00</i>	<i>2,158</i>
<i>of which social security</i>	<i>4,290,094.20</i>	<i>1,955</i>
<i>of which due within one year</i>	<i>42,665,862.62</i>	<i>29,560</i>
<i>of which due after one year</i>	<i>923,652.34</i>	<i>3,687</i>
	446,370,211.01	388,704
<i>of which due within one year</i>	<i>426,880,287.27</i>	<i>361,674</i>
<i>of which due after one year</i>	<i>19,489,923.74</i>	<i>27,030</i>
	965,881,438.09	867,021

INCOME STATEMENT

FOR THE FINANCIAL YEAR 2022/23

	2022/23 EUR	2021/22 kEUR
1. Revenue	1,643,570,283.31	1,262,592
2. Increase or decrease in finished and unfinished goods	-170,898,121.63	139,264
3. Other own work capitalised	5,100,605.03	6,604
4. Other operating income:		
a) Income from the disposal of fixed assets with the exception of financial assets	979,632.29	9,236
b) Other	7,548,625.33	7,801
	8,528,257.62	17,037
5. Expenses for material and other purchased construction services:		
a) Cost of materials	-292,614,229.55	-277,404
b) Cost of purchased services	-581,809,947.45	-584,867
	-874,424,177.00	-862,271
6. Personnel expenses:		
a) Wages	-184,859,242.33	-177,291
b) Salaries	-142,042,890.09	-141,754
c) Social security expenses	-88,529,902.88	-86,361
<i>of which for pension</i>	3,056.30	9
<i>of which for expenses for severance payments and payments into employee welfare funds</i>	-8,570,629.45	-10,215
<i>of which for expenses for mandatory social security contributions, income-based and compulsory contributions</i>	-75,337,178.27	-71,809
	-415,432,035.30	-405,407
7. Depreciation and amortisation of intangible assets and tangible fixed assets	-35,493,311.04	-33,775
8. Other operating expenses:		
a) Taxes, not falling under 18	-936,556.42	-847
b) Other	-110,374,764.20	-111,931
	-111,311,320.62	-112,778
9. Subtotal from rows 1 to 8 (operating result)	49,640,180.37	11,266

	2022/23 EUR	2021/22 kEUR
10. Income from non-current equity investments	57,422,884.59	74,231
<i>of which from affiliated companies</i>	52,929,140.40	70,256
11. Income from other securities and loans from non-current financial assets	646,728.69	27
<i>of which from affiliated companies</i>	72,250.21	0
12. Other interest and similar income	4,027,900.09	3,936
<i>of which from affiliated companies</i>	3,370,243.97	2,522
13. Income from the disposal of and reversals of write-downs of non-current financial assets and current securities	157,827.22	359
14. Losses from financial assets	-10,491,481.68	-8,972
<i>of which write-downs</i>	-1,320,420.06	-124
<i>of which losses from affiliated companies</i>	-9,145,978.30	-8,820
15. Interest and similar expenses	-2,075,218.70	-1,133
<i>of which from affiliated companies</i>	-1,637,552.53	-801
16. Subtotal from rows 10 to 15 (financial result)	49,688,640.21	68,448
17. Earnings before tax	99,328,820.58	79,714
18. Taxes on income and earnings	-22,178,888.64	-16,002
<i>of which deferred taxes</i>	72,389.00	-914
19. Earnings after tax = Net income for the financial year	77,149,931.94	63,712
20. Retained profits brought forward	169,611,576.31	145,899
21. Net retained profits	246,761,508.25	209,612

NOTES

FOR THE FINANCIAL YEAR 2022/23

I. General principles

The financial statements as of 31 March 2023, have been generated in accordance with the regulations of the Austrian Commercial Code (UGB) in the applicable version, considering the principles of proper accounting and the general standard to convey a true and fair view of the assets, financial and earnings position of the company. The company is to be classified as a large corporation according to § 221 UGB.

Swietelsky AG, based in 4020 Linz, Edlbacherstraße 10, is the parent company of an international construction group whose business activities are split into five segments: Austria, Germany, Hungary, the Czech Republic and other countries. The consolidated financial statements are filed with the Linz commercial register and are available on the website www.swietelsky.at.

The company is the group leader of a corporate group according to Section 9 KStG. The corporation tax amounts caused by the group members are charged by the group leader to the group members by means of tax allocations or losses are kept evident at the level of the group member. The offsetting of tax allocations reduces the tax expense in the group leader's income statement.

The financial statements are prepared in Euro. The amounts in the notes are set out in kEUR, which can result in rounding differences.

II. Accounting and valuations methods

When evaluating the individual assets and debts, it was assumed that the company would continue as a going concern.

Non-current assets

Purchased intangible assets and tangible fixed assets are recognised at acquisition or production cost less scheduled straight-line depreciation. This is based on the following useful lives:

	Years
Intangible assets	3
Buildings, including buildings on third-party land	10 – 50
Technical equipment and machinery	2 – 15
Other equipment, operating and office equipment	2 – 15

In accordance with tax regulations, a full annual depreciation is made for additions in the first half-year, half-year depreciation for additions in the second half-year. The low-value assets up to EUR 800.00 are recognised as an expense in the year of acquisition. The mineral-bearing land is depreciated based on its depletion. Extraordinary depreciation of a lower current value as of the balance sheet date is made if the impairment is probably permanent.

In addition to individual costs, the production costs of self-constructed tangible assets also include pro rata overheads and depreciation. The option to capitalize interest on borrowed capital is not used.

Shares in affiliated companies and other non-current equity investments are recognised at acquisition cost or, if the impairment is expected to be permanent, at the lower current value on the balance sheet date. Loans are measured at their nominal value less unscheduled depreciation in the event of permanent impairment. Loans in foreign currencies are converted at the lower of the acquisition rates or the average exchange rate on the balance sheet date. Non-current (book-entry) securities are measured at the lower of cost or current value on the balance sheet date.

Write-ups of non-current assets are made when reasons for impairment losses have been permanently eliminated. The write-up is made at a maximum of depreciated cost, which would result from scheduled depreciation, in the meantime.

Current assets

Inventories are measured at their historical cost with consideration for the principle of lower of cost or market.

Unfinished construction work is measured at its historical cost including wages, construction materials, third-party services, depreciation of equipment and construction site overheads. Expenses for voluntary social benefits, company pension schemes and severance payments as well as interest on borrowed capital are not capitalized. If the historical costs surpass the contractual prices, they will be measured at the lower contractual prices. Consideration is given to identifiable risks in the later stages until completion by means of separate reductions.

Receivables and other assets are measured at their nominal value. To take general credit risks into account, a group-wise individual value adjustment is made, and appropriate value adjustments are made for recognisable individual risks. Interest-free receivables are discounted if they are material. Foreign currency receivables are valued according to the strict lower of cost or market principle valued at the lower of cost or exchange rate on the balance sheet date.

Write-ups of current assets are made when the reasons for the impairment losses have been permanently eliminated.

Deferred taxes

A provision for deferred tax liabilities is recognised for differences between company law and tax law valuations of assets, provisions and liabilities that are expected to balance out in later financial years. If, on the other hand, these differences result in tax relief, they are recognised as deferred tax assets in the balance sheet. The option to recognise deferred tax assets on loss carryforwards is not exercised.

Grants

The investment grants are shown as a separate item between equity and liabilities. The release takes place according to the useful life of the subsidised fixed assets and is shown in the other operating income.

Provisions

Provisions for severance payments and pensions were calculated according to actuarial principles using the projected unit credit method in accordance with IAS 19. The discount rate used is a reference date rate based on market interest rates from companies with a high credit rating. Interest expense and actuarial gains/losses are included in personnel expenses in the income statement.

In accordance with the principle of prudence, other provisions consider all risks recognisable at the time the balance sheet was prepared and liabilities of uncertain amount and reason with the amounts that are necessary based on prudent business judgement.

Liabilities

Liabilities are measured at their settlement amounts. Payables in foreign currencies are measured using the strict principle of the highest value at the acquisition rate or the higher exchange rate on the balance sheet date.

III. Notes on the items in the balance sheet

Non-current assets

The development of the individual fixed assets and the breakdown of the annual depreciation by individual items can be found in the statement of changes in fixed assets. Information on the shares in affiliated companies and other non-current equity investments (shares of more than 20%) can be found in the list of participations.

Loans with a remaining term of up to one year amount to:

FIGURES IN THOUSAND EUR	31/3/2023	31/3/2022
Loans to affiliated companies	500	500
Loans to other non-current investees and investors	419	419
	919	919

The additions to non-current (book-entry) securities include a special fund in the amount of kEUR 50,000, which was established for Swietelsky AG with effect from May 2, 2022.

Receivables and other assets

The receivables from affiliated companies relate to loans receivable in the amount of kEUR 59,714 (previous year: kEUR 40,081). The remaining amount relates to receivables from cost allocation, ongoing offsetting and settlement of cash pooling. Receivables from other non-current investees and investors comprise receivables from cost allocation and ongoing offsetting. Other receivables and assets include income of kEUR 882 (previous year: kEUR 2,342), which affect the cash flow after the balance sheet date.

Deferred taxes

Deferred taxes were recognised on the basis of a corporate income tax rate of 23% (previous year: 23%) for temporary differences between the tax and corporate value at the balance sheet date, especially for the following items: tangible fixed assets, non-current financial assets, untaxed reserves, provisions and allocations from partnerships as well as intra-group loss carryforwards.

Deferred taxes developed as follows:

	kEUR
As of 1 April, 2022	1,847
Changes of income	72
As of 31 March, 2023	1,919

No deferred tax provisions were recognised for future tax liabilities resulting from the recognition of losses in the amount of kEUR 14,349 (previous year: kEUR 16,013) of subsidiaries, as losses are unlikely to be realised, according to § 9 (6) 6 KStG.

Share capital

The share capital of Swietelsky AG amounts to EUR 7,705,000.01 and it is shared into 7,705,000.00 registered shares.

Grants

The breakdown of the investment grants according to the individual fixed asset items and the development can be seen in the overview of the grants.

Provisions

The provisions for severance payments and pensions were calculated based on a retirement age of sixty for women and sixty-five for men (previous year: 60/65 years) and using the biometric calculation bases of AVOE 2018-P calculation bases for the pension insurance for employees (previous year: AVOE 2018-P). As in the previous year, no fluctuation deduction was applied.

The calculation of the provision for severance payments was based on the following parameters:

	31/3/2023	31/3/2022
Interest rate	4.00%	1.94%
Salary increase	4.50%	2.75%

The following parameters were used to determine the pension provision:

	31/3/2023	31/3/2022
Interest rate	4.09%	2.10%
Pension increase	0% or 1%	0% or 1%

The other provisions essentially concern personnel expenses (holidays, special payments and bonuses), provisions for guarantees and impending losses.

In spring 2017, the Austrian Federal Competition Authorities searched premises in the construction industry as part of their investigations regarding possible price fixing. The first notifications of the statement of objections were sent to the affected companies in the fall of 2019, including Swietelsky AG and two other Group companies. A settlement was achieved in the current reporting period with the Austrian Federal Competition Authorities and an associated application to the antitrust court for imposing cartel fines. In line with the settlement, SWIETELSKY has formed provisions of EUR 27.15 million for the fine as well as provisions for possible subsequent claims from customers. Estimating the actual amounts of the claims is very difficult, and therefore, it may deviate from the amount set aside.

In April 2018, another proceeding was announced by the Central Public Prosecutor's Office for Combating Economic Crimes and Corruption. The subject of these investigations is primarily the suspicion that predominantly former employees of Swietelsky AG may have acted corruptly in connection with Romanian construction projects. Within the framework of the responsibility of legal entities, SWIETELSKY is accused of being associated with their employees' criminal acts. This investigation is in its early stages, and it is impossible to predict with reasonable

certainty what the outcome of the investigation will be or to quantify – even roughly or indicatively – the pecuniary consequences for SWIETELSKY at the present state of knowledge. However, SWIETELSKY assumes that the Group will not incur any liability.

The estimated costs of legal representation for both proceedings have been considered in the provisions.

Liabilities

Total liabilities with a maturity of more than five years amount to kEUR 388 (previous year: kEUR 457). Liabilities to affiliated companies relate to deliveries and cost allocations and settlement of cash pooling. Liabilities from other non-current investees and investors relate to cost allocation and ongoing offsetting. Other liabilities include expenses of kEUR 27,465 (previous year: kEUR 24,915), which affect the cash flow after the balance sheet date.

Contingent liabilities

Contingent liabilities exist as follows:

FIGURES IN THOUSAND EUR	31/3/2023	31/3/2022
Warranties and guarantees	391,372	343,607
<i>of which for affiliated companies</i>	387,544	340,265

The warranties and guarantees in favour to affiliated companies were given to financial institutions, they are adequately remunerated. In addition, there are contract performance guarantees in the amount of kEUR 501 (previous year: kEUR 2,969) in favour of affiliated companies.

Additionally, as is standard in the industry, project consortia in which the company holds a stake are jointly and severally liable with the other partners and there are bank guarantees, mainly for tender, contractual fulfilment and guarantee obligations and advance payments. Counter-liabilities for performance guarantees where an outflow of resources is improbable exist to the value of kEUR 35,328 (previous year: kEUR 47,710) on 31 March 2023.

IV. Notes on the items of the income statement

Revenue

Revenue broken down by sales markets:

FIGURES IN THOUSAND EUR	2022/23	2021/22
Domestic market	1,632,979	1,246,365
Foreign countries	10,592	16,226
	1,643,570	1,262,592

Revenue broken down by areas of activity:

FIGURES IN THOUSAND EUR	2022/23	2021/22
Road construction	292,391	214,641
Railway construction	173,890	151,511
Building construction	806,336	656,548
Civil engineering	370,954	239,892
	1,643,570	1,262,592

Other operating income

The other operating income mainly includes exchange rate gains, insurance payments, subsidies and quarantine allowances.

Personnel expenses

Expenses for severance payments and payments into employee welfare funds are as follows:

FIGURES IN THOUSAND EUR	2022/23	2021/22
Management Board	1,480	2,975
Executives	-225	841
Other employees	7,315	6,399
	8,571	10,215
<i>of which for expenses for severance payments</i>	<i>6,727</i>	<i>8,423</i>
<i>of which payments into employee welfare funds</i>	<i>1,844</i>	<i>1,792</i>

In the 2022/23 financial year, the members of the Management Board received remuneration of kEUR 10,685 (previous year: kEUR 10,691).

Other operating expenses

The other operating expenses include rentals and leases, insurance expenses as well as maintenance and service.

Taxes on income and earnings

Income taxes break down as follows:

FIGURES IN THOUSAND EUR	2022/23	2021/22
Corporation tax	29,652	20,333
Tax allocations of the group members	-7,401	-5,245
Deferred taxes	-72	914
	22,179	16,002

V. Other information

Other Financial Obligations

As a result of lease and rental agreements, the following liabilities exist due to the use of tangible fixed assets not recorded in the balance sheet:

FIGURES IN THOUSAND EUR	31/3/2023	31/3/2022
Following financial year	20,583	12,935
Following five financial years	69,698	45,820

Relationships with affiliated companies

Swietelsky AG acts as the parent company of a sales tax group in accordance with § 2 UStG. For intragroup liquidity balancing, Swietelsky AG pools cash with group companies.

For the financial year 2022/23 there are loss coverage commitments for the following companies:

Klaus Hennerbichler GmbH, Hagenberg
Swietelsky Tunnelbau GmbH, Salzburg
C. Peters Baugesellschaft m.b.H., Linz

There are also declarations of subordination for the following companies:

Klaus Hennerbichler GmbH, Hagenberg,
as of the balance sheet date 31 March 2020

Swietelsky Energie GmbH, Traun,
as of the balance sheet date 31 March 2023

Swietelsky Rail Schweiz AG, Rotkreuz,
as of the balance sheet date 31 March 2023

Auditor's expenses

The details of the auditor's expenses are presented in the consolidated financial statements of Swietelsky AG.

Elements and employees of the company

The following persons were members of the Management Board in the 2022/23 financial year:

DI Dr. Peter Krammer (since 1/1/2023)
Harald Gindl, MBA
Dipl.-Ing. Klaus Bleckenwegner
Peter Gal
August Weichselbaumer (since 1/4/2023)
Dipl.-Ing. Karl Weidlinger (until 31/3/2023)

The following persons were members of the Supervisory Board in the financial year 2022/23:

Dr. Günther Grassner, Chairman
Dr. Norbert Nagele, Vice-chairman (until 31/3/2023)
Adolf Scheuchenpflug, Vice-chairman (since 1/4/2023)
Ing. Franz Rohr
Mag. Karl Schlögl
Dr. Stefan Ebner
Dr. Werner Bick (until 31/3/2023)
Dr. Daniela Huemer (since 1/4/2023)
Andrea Steinkellner
Manuel Madurski
Mag. (FH) Andrea Bauer (since 14/7/2022)

The members of the Supervisory Board received remuneration of kEUR 629 in the 2022/23 financial year (previous year: kEUR 623).

Employees (average)

	2022/23	2021/22
Blue-collar worker	3,396	3,380
White-collar worker	1,579	1,543
	4,975	4,923

Extraordinary events after the closing of the financial year

No extraordinary events took place after the closing of the financial year.

Application of income

It is proposed to distribute an amount of EUR 35,000,000.00 (EUR 4.54 for each share) from the net retained profits of EUR 246,761,508.25 and to carry forward the remaining amount to new account.

Linz, 7 July 2023
The Management Board


DI DR. PETER KRAMMER
CEO


HARALD GINDL, MBA
CFO


DIPL.-ING. KLAUS BLECKENWEGNER
COO International


PETER GAL
COO Railway construction


AUGUST WEICHSELBAUMER
COO Austria

STATEMENT OF CHANGES IN FIXED ASSETS

AS OF 31 MARCH 2023

FIGURES IN EUR	As of 1/4/2022	Additions
I. Intangible assets:		
1. Software and licences	16,626,839.85	272,048.27
2. Prepayments	0.00	4,275.00
	16,626,839.85	276,323.27
II. Tangible fixed assets:		
1. Land, land rights and buildings, including buildings on third-party land (Basic value EUR 12,933,900.14; previous year: kEUR 12,742)	83,867,816.21	1,394,880.71
2. Technical equipment and machinery	259,595,159.34	27,658,064.97
3. Other equipment, operating and office equipment	45,193,624.03	5,103,957.14
4. Prepayments and assets under construction	28,421,101.86	19,312,227.43
	417,077,701.44	53,469,130.25
III. Non-current financial assets:		
1. Shares in affiliated companies	116,113,314.51	8,838,540.47
2. Loans to affiliated companies	3,350,000.00	0.00
3. Other non-current equity investments	12,167,773.40	0.00
4. Loans to other non-current investees and investors	9,925,596.92	1,148,950.00
5. Non-current (book-entry) securities	19,110,380.20	56,137,547.00
	160,667,065.03	66,125,037.47
	594,371,606.32	119,870,490.99

Historical costs

Reclassifications	Disposals	As of 31/3/2023
50,077.51	79,780.04	16,869,185.59
0.00	0.00	4,275.00
50,077.51	79,780.04	16,873,460.59
2,187,248.15	602,375.22	86,847,569.85
16,257,596.39	9,576,855.39	293,933,965.31
22,839.00	1,573,343.05	48,747,077.12
-18,517,761.05	26,575,409.32	2,640,158.92
-50,077.51	38,327,982.98	432,168,771.20
0.00	40,587.99	124,911,266.99
0.00	500,000.00	2,850,000.00
0.00	0.00	12,167,773.40
0.00	439,333.21	10,635,213.71
0.00	5,000,000.00	70,247,927.20
0.00	5,979,921.20	220,812,181.30
0.00	44,387,684.22	669,854,413.09

STATEMENT OF CHANGES IN FIXED ASSETS

AS OF 31 MARCH 2023

FIGURES IN EUR	As of 1/4/2022	Additions	Reversal of write-downs
I. Intangible assets:			
1. Software and licences	12,405,537.46	2,498,879.17	0.00
2. Prepayments	0.00	0.00	0.00
	12,405,537.46	2,498,879.17	0.00
II. Tangible fixed assets:			
1. Land, land rights and buildings, including buildings on third-party land (Basic value EUR 12,933,900.14; previous year: kEUR 12,742)	23,019,426.19	2,209,840.78	0.00
2. Technical equipment and machinery	188,226,651.22	26,859,424.02	0.00
3. Other equipment, operating and office equipment	30,311,619.37	3,925,167.07	0.00
4. Prepayments and assets under construction	0.00	0.00	0.00
	241,557,696.78	32,994,431.87	0.00
III. Non-current financial assets:			
1. Shares in affiliated companies	32,948,011.35	5,110,132.83	122,827.22
2. Loans to affiliated companies	0.00	0.00	0.00
3. Other non-current equity investments	2,009,575.30	0.00	0.00
4. Loans to other non-current investees and investors	0.00	149,350.00	0.00
5. Non-current (book-entry) securities	130,230.14	1,171,070.06	0.00
	35,087,816.79	6,430,552.89	122,827.22
	289,051,051.03	41,923,863.93	122,827.22

Cumulative depreciation			Carrying amounts
Disposals	As of 31/3/2023	As of 31/3/2023	As of 31/3/2022
78,649.04	14,825,767.59	2,043,418.00	4,221,302.39
0.00	0.00	4,275.00	0.00
78,649.04	14,825,767.59	2,047,693.00	4,221,302.39
164,640.10	25,064,626.87	61,782,942.98	60,848,390.02
7,937,991.39	207,148,083.85	86,785,881.46	71,368,508.12
1,430,456.05	32,806,330.39	15,940,746.73	14,882,004.66
0.00	0.00	2,640,158.92	28,421,101.86
9,533,087.54	265,019,041.11	167,149,730.09	175,520,004.66
587.99	37,934,728.97	86,976,538.02	83,165,303.16
0.00	0.00	2,850,000.00	3,350,000.00
0.00	2,009,575.30	10,158,198.10	10,158,198.10
0.00	149,350.00	10,485,863.71	9,925,596.92
0.00	1,301,300.20	68,946,627.00	18,980,150.06
587.99	41,394,954.47	179,417,226.83	125,579,248.24
9,612,324.57	321,239,763.17	348,614,649.92	305,320,555.29

GRANTS

AS OF 31 MARCH 2023

FIGURES IN EUR	As of 1/4/2022	Additions	Disposals	Releases	As of 31/3/2023
Investment premium					
1. Intangible assets	131,193.07	54,294.53	0.00	-84,414.49	101,073.11
2. Land, land rights and buildings, including buildings on third-party land	0.00	555.68	0.00	-26.00	529.68
3. Technical equipment and machinery	1,133,654.03	1,305,691.53	0.00	-351,465.96	2,087,879.60
4. Other equipment, operating and office equipment	197,446.01	93,819.15	0.00	-79,202.38	212,062.78
	1,462,293.11	1,454,360.89	0.00	-515,108.83	2,401,545.17
Other investment grants					
1. Land, land rights and buildings, including buildings on third-party land	0.00	32,463.00	0.00	-568.00	31,895.00
2. Technical equipment and machinery	0.00	44,390.87	0.00	-2,277.00	42,113.87
	0.00	76,853.87	0.00	-2,845.00	74,008.87
	1,462,293.11	1,531,214.76	0.00	-517,953.83	2,475,554.04

LIST OF INVESTMENTS

AS OF 31 MARCH 2023

at least 20.00% shareholding			Capitalshare		Equity/ negative equity ¹⁾	Result ²⁾
Shares in affiliated companies						
A.S.T. Baugesellschaft m.b.H.	AT	Zirl	100.00%	KEUR	3,034	996
Bahnbau Petri Hoch- und Tiefbau Gesellschaft m.b.H.	AT	Fischamend	100.00%	KEUR	476	251
Baldauf Fliesen und Baustoffe Gesellschaft m.b.H.	AT	Linz	100.00%			³⁾
Baumeister Karl Sedlmayer Gesellschaft mit beschränkter Haftung	AT	Grafenwörth	100.00%	KEUR	662	103
Boschweg Alpha Projektentwicklungs GmbH & Co KG	AT	Linz	100.00%	KEUR	1,842	0
C. Peters Baugesellschaft m.b.H.	AT	Linz	100.00%	KEUR	608	0
Georg Fessler GmbH	AT	Zwettl	100.00%	KEUR	3,791	949
HTB Baugesellschaft m.b.H.	AT	Arzl im Pitztal	100.00%	KEUR	23,959	15,091
Jos. Ertl GmbH	AT	Hörsching	100.00%	KEUR	1,529	852
Kallinger Bau GmbH	AT	Fischamend	100.00%	KEUR	1,317	763
Kontinentale Baugesellschaft m.b.H.	AT	Waidhofen an der Thaya	100.00%	KEUR	1,361	712
Metallbau Wastler GmbH	AT	Linz	100.00%	KEUR	2,121	705
Romberger Fertigteile GmbH	AT	Gurten	100.00%	KEUR	5,871	1,467
RTS Rail Transport Service GmbH	AT	Graz	100.00%	KEUR	4,511	2,387
Swietelsky Bauträger Ges.m.b.H.	AT	Linz	100.00%	KEUR	156	-18
Swietelsky Developments GmbH	AT	Vienna	100.00%	KEUR	95	-26
Swietelsky Energie GmbH	AT	Traun	100.00%	KEUR	-1,730	-1,150
Swietelsky Liegenschaftsentwicklungs GmbH	AT	Linz	100.00%	KEUR	33	3
Swietelsky Liegenschaftsverwaltung Bauhof Asten GmbH	AT	Linz	100.00%	KEUR	187	45
Swietelsky Liegenschaftsverwaltung Klagenfurt GmbH	AT	Linz	100.00%	KEUR	165	42
Swietelsky Liegenschaftsverwaltung Trumau GmbH	AT	Linz	100.00%	KEUR	297	65
Swietelsky Tunnelbau GmbH	AT	Salzburg	100.00%	KEUR	1,227	0
Swietelsky Tunnelbau GmbH & Co KG	AT	Salzburg	100.00%	KEUR	39,220	25,414

at least 20.00% shareholding			Capitalshare		Equity/ negative equity ¹⁾	Result ²⁾
Transportbeton und Asphaltgesellschaft m.b.H.	AT	Zams	100.00%	kEUR	646	438
Wohnanlage Harterhofweg 99 GmbH	AT	Innsbruck	100.00%	kEUR	-207	-56
Duswald Bau GmbH	AT	Neumarkt im Hausruckkreis	94.00%	kEUR	1,273	510
Swietelsky Liegenschaftsverwaltung Fischamend GmbH	AT	Linz	94.00%	kEUR	13,159	532
Ing. Baierl Gesellschaft m.b.H.	AT	Steinakirchen am Forst	90.00%	kEUR	-94	-645
Klaus Hennerbichler GmbH	AT	Hagenberg im Mühlkreis	90.00%	kEUR	-817	0
TB Betonwerk Zams GmbH	AT	Zams	52.00%			³⁾
SWIETELSKY RAIL (AUSTRALIA) PTY LTD	AU	Potts Point NSW 2011	100.00%	kAUD	6,667	385
Swietelsky d.o.o.	BA	Sarajevo	100.00%			³⁾
HTB Bau AG	CH	Scuol	100.00%			³⁾
Swietelsky Rail Schweiz AG	CH	Rotkreuz	100.00%	kCHF	-1,158	-411
Centrum TGM s.r.o.	CZ	Praha 8, Karlín	100.00%	kCZK	6,472	-3,584
JB Stavební, s.r.o.	CZ	Brno, Horní Heršpice	100.00%	kCZK	46,159	8,778
Swietelsky Rail CZ s.r.o.	CZ	České Budějovice	100.00%	kCZK	236,470	71,377
SWIETELSKY Real Estate CZ s.r.o.	CZ	České Budějovice	100.00%	kCZK	2,763	1,293
SWIETELSKY stavební s.r.o.	CZ	České Budějovice	100.00%	kCZK	938,553	282,067
Vydrovka Office Center s.r.o	CZ	Praha 8, Karlín	100.00%	kCZK	37,131	-9,942
Swietelsky Bahnsicherung Deutschland GmbH (vormals: Detect Rail Technologies GmbH)	DE	Schönhausen (Elbe)	100.00%	kEUR	1,318	848
SWIETELSKY Baugesellschaft m.b.H.	DE	Traunstein	100.00%	kEUR	26,031	12,266
SWIETELSKY Umwelttechnik GmbH	DE	Traunstein	100.00%	kEUR	1,108	661
Wadle Bauunternehmung GmbH	DE	Essenbach	100.00%	kEUR	12,569	7,226
Railsafe ApS	DK	Slagelse	100.00%	kDKK	1,788	98
Swietelsky Rail Danmark ApS	DK	Glumsø	100.00%	kDKK	4,236	-33,316
SWIETELSKY TRAVAUX FERROVIAIRES	FR	Metz	100.00%			³⁾
SWIETELSKY CONSTRUCTION COMPANY LTD.	GB	Reading	100.00%	kGBP	12,666	2,308
Swietelsky d.o.o.	HR	Zagreb	100.00%	kEUR	9,241	1,657
CELL-BahnBau Danubia Kft.	HU	Celldömök	100.00%	kHUF	30,205	-663
DS VASÚT Kft.	HU	Celldömök	100.00%	kHUF	175,949	25,490
G.K.S. SWIETELSKY Kft.	HU	Dunakeszi	100.00%			³⁾
SWIETELSKY Építő Kft.	HU	Budapest	100.00%	kHUF	4,099,041	2,322,318
SWIETELSKY Magyarország Kft.	HU	Budapest	100.00%	kHUF	12,103,423	4,157,556
Swietelsky Vasúttechnika Kft.	HU	Celldömök	100.00%	kHUF	2,906,794	324,914

at least 20.00% shareholding			Capitalshare		Equity/ negative equity ¹⁾	Result ²⁾
Vasútgép Kft.	HU	Cellödömök	100.00%	kHUF	220,802	63,157
Swietelsky Rail Luxembourg S.à.r.l.	LU	Windhoff	100.00%			³⁾
Swietelsky Rail Benelux B.V.	NL	JR Oisterwijk	100.00%	KEUR	2,479	5,075
Swietelsky Rail Norway AS	NO	Drammen	100.00%	kNOK	3,569	109
Swietelsky Rail Polska Spolka Z o.o.	PL	Krakow	100.00%	kPLN	23,843	10,056
Swietelsky Spolka Z o.o.	PL	Lublin	100.00%	kPLN	13,729	4,784
Swietelsky Constructii Feroviare S.R.L.	RO	Voluntari, Sat Pipera	100.00%	kRON	7,664	5,299
S.C. DRUMSERV SA	RO	Targu Mures	99.99%	kRON	13,183	843
S.C. AMFIBOSWIN SRL	RO	Sibiu	56.50%			³⁾
Swietelsky Rail Sweden AB	SE	Stockholm	100.00%	kSEK	10,591	8,957
Swietelsky gradbeno d.o.o.	SI	Laibach	100.00%			³⁾
Swietelsky-Slovakia spol. s r.o.	SK	Bratislava	100.00%	KEUR	1,985	-483

Other non-current equity investments

ASB Nörsach GmbH	AT	Linz	50.00%			³⁾
ASW - Asphaltmischanlage Zams GmbH	AT	Zams	50.00%			³⁾
ASW - Asphaltmischanlage Zams GmbH & Co. KG	AT	Zams	50.00%			³⁾
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H.	AT	Graz-St.Peter	50.00%			³⁾
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H. & Co. KG	AT	Graz-St.Peter	50.00%			³⁾
Hausruck Baugesellschaft m.b.H.	AT	Schlüßlberg	50.00%			³⁾
PAM-Pongauer Asphaltmischanlagen GmbH	AT	St. Johann im Pongau	50.00%			³⁾
PAM-Pongauer Asphaltmischanlagen GmbH & Co KG	AT	St. Johann im Pongau	50.00%			³⁾
Umfahrung Zwettl Errichtungs- und Betriebsgesellschaft m.b.H.	AT	Linz	50.00%			³⁾
Asphaltmischwerk Weißbach GmbH & Co. Nfg. KG	AT	Salzburg	45.00%			³⁾
AWB Asphaltmischwerk Weißbach Betriebs-GmbH	AT	Vienna	45.00%			³⁾
Asphaltwerk Seibersdorf GmbH	AT	Linz	40.00%			³⁾
Kieswerk-Betriebs-Gesellschaft m.b.H.	AT	Zams	37.50%			³⁾
Pinzgau Beton GmbH	AT	Salzburg	37.00%			³⁾
Pinzgau Beton GmbH & Co KG	AT	Salzburg	37.00%			³⁾
Gaspix Beteiligungsverwaltungs GmbH	AT	Zirl	35.53%			³⁾
RBA - Recycling- und Betonanlagen Ges.m.b.H. & Co. Nfg. KG	AT	Zirl	35.53%			³⁾

at least 20.00% shareholding			Capitalshare	Equity/ negative equity ¹⁾	Result ²⁾
AMS - Asphaltmischwerk Süd Gesellschaft m.b.H.	AT	Linz	35.00%		³⁾
FMA Asphaltwerk GmbH	AT	Feldbach	35.00%		³⁾
FMA Asphaltwerk GmbH & Co KG	AT	Feldbach	35.00%		³⁾
AMW Asphaltwerk GmbH.	AT	Weitendorf	33.34%		³⁾
GT Baustoff Recycling GmbH	AT	Grafenstein	33.33%		³⁾
AMG - Asphaltmischwerk Gunkskirchen Gesellschaft m.b.H.	AT	Linz	33.33%		³⁾
AMG - Asphaltmischwerk Gunkskirchen Gesellschaft m.b.H. & Co. KG	AT	Linz	33.33%		³⁾
TAM Traisental Asphaltmischwerk Ges.m.b.H.	AT	Nußdorf ob der Traisen	33.33%		³⁾
TAM Traisental Asphaltmischwerk Ges.m.b.H. & Co KG	AT	Nußdorf ob der Traisen	33.33%		³⁾
TB Transportbeton GmbH	AT	Linz	33.33%		³⁾
AMW Leopoldau GmbH & Co OG	AT	Vienna	33.32%		³⁾
AWT Asphaltwerk GmbH	AT	Stadtschlaining	33.00%		³⁾
AMA Linz GmbH	AT	Linz	30.00%		³⁾
AHRENTAL ABBAU- UND AUFBEREITUNGSGESELLSCHAFT M.B.H.	AT	Hall in Tirol	29.87%		³⁾
Kieswerk - Betriebs - Gesellschaft m.b.H. & Co. Kommanditgesellschaft	AT	Zams	29.04%		³⁾
Petschl Frästechnik GmbH	AT	Arbing	29.03%		³⁾
ASW - Asphaltmischanlage Innsbruck GmbH	AT	Innsbruck	26.00%		³⁾
ASW - Asphaltmischanlage Innsbruck GmbH & Co KG	AT	Innsbruck	26.00%		³⁾
Hemmelmair Frästechnik GmbH	AT	Linz	25.00%		³⁾
VAM - Valentiner Asphaltmischwerk Gesellschaft m.b.H.	AT	Linz	25.00%		³⁾
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H. & Co. KG	AT	Linz	25.00%		³⁾
Eurailpool GmbH	DE	Ismaning	50.00%		³⁾
RPM Wiebe & Swietelsky & Co KG	DE	Achim	49.00%		³⁾
RPM Wiebe & Swietelsky Beteiligungs-GmbH	DE	Achim	49.00%		³⁾
Cosbau S.r.l. in Liquidazione	IT	Nalles	20.00%		

1) according to Section 224 (3) UGB

2) net income/net loss for the financial year

3) no information provided according to Section 242 (2) UGB

MANAGEMENT REPORT

FOR THE FINANCIAL YEAR 2022/23

I. Macroeconomic Environment

After a powerful recovery of global economic growth in 2021 with a growth of around 6%, performance significantly declined in 2022 by half at around 3%. There were various reasons for this: disrupted supply chains as a result of the COVID-19 pandemic as well as the Ukraine conflict, which resulted in strong price increases for energy as a whole. This caused the general price level to increase perceptibly. The central banks reacted with incremental interest rate increases, some of which were sharp, and bank lending became increasingly more restrictive.

In the euro area as well, the economic momentum in 2022 declined year-on-year to around 3.4%. The economic performance in the euro area was affected by the high inflation, the war in Ukraine and its consequences, such as in the area of energy supply, the more restrictive financing conditions and the slower growth of the global economy. Even if the labour market in the euro area was still robust with a seasonally adjusted unemployment rate of 6.5% in November, the expected growth slowdown may lead to an increase of unemployment – even if it is minimal.

The economy of the Euroconstruct-countries was able to increase in 2022 by a total of 3.5%, and thus exceeded the level in 2019 before the COVID-19 pandemic broke out. The growth of the EC-4 countries was somewhat above average at 4.1%, whereby especially Poland (5.1%) and Hungary (4.6%) were significantly positive. When it comes to the EC-15 countries, Ireland (12.0%), Portugal (6.7%), and Spain (5.5%) performed very positively. The Nordic countries that still flourished better than average last year (Norway, Sweden, Finland) were weaker although they were still positive. Likewise large economies such as Germany (1.8%) and France (2.6%) made only slight gains.

As expected, unemployment declined significantly in spite of the fact that economic momentum levelled off. In absolute numbers, around 14.9 million unemployed persons were registered in 2022 (2021: 16.7 million). Within the Euroconstruct-countries, the unemployment rate, however, varied widely. Compared to countries such as the Czech Republic (2.3%) and Poland (2.9%) that report almost full employment, Spain (12.9%), Italy (8.1%) and France (7.3%) are still strongly affected by unemployment. The three last-mentioned countries alone reported around 7.8 million unemployed persons.

The construction industry in the Euroconstruct-countries continued to grow in 2022, although growth was at a lower level. After an increase in 2021 of 5.8%, additional growth was achieved totalling 3.0% or EUR 2,085 billion. Performance varied very widely in individual countries. While Italy (12.4%), Ireland (10.3%) and the United Kingdom (5.6%) were able to increase significantly, the construction industry in the DACH region remained in a recession.

Civil engineering which was mainly publicly financed was only able to increase slightly in 2022 at 0.8% after significant growth in 2021 at 5.6%. Overall construction output in the Euroconstruct-countries in civil engineering is EUR 443.7 billion. Building construction was able to show a more significant increase (3.6%) and achieved a total construction output in the Euroconstruct-countries of EUR 1,642.0 billion. Performance was especially positive in Italy (15.6%), Ireland (13.1%) and the United Kingdom (6.7%).

Markets

SWIETELSKY distinguishes between 4 core markets (Austria, Germany, Hungary, Czech Republic) and other countries.

Austria

After overcoming the COVID-19 crisis, Austria's economy also expanded quite vigorously in 2022. In the year as a whole, GDP increased by 5% (real) and thus somewhat stronger than 2021 (4.6%). Local production was able to increase significantly until the middle of the year, and then it suffered afterwards from the decline of the global economy caused by soaring inflation and the war in Ukraine. Even if Austrian economic output stagnated in the fourth quarter of 2022, growth for the entire year 2022 at 5.0% was significantly above average for the Euroconstruct-countries. Growth was driven by exports – especially to the EU (19%), and more was exported to America (20%) – and by a resurgence of tourism. However, personal consumer spending contracted in the fourth quarter for the third time in a row (-1.2%) but less severely than was originally assumed.

The inflation rate in Austria reached a new record level of 11% in October 2022, but fell in the two following months in line with the international trend. However, it soared again in January 2023 to 11.2%. A slight decline to 10.9% followed in February. Household energy was one of the main price drivers despite the diminishing price pressure; in February 2023, it was a good 37% more expensive than in the previous year (January 51.9%). Gas was especially significantly more expensive (63.5%); the price for heating oil increased compared to the same period last year by almost 30%. For electricity, the price increases slowed more sharply to 3.1% because of the electricity price cap, although the increase in January was still over 13.5%. In addition to household energy, food also became significantly more expensive.

The Austrian construction industry slid into a recession in 2022 at -0.8% and is significantly below the average of the Euroconstruct countries of 3.0%. Even in absolute numbers, the overall construction output of EUR 57.0 billion only slightly exceeded the number from 2019 (EUR 56.2 billion). Building construction with its higher volume declined by 1.2% and achieved a total construction output of EUR 47.9 billion. Residential construction was an important

support during the COVID-19 pandemic, but a significant decline in building permits has been recorded. Increasing prices and stagnating population growth are slowing positive performance. New residential construction was especially negative at -4.5%. The remaining areas of building construction only increased slightly at 0.3%. In this area, increased construction costs and supply chain problems negatively influenced performance.

Civil engineering, with an overall volume of EUR 9.1 billion, did increase by 1.5%, but it did not compensate for the declines in building construction. The growth drivers once again were investments in railway infrastructure (3.6%), energy supply (2.8%) and telecommunications (2.4%) but with significantly lower growth rates than last year.

SWIETELSKY nominally increased its construction output in Austria slightly by 1.2% or EUR 24.7 million. Civil engineering (18.0%) and road construction (6.9%) were able to increase. Tunnel construction largely maintained last year's growth (-0.6%), but railway construction (-9.0%) and – the strongest area by volume – building construction (-4.6%) recorded declines. At EUR 2,105 million, Austrian construction output accounted for 59% of the Group's total construction output. The share of building construction (43%) and the share of road and railway construction (21%) were both slightly below the previous year's level. Tunnel construction was able to maintain its share of output of 13% while the share of civil engineering rose from 20% to 23%.

Germany

German gross domestic product (GDP) increased by a total of 1.8% in 2022 and hardly exceeded the level before the COVID-19 pandemic (EUR 3,867 billion). The overall economic situation in Germany was also dominated by the effects of the war in Ukraine. Extreme energy price increases, exacerbated material and supply bottlenecks, massive price increases such as for food, and the lack of skilled workers as well as the ongoing COVID-19 pandemic that lessened during the year, had a significantly negative impact on economic growth. On the demand side, personal consumer spending in 2022 was the strongest growth support in the German economy. It increased year-on-year by 4.6% in real terms and almost reached the precrisis level of 2019. The reason for this was catch-up effects related to almost all of the Corona protective measures being withdrawn in the spring of 2022. Also in the areas of leisure time, enter-

tainment and culture, private households once again spent more than one year ago. Government final consumption expenditures increased at a comparatively moderate rate to 1.1%. Germany spent significantly more money to feed and provide lodging for the many people seeking protection from Ukraine and other countries. However, government expenses to combat the COVID-19 pandemic fell.

With a total construction volume of EUR 480.8 billion, the German construction industry continues to have by far the largest output share of all Euroconstruct-countries and was down slightly overall by -1.5%. The decline was caused by building construction, the largest area in terms of volume (EUR 391.0 billion). Both residential construction (-1.9%) and other building construction (-2.0%) contracted. Although civil engineering developed positively at 1.2%, with a total construction volume of EUR 90.0 billion, it can only slightly slow down the overall recessionary development.

SWIETELSKY achieved an output volume of EUR 375.9 million in the past financial year, which corresponds to a decline of around 4.2%. The decline was caused by a significant reduction in building construction output (-54% to EUR 36.5 million) that was not compensated for by growth in other sectors that have a stronger volume. Road construction grew by 9.1% to EUR 188.5 million, civil engineering by 4.2% to EUR 91.6 million and railway construction by 13.1% to EUR 59.3 million.

Hungary

In 2022, the Hungarian economy grew by 4.6%, which was mainly driven by government-supported consumer spending and large investments that had a significant effect on the first three quarters of 2022. Investment activity collapsed in the fourth quarter for reasons such as high energy and heating costs as well as double-digit interest rates again.

Although Hungary's economy accelerated in 2021 after the COVID-19 pandemic, it was almost completely stifled by the effects of the war in Ukraine. Energy and raw material prices have risen tremendously, which is causing problems for manufacturing companies. The situation is compounded by increasing inflation: the high energy prices along with increased food prices have a negative influence on the purchasing power of private households. Many sectors have already been directly affected by the Ukraine conflict,

such as the banking sector that has assumed costs from the restructuring of the subsidiary of the Russian bank Sberbank, tourism is affected by the absence of Russian guests, the automobile sector because of interrupted supply chains and large Hungarian companies (especially in the banking and pharmaceutical field), which have branches in Ukraine or in Russia.

The output of the Hungarian construction industry grew by 2.5% to EUR 21.2 billion last year and was thus able to continue the positive development after 2021 (4.4%). The development in the individual sectors was again very heterogeneous. With an increase of 5.5%, new residential construction managed to reverse the trend (2021: -10.0%). New construction in other building construction saw another strong increase (6.7%, 2021: 16.2%). The renovations were able to consolidate the growth from 2021 (10.5%) in 2022 (1.0%). Civil engineering is still in recession with -1.2% or an output volume of EUR 6.1 billion, as road construction in particular (-7.0%) continued to decline.

In 2022/23, SWIETELSKY recorded a decline in output of around 5.0% to 261.4 million in Hungary. The significant declines in the strongest areas in terms of volume, building construction (-13.1%) and road construction (-9.2%), could not be compensated for by increases in civil engineering (42.6%) and railway construction (20.1%).

Czech Republic

The Czech economy grew better than expected in 2022 with 2.5% growth. The growth was primarily due to foreign trade, industrial production and capital expenditures while personal consumer spending continued to fall. The effects of the Ukraine conflict primarily put pressure on the Czech economy at the end of the year, and momentum declined.

Consumer prices increased in October 2022 by 15.1%, although government energy price assistance for private households slowed the increase.

The unemployment rate fell again to now only 2.3% (2021: 2.8%). The largest personnel shortages were in the manufacturing sector as well as in information and communications technology. The shortage of skilled workers and inflation pushed up wages nominally by a good 6%. However, in real terms they will fall in value again.

The Czech construction industry grew by 2.9% overall to EUR 33.0 billion output in 2022, with very different developments in the individual sectors. Civil engineering supported by the public sector increased by 3.5%. After strong growth in 2021 (13.6%), new construction in the residential construction sector has fallen back (-5.1%). On the other hand, new construction in other building construction increased significantly by 9.2%. The renovation sector was also clearly positive with 8.2% for the entire building construction.

SWIETELSKY was able to increase its output in the Czech Republic significantly above the industry average. Overall, output increased by EUR 27.9 million or 7.4%. Road construction (12.8%) and civil engineering (19.7%) developed particularly positively. The performance shares are distributed as follows: 68.3% for road and railway construction, 19.8% for building construction and 11.9% for civil engineering, and have thus changed only slightly compared to the previous year.

Other countries

SWIETELSKY is also active outside the core markets listed, either through project-related operating sites or subsidiaries. In addition to subsidiaries in Great Britain, the Netherlands, Denmark, Norway, Sweden, Switzerland and Australia, also in Croatia and Romania.

In Romania, Croatia, Norway, Poland, Great Britain, Slovakia, Italy, the Netherlands, Denmark, Sweden, Switzerland and Australia, the SWIETELSKY Group generated EUR 428.4 million or 12.0% of its total construction output.

II. Company development

Revenue and construction output

For better comparability, the figure for construction output is reported as it also comprises elements not covered by revenue, such as the prorated output of project consortia. Overall construction output remained nominally almost unchanged compared to the previous year, but the development varied in the individual sectors. While civil engineering (22%) and road construction (7%) increased significantly, output fell in both railway construction (-14%) and building construction (-6%).

The distribution of construction output by sectors is as follows:

CONSTRUCTION OUTPUT BY DIVISION

FIGURES IN THOUSAND EUR	2022/23	%	2021/22	%	2020/21	%
Road construction	250,765	18	234,762	17	220,232	17
Railway construction	149,175	11	174,452	12	148,470	12
Building construction	691,488	49	738,930	52	675,577	53
Civil engineering	318,054	22	260,893	19	234,991	18
Total	1,409,482	100	1,409,037	100	1,279,270	100

The increase in revenues was around 30% in the past financial year – with almost the same output – as the unfinished construction work fell from EUR 821.3 million to EUR 636.6 million.

Order backlog

At EUR 1,096.3 million, the order backlog is well below the previous year's level (2022: EUR 1,217.9 million). There was significant growth in other building construction and in industrial engineering. In the other divisions, the order backlog remained stable or fell due to the processing of current orders. Theoretically, more than 80% of the total annual construction work is commissioned, although there are of course sector-specific differences and further orders are constantly being acquired.

Earnings position

The past financial year 2022/23 was very successful overall. Operating profit was significantly increased to kEUR 49,640 because of recognition of earnings caused by billing of previously unfinished construction work (2021/22: kEUR 11,266). Because of lower distributions from subsidiaries, the financial result fell by kEUR 18,759. The result before taxes at kEUR 99,329 is, however, significantly above the previous year (kEUR 79,714). After deducting taxes of kEUR 22,179 (2021/22: kEUR 16,002), earnings after taxes ultimately amounted to kEUR 77,150 (2021/22: kEUR 63,712).

Financial position

FIGURES IN THOUSAND EUR	31/3/2023	%	31/3/2022	%	31/3/2021	%
Non-current assets	348,615	36	305,321	35	302,358	35
Current assets	617,266	64	561,700	65	568,474	65
ASSETS	965,881	100	867,021	100	870,832	100
Equity incl grants	351,360	36	313,196	36	288,188	33
Provisions	168,152	17	165,120	19	130,556	15
Liabilities	446,369	47	388,705	45	452,088	52
EQUITY AND LIABILITIES	965,881	100	867,021	100	870,832	100

Net Debt

Financial liabilities	64	14	70,014
Provisions for severance payments	20,860	23,459	28,767
Pension provision	16	25	45
Cash and cash equivalents	-135,823	-137,429	-139,557
Net debt	-114,883	-113,931	-40,731
Gearing	-0.33	-0.36	-0.14

Net debt = interest-bearing debt without Group cash pooling + long-term provisions – cash and cash equivalents
Gearing = net debt/equity

Investments of around EUR 43.9 million (including transfers of advance payments) were made in technical equipment and machinery. A further 9.5 million in investment additions were made for land (EUR 3.6 million), other investments (EUR 5.1 million) and advance payments (EUR 0.8 million). In the area of financial assets, the addition of a special fund is especially worth mentioning, which was launched on 2 May 2022 and in which Swietelsky AG has invested around EUR 50.0 million. The additions to shares in affiliated companies relate exclusively to capital increases in existing subsidiaries. Valuation allowances were formed where necessary. The total amount of fixed assets increased sharply to EUR 348.6 million (2022: EUR 305.3 million). Current assets also increased significantly with EUR 617.3 million compared to EUR 561.7 million in the previous year. The unfinished construction work fell from EUR 821.3 million to EUR 636.6 million due to billing. Due to the high level of advance payments, the netted value is largely unchanged at EUR 53.5 million (2022: EUR 51.1 million). In inventories,

land for development increased to EUR 65.5 million (2022: EUR 50.9 million) and project buildings to EUR 65.9 million (2022: EUR 55.1 million). Receivables increased significantly in almost all areas from a total of EUR 262.7 million to EUR 294.9 million. Cash remains high at EUR 135.8 million (2022: 137.4 million).

On the liabilities side, equity including grants increased further to EUR 351.4 million despite profit distributions of EUR 40 million, which represents a pleasing equity ratio of 36.4% despite the significantly higher balance sheet total. In terms of provisions, provisions for severance payments fell by EUR 2.6 million and provisions for taxes by EUR 4.9 million. Other provisions increased from EUR 106.7 million to EUR 117.3 million. At EUR 446.4 million, total liabilities increased significantly compared to the previous year (EUR 388.7 million), with an increase of around EUR 45.1 million being attributable to liabilities to affiliated companies and an increase of around EUR 10.3 million to other liabilities.

Selected key figures and financial performance indicators

FIGURES IN THOUSAND EUR	2022/23	2021/22	2020/21
Construction output	1,409,482	1,409,037	1,279,270
Revenue	1,643,570	1,262,592	1,252,139
Order backlog	1,096,328	1,217,862	1,231,205
Staff (annual average)	4,975	4,923	4,732
Construction output/staff	283	286	270
Operating result	49,640	11,266	23,452
Financial result	49,689	68,448	53,173
Earnings before tax (EBT)	99,329	79,714	76,626
Earnings after tax	77,150	63,712	65,398
Operating Cash flow	136,171	104,456	115,482 *
Cash flow/Construction output	9.7%	7.4%	9.0% *
Return on sales (ROS)	5.9%	6.1%	6.2%
Return on equity (ROE)	29.9%	26.5%	29.2%
Return on investment (ROI)	10.6%	8.9%	9.3%
Total assets	965,881	867,021	870,832
Equity	351,360	313,196	288,188
Equity ratio	36.4%	36.1%	33.1%

ROS = EBIT/Revenue
 ROE = EBT/Ø Equity
 ROI = EBIT/Ø Total capital

* The figure was adjusted due to the first-time application of AFRAC 36 Statement of Cash Flows in 2021/22.

III. Risk Management

SWIETELSKY is committed to a comprehensive risk and opportunity management system as an integrated component and core competency of the corporate management and organisation. In its corporate policy, SWIETELSKY takes entrepreneurial risks if the associated income opportunities can be expected to lead to an increase of the enterprise value. Opportunities that are perceived during the risk evaluation should be optimally used in connection with the company's activities.

Risk and opportunity management takes place in all areas of the organisation. Every employee is an important starting point for handling opportunities and risks responsibly in our organisation. Every one of the risk management bodies is committed to their responsibility and makes a proactive contribution to the goals of opportunity and risk management. Moreover, collaboration promotes mutual exchange of information so that together we can meet the requirements and goals that have been set.

Market risk

The construction sector as a whole is, depending on markets and divisions, vulnerable to diverse fluctuations. Unemployment, consumer behaviour, conditions on the financial and capital markets as well as the political climate, have an effect on our development. However, changing framework conditions also offer opportunities which SWIETELSKY has often been able to exploit in the past through its flexible organisation.

SWIETELSKY offers a broad range of services and strives to further diversify its portfolio with respect to products, services and markets and to spread risks optimally. Thanks to our entrepreneurial staff, we regard ourselves as in a good position to actively tackle this risk.

Operational risks

Project and contract risks accrue from the SWIETELSKY Group's traditional building and project business. All projects are audited and plausibility-checked throughout the tendering process up until the conclusion of contract for technical, commercial and legal risks. Guidelines and procedures for auditing in compliance with ISO 9001 ensure uniform calculation of project costs. Clear competence standards for transactions requiring approval safeguard the technical and economic evaluation and analysis of tenders.

When taking on projects, costing guidelines and procedures regulate uniform calculation of project costs. Order processing is controlled via monthly variance analyses and constantly supervised by central controlling. In the performance phase there is a risk that tight completion schedules cannot be adhered to. Insofar as these missed deadlines affect our business, the threat of contractual penalties exists.

We manage warranty risks by conducting consistent quality management and, where necessary, demanding securities or guarantees from contractors.

SWIETELSKY strives to avoid legal disputes. However, as this aim is not always achievable, domestic and over-seas entities may become involved in legal or arbitration procedures, the outcome of which is naturally difficult to predict. We operate on the assumption that, following due diligence for all pending litigation, appropriate financial provisions are established.

Human resource risk

Personnel risks come from various situations. Personnel fluctuation is combatted with various measures to improve working conditions and employee satisfaction, which also contribute overall to the reputation of the employer brand. In 2023, specialist careers were introduced at SWIETELSKY to offer promotion and development opportunities to employees without managerial responsibility. Targeted personnel development measures are better able to be achieved by specialist careers than before. Specific monetary incentives and a comparatively high level of wages will continue to be an important component of SWIETELSKY's staff policy. A new focus at SWIETELSKY is its focus on

general health promotion. A project for cross-location health promotion with digital methods (APP) is in progress and will be rolled out in financial year 2023/24. The short-term and long-term agenda also includes comprehensive initiatives to promote technical careers for women and to improve family and job compatibility. This is being done with the goal of increasing the employment rate of women and the rate of woman managers in the Group. Because of the general lack of skilled workers, it is mandatory to entuse more women for technical careers and careers in the construction industry or at our company. Digital solutions are being increasingly utilized to increase efficiency, to ensure quality and to comply with data protection standards.

Procurement risk

SWIETELSKY strives to cooperate on a long-term basis with its partners. In central procurement, framework contracts and framework price agreements are closed with selected suppliers. Thanks to years of partnership with our suppliers, we have been able to cushion the problems of raw material shortages and the resulting supply bottlenecks in the best possible way in this difficult environment. The operative units can reach these suppliers, if needed, using a central procurement portal. Through observation of the market for energy and raw materials and constant monitoring processes, we attempt to minimise the risk of possible losses due to price increases in this area, whereby primary measures (for example physical procurement and threshold agreements in construction contracts) provide a fundamental advantage over derivative instruments.

In comparison to the previous years, we are seeing that the shortage of various building materials such as wood, construction steel, petroleum-based plastics and insulation materials is moderating. Delivery time delays are now the exception. For some construction materials, a decline in inflation, because of less demand and the decreasing energy costs, are already having a positive impact. Products such as cement and concrete are excluded from this because they are under pressure from carbon pricing.

Financial risks

Careful liquidity management, a broadly diversified financial basis and consistent hedging of financial risks secure our continued existence even in turbulent times.

Our financial independence is based on our solid financial resources that contain sufficient liquidity and growth reserves to prevent liquidity risks. Moreover, we are able to secure sufficient cash and credit lines from a broadly diversified network of financing partners, supported by a good, stable credit history.

The Group Treasury monitors liquidity performance, ensures that important financing and funding facilities are available and manages the Group's internal liquidity and line allocation so that all Group companies have the necessary financial resources to finance their existing business and growth projects.

Our liquidity is exposed to downpayments typical for the industry from mainly government customers in some countries that can have a boosting or weakening effect on our financial resources. The associated fluctuations are recognised in good time by careful liquidity planning and are balanced out by efficient, active management of assets and liabilities.

The interest rate environment has also fundamentally changed because of increasing inflation. Taking into account the counterparty limits that have been set that always ensure that our financial resources are sufficiently diversified, we benefit from our high credit balances that are mainly placed in short-term investments on the money market. Our professional fund managers manage our strategic, longer-term liquidity reserves in a way that is conservative and sustainable.

Given the current level of inflation and the interest rate increases that have been initiated in this environment by the European Central Bank, we assume that there will be a technical or mild recession in 2023 according to the current forecasts. The price increases and the delivery bottlenecks at the beginning of the past financial year, some of which were substantial, have now been alleviated in many areas, and the European construction industry is showing itself to be relatively robust at this point. Growth supporting measures and precautionary measures have given the Group a

favourable time window to form sufficient reserves in good time. In the first half of the financial year, bilateral reserve lines were agreed with select relationship banks.

One of the foundations of our successful working capital management is our centralised accounts receivable management that is responsible for monitoring payment deadlines and customer creditworthiness and ensures that payments are received. Interest rate and foreign currency risks are limited or hedged by using approved conservative instruments. Compliance with limits and internal policies is ensured by an appropriate control system.

IT Risk

Because of increasing international networking and advancing digitization of the construction process, business activity is strongly dependent on a powerful, Group-wide IT infrastructure that is uniform and secure. This means that there are IT risks such as failure of important IT systems, loss of data integrity or disclosure of confidential data. The information security management system (ISMS) that is implemented at SWIETELSKY and certified according to ISO 27001 utilises items such as security policies and organisational and technical measures to ensure that effective processes and tools are used to minimise and avoid risk. Risks exist here in regard to the three goals of protection that include confidentiality, integrity and availability, that are identified and evaluated by an integrated risk management system.

In addition to regular preventative system maintenance and security checks based on a multi-level security check, continuous development of a reliable, scalable and flexible IT system landscape and continual improvement of protective measures are an important goal of our cyber security strategy. In this regard, the company implemented what is called a security information and event management system in the past reporting period. This security management approach enables a holistic view of the Group's IT security.

Awareness-raising measures and training for employees complement the technical measures and help to create and raise awareness of information security. The organisational and technical measures that were taken ensure that threats are made visible and thus are recognized at an early stage and that the company's success is not put at risk in the event of a cyber-attack.

Misconduct Risk and Compliance

SWIETELSKY wishes to continue to be seen as a reliable and competent partner by its clients, suppliers and all private and public business partners in the future. SWIETELSKY considers such a positive awareness to be of the utmost importance, as it is a decisive factor for the company's success. Every single person is responsible for always behaving legally, fairly, respectfully and with integrity towards colleagues, clients and contractors, but also towards competitors. They are aided in this by a written code of conduct that reflects the guiding principles of our values. Observing this code of conduct is an obligation for every SWIETELSKY employee, regardless of their position. This code of conduct is the basis for behaviour that is irreproachable morally, ethically and legally, and it is available in the respective language of the country in each of our core markets. In addition, we have a generally comprehensible, multilingual illustrated brochure containing the rules of the code of conduct and a Group directive regarding competition law.

With the implemented compliance management system, which is certified according to the ISO standards 37301 and 37001, SWIETELSKY primarily relies on internal communication, education and training. An e-training course, which is mandatory for every employee and whose positive completion is verified, has been implemented. These measures and the code of conduct are intended to make a significant contribution to anchoring the values in the company. The management board continues to attach great importance to this and has embraced a zero-tolerance policy regarding misconduct in this area. SWIETELSKY is continuously improving this system and investing in the necessary resources to do so. Compliance is an essential part of the Group's sustainability strategy.

IV. Report on essential characteristics of the internal control and risk management system with regard to the financial reporting process

Introduction

The aim of the internal control system is to support management to be in the position to ensure effective and continuously improving internal controls with regard to financial reporting. It is aimed on one hand at adherence to guidelines and regulations and on the other hand at creation of advantageous conditions for specific control measures in key accounting procedures.

The accuracy and reliability of financial reporting is of prime importance, both for management decisions and for the provision of information to creditors and lending banks.

The internal control system comprises, in addition to assessment of operational risks, adherence to legal and proprietary standards and processes of the SWIETELSKY Group. Its aim is the uniform mapping of business transactions, thereby supporting management via decision-relevant information. This is implemented through ensuring comparability of data via both relevant statutory provisions and internal guidelines. Relevant requirements for ensuring correctness of internal and external financial reporting are recorded in internal accounting and valuation regulations.

Control environment

The implementation of the internal control system with regard to the financial reporting process is stipulated in internal guidelines. Responsibilities for the internal control system are adapted to the corporate structure, in order to ensure a satisfactory controlling environment which meets requirements.

Risk assessment

Risks relating to the financial reporting process are raised and monitored by management. The focus here is on significant risks. For preparation of financial statements, regular estimates must be made, whereby there is an intrinsic risk that future growth will deviate from these estimates. This particularly affects the following issues and items on the company financial statement: valuation of unfinished

construction projects; valuation of provisions, including social capital provisions; outcomes of legal disputes; collectability of receivables and intrinsic value of investments and goodwill. In individual cases external experts are consulted or delegation made to publicly available sources, in order to avoid the risk of misjudgement.

Control measures

All control measures are applied in the ongoing business process, in order to ensure that errors or discrepancies in financial reporting are avoided. Control measures range from reviews of interim results by management through to reconciliation of accounts and monitoring of cost centres.

A clear separation of functions, various control and plausibility checks and a continuous application of the "four-eyes principle" ensure accurate and reliable accounting. The departments and areas involved in the financial reporting process are appropriately equipped both in terms of expertise and personnel. The staff deployed are carefully selected, trained and receive ongoing further training.

Since the SWIETELSKY Group comprises several decentralised units, the internal control system must also be decentralised, while the processes performed by the controlling department are overseen centrally. Responsibility for the organisation and practical application of control measures lies with the individual manager of the accountable area in the respective reporting levels.

Due to legal and economic demands and the decentralised structure, particular attention is paid to the IT systems used within the Group. All business processes rely significantly on the secure functioning of information and communications technology. Support for business processes via integrated information and communications technology is an essential requirement for expanding the market position of the SWIETELSKY Group.

The security of data and information processed within the company against access by unauthorised persons is ensured.

Information and communication

Guidelines and regulations for financial reporting are regularly updated by management and communicated to all staff concerned.

Regular discussions regarding financial reporting and the associated guidelines and regulations take place in various committees. In addition to management, these committees also include departmental managers and leading employees from the accounting department.

The employees concerned are continuously trained with regard to innovations in national and international accounting in order to be able to identify the risks of unintentional incorrect reporting at an early stage.

V. Employees

In the past financial year, SWIETELSKY employed an average of 4,975 employees (2021/22: 4,932). Of these, 3,396 were blue-collar workers and 1,579 were white-collar workers (2021/22: 3,380 blue-collar workers and 1,543 white-collar workers).

We view our employees as a key to the company's success. Entrepreneurial attitude and independent action have always been part of our corporate culture. Many small operational units under one common roof have been and still are the key to our success. The transparent incentive payment model creates additional motivation and commitment. Loyalty to the company is rewarded with a stepped benefit model for permanent staff.

In the spirit of sustainable human resources development, appropriate attention is paid to training and further education whether in internal training events or external seminars. To maintain and nurture the relevant qualifications, the requirements for continuing and further training measures are continuously measured as part of staff development. In addition to the range of online training sessions that was increased during the Covid-19 pandemic, in-person training sessions are being held again and significantly increased. In the 2022/23 financial year, we recorded 4,277 participations in online training courses and 794 participations in face-to-face training courses.

The SWIETELSKY construction manager training is very popular and combines standard technical training in SWIETELSKY's core business with leadership topics. It consists of 4 modules, project work and active learning groups (coaching in small groups). Content transfer follows a hands-on approach – core processes are trained using prepared practical examples and each module is accompanied by both internal experts and external leadership trainers.

Commercial training is held at regular intervals. On the one hand, this meets the increasing financial and tax law requirements and, on the other hand, gives new employees the opportunity to get to know SWIETELSKY's commercial organisation. The mandatory compliance training courses convey our value system to all employees. The Code of Conduct is also brought to the attention of all new employees upon joining the organisation in all major Group languages.

With the demographic trends in mind, we continue to invest in apprenticeships in Austria. In the 2022/23 financial year, more young people were accepted into apprenticeships than in the previous year. As of March 31, 2023, the SWIETELSKY Group was training more than 350 apprentices in 21 professions in Austria. Our apprenticeship academy has been very well received. In 2 teaching blocks of 3 weeks each, the apprentices are taught theoretical knowledge such as hazard avoidance on construction sites as well as practical skills. The stations are led by experienced foremen and cover the laying of paving stones and slabs, special masonry techniques, formwork techniques, as well as basic principles of carpentry. Apprenticeship supervisors in all operative units continue to strategically develop the content of apprentice training with the help of the central Apprenticeship Development department with the goal of training as many apprentices as possible and keeping them at the company long-term.

We design our staff's work environments with due consideration for occupational health and safety and environmental protection. Major aspects of our occupational medicine support include hazard assessment and prevention of accidents as well as measures for the early recognition of possible overwork. In parallel, trainings and measures are constantly on offer aiming not just at the avoidance of accidents and illnesses but at actively promoting the health of our employees. Our commitment to promoting health in the SWIETELSKY Group in Austria was awarded a quality

seal for workplace health promotion (Gütesiegel Betriebliche Gesundheitsförderung (BGF)).

The Management Board would like to thank all of our employees who contributed, through their commitment and technical skills, to our being able to largely reach our corporate goals.

We would also like to thank our works council for its professional and constructive collaboration.

VI. Quality Management

In retrospect, SWIETELSKY has had experience and expertise in the area of quality management for almost 30 years. Guided by the corporate goal of fulfilling our client's expectations to the best of our abilities, we decided to introduce a generally recognised quality management system. It had also become necessary to react to external requirements and the increasingly complex execution of construction contracts. We wanted to ensure a high quality of execution in order to gain and maintain the trust of our clients and business partners over the long term.

SWIETELSKY is intermittently working with an integrated management system (IMS) that is composed of international standards. The quality management system ISO 9001 is still the basis for this. The environmental management system ISO 14001 and the management system ISO 45001 for safety and health at the workplace have also been integrated. All of these standards are based on the concept of "Plan-Do-Check-Act". The continuous internal audits and annual monitoring by an accredited certifying body not only check whether we observe the requirements of the standards and our internal rules, but they also ensure continuous improvement.

In the areas of environment as well as safety and health at the workplace, compliance with all applicable, binding obligations, i.e. statutory provisions, is anchored in our standards. Our internal audits have the special task of ensuring this as defined by the Code of Conduct rules that apply Group-wide. In annual management reviews, upper management of the organisational areas and the Executive Board evaluate the integrated management system in terms of how easily it can be adjusted and how effective and up-to-date it is. An important component of this review is actively dealing with the topics of risks, weaknesses, improvements and strengths, as well as analysing the expectations and requirements of the stakeholders.

In 2022, SWIETELSKY was able to show by external monitoring audits that it is ready for certification in the condensed area of Austria, Germany and some international railway construction sites. As part of this external audit process, other organisational units were also able to be successfully included in the area where the main certificate is valid. The areas of Duswald Bau, a subsidiary in Austria, as well as Swietelsky Bahnsicherung, which is active in Germany, now belong to the family of the certified undertakings of the SWIETELSKY Group. Moreover, SWIETELSKY has other currently certified integrated management systems in the Czech Republic, Hungary, Croatia and Romania with the same comprehensive standards. Depending on the organisation, SWIETELSKY also has other currently certified systems such as the ECM-Safety System for maintaining freight cars, a safety management system at the railway company RTS or a certificate as a waste disposal company.

The opportunity to prove certain qualifications, especially for references or prequalifications, will increase in importance in the future and is a competitive advantage. Some core principles are necessary for an integrated management system to be well-received and implemented. These include user-friendliness, comprehensibility, a functional purpose and simplicity. With this in mind, SWIETELSKY gives its employees a supportive set of IMS instruments, which is intended to help ensure that our services are performed in accordance with contractual and legal provisions. Implementing the requirements of the integrated management system is binding on all employees.

Corporate Mission Statement and Corporate Policy

The mission statement is delivered by the Management Board based on the corporate strategy and is oriented to the type of service.

We see our specific customer value in the competent technical advice we provide before and during the construction project. In these consultations, our employees place their extensive experience and know-how at the client's disposal. We aim to continue to support our clients even after the work has been done and to maintain open communication with them.

We plan and act according to the following principle: "quality before quantity".

This is the precondition for the successful completion of our projects. We believe that the responsible leadership and execution of our construction works and services means always ensuring the same high level of quality. We focus as much on aspects of occupational health and safety and of environmental protection as we do on finishing on schedule. Quality also means providing the client not just with first-class staff, but also with a modern fleet of equipment that is also environmentally friendly in its use of resources.

Another company's motto is "earnings before sales".

Our managers therefore have a high level of freedom in acquiring and executing contracts. Our cost accounting allows us to transparently measure our commercial success and report it to our managers on a monthly basis.

The Management Board considers it its duty to provide safe and healthy working conditions and to prevent occupational injuries and illnesses. The implementation of the OHS (Occupational Health and Safety) policy and the achieving of defined objectives take place within the bounds of existing legal, economic and cultural frameworks.

Our OHS activities (safety and health at the workplace) are aimed at the preventive avoidance of accidents, risks to health, injuries and illnesses and integrate affected third parties, such as our clients, suppliers, sub-contractors etc. The processes are designed to be constantly improved and enable the participation of employees or their representatives. All our staff are therefore called upon to participate according to their abilities and are obligated to observe and fulfil all legal requirements. We have laid out the manner in which we plan to fulfil the requirements of ISO 45001 in several published documents.

All organisational areas are involved in achieving a solid environmental performance, taking into account the clients and the legal requirements. For this purpose, goals and environmental programmes have been derived from the Corporate Mission Statement which will be implemented according to economic aspects. The management board has defined goals and programmes in consideration of relevant environmental aspects beyond the legal requirements.

We view our suppliers and sub-contractors as competent partners. Our common goal is maximum customer satisfaction. This requires that we consider qualitative, economic and environmental aspects when selecting our suppliers and sub-contractors and evaluate their performance based on predetermined criteria. Our mission statement is oriented towards preventive error avoidance and a constant improvement of our performance, of occupational health and safety, of environmental protection and of our organisational structure and processes.

VII. Environment and energy

The construction sector is a resource- and energy-intensive industry and thus has a significant and wide-ranging impact on the environment. Well aware of the fact that resources are finite and that the environment is being increasingly polluted, SWIETELSKY aims to ensure the use of environmentally friendly processes and equipment across all project phases.

With our internal waste management system and concept that integrates comprehensive legal requirements, we place a high value on environmental protection. SWIETELSKY strives to contribute to the achievement of the EU goals of 70% recycling of construction materials and the associated reduction in waste volumes.

Based on these specifications, SWIETELSKY sees it as its obligation to transform mineral waste from its construction sites into CE-marked construction material recycling products as much as possible. The quality assurance of these products is achieved with the aid of certified internal production controls. To improve our environmental footprint even further, we need to reuse these materials to a greater extent at the place of origin or as substitutes in construction material manufacturing. This saves primary resources as well as transport and the associated emissions.

Waste that cannot be reused is separated and temporarily stored in an environmentally safe manner. The collection of waste that has been separated by type saves money and increases the percentage that can be recycled. By operating its own waste disposal sites, SWIETELSKY also ensures that waste is properly disposed of.

Various energy and environmental protection projects are being developed and implemented across our branches and subsidiaries. Production sites are constantly monitored in terms of their energy efficiency and are modernised wherever it is economically viable to do so. We are constantly developing and implementing both small and large projects on the basis of the options summarised in the last energy audit report to improve energy efficiency. These range from the progressive switch to LED lighting in our offices and production sites to larger investments, such as the replacement of heating systems and the construction of photovoltaic systems.

Our investments in the vehicle fleet and in new machines and equipment are also largely guided by energy use. We also conduct annual CO₂ monitoring for the main vehicle types in our fleet. The systematic substitution of machines and vehicles with the newest emission technology naturally also yields significant nitrogen oxide emission reductions. The fleet of cars and light commercial vehicles is continuously being replaced and supplemented with electric vehicles.

A continuous recording of the energy used to manufacture construction products enables us to discover savings potentials by comparing the production costs of different production sites.

In the field of SWIETELSKY Energy division brought together all the competences of building services and electrical engineering in a single division. Particular emphasis is placed on incorporating the new techniques with regard to environmentally friendly technologies, alternative forms of energy, their storage and control automation into the projects. Numerous projects have already been realised in the SWIETimber division (timber and hybrid construction), with special emphasis being placed on hybrid construction with concrete core activation.

From an environmental standpoint, the primary objectives are to preserve resources such as air, water, energy and soil, to optimise material use and logistics, to reduce emissions as much as possible and to preserve biodiversity. Our management therefore sees it as its task to constantly improve awareness for quality and the environment among the staff.

The publication of our second sustainability report in November 2021 was a step towards keeping our stake-holders informed of the sustainability activities at SWIETELSKY. By introducing our own ESG software, the data, key figures and information on the environment and energy are now systematically collected and evaluated. In this way, the goals for saving energy and reducing CO₂ can be clearly defined and implemented. This can be viewed at any time via the homepage and the third edition will be available at the end of the calendar year.

VIII. Technology and Innovation

At SWIETELSKY, advances and new solutions are developed at various levels. The Digitalisation & Construction Services (DCS) department focuses on providing centralised help for the construction sites, digital solutions, innovation management and common construction services. The task of the DCS is to establish new ways of working, modern digital tools and optimised processes at the SWIETELSKY Group.

In addition to concrete research and development projects, a major share of innovations occurs during running construction projects whose schedule, geological or technical conditions require innovative solutions. Almost every year, new technologies are further developed in the areas of civil engineering, tunnelling, mountain construction and railway construction or innovative processes are applied and constantly further developed and improved.

Due to the rapid development in the field of environmental compatibility of construction products and soil excavation, developments in the field of testing methodology or adaptation of existing test methods in our accredited testing and inspection body are also necessary, whereby the organization and evaluation of interlaboratory tests and comparative tests are essential aids. Our knowledge in this field is also used by external building material manufacturers in the context of studies and expert opinions. The knowledge gained in the context of building material testing helps to develop resource-saving applications.

We use the possibilities of digitalisation to reduce non-value-adding activities to a minimum, thereby significantly supporting our sustainability strategy. By using the latest technology, we reduce the planning effort in various service areas and automatically generate the order and billing quan-

titles from the planned quantities, which we validate with the help of augmented reality. The calculation and verification of quantities as well as the determination of masses for the final invoice are thus completed in one step.

Collaboration, transparency and communication are not just buzzwords for us, but are put into practice through our task-based working method. We thus significantly reduce the effort required to search for information and check the status of tasks. Through the successive use of real-time data, we professionalise our processes and planning data and thus ensure the data truth necessary for the use of learning systems. At the same time, we are increasing process reliability, the quality of our services and our adherence to deadlines vis-à-vis our customers.

IX. Outlook

The IMF expects global growth of 2.8% in 2023 and 3.0% in 2024 under the assumption that there are no more upheavals in the financial markets after the unexpected collapse of two regional US banks and the emergency takeover of the large Swiss bank Credit Suisse by UBS. However, the diverse medium-term growth outlook is unusual for some industrialised countries as well as in China. In 2023, there will be a significant decline in growth momentum in almost all economies on the globe. The IMF is expecting a soft landing for the USA. After growth of 2.1% in 2022, growth of 1.6% is expected in 2023. In contrast to this, the fact that the strict COVID measures were relaxed in 2023 in China is leading to a growth increase that is driven by the services sector. GDP growth is expected to climb to 5.2%. The outlook for the United Kingdom is significantly more gloomy. This year a mild recession (-0.3%) is expected, and the economic momentum in the Euro area will also weaken in 2023 compared to the previous year and will be between 0.8% and 1.0%. The forecast for the Euroconstruct-countries envisages economic growth of 0.9% in 2023 and 1.7% for 2024.

The contraction of economic output will have a more pronounced effect on the construction industry. For 2023, a recession of -1.1% is expected in the construction industry for the EC-19 countries, which will presumably continue in 2024 (-0.7%). It is not likely to grow again until 2025 (1.4%). The performance of building construction and civil engineering will vary. Building construction with its higher volume will have a negative performance in 2023 at -2.0% and in

2024 at -1.6%. Civil engineering that is mainly government financed is expected to perform positively at 2.3% in 2023 and 2.5% in 2024.

Austrian economic growth may slow significantly in 2023 to 0.3% and be below the average of the Euroconstruct countries. An increasing shortage of workers is leading to another decline in unemployment despite the weakening of economic growth. It reached the precrisis level in 2022 and will continue to fall (2024: 4.5%, 2025: 4.4%). On the supply side, especially the areas of retail, transport, hospitality and food services as well as the manufacturing sector are slowing the momentum; on the demand side it is the falling investments and weak public spending. Investment activity is suffering from the significant tightening of monetary policy, more stringent lending conditions and a decline in new orders. However, personal consumer spending is currently increasing more strongly than expected.

The increase in consumer prices should fall slightly from 8.6% in 2022 to 7.1% in 2023. The upward price trend is not expected to significantly weaken until 2024 at 3.8%.

The Austrian construction industry will not elude this development and will remain in a recession in 2023 and 2024. A decline of -1.2% is forecasted for 2023, although building construction is expected to shrink by -2.0%, and civil engineering is anticipated to grow by 2.8%. Civil engineering is expected to continue to perform positively in 2024 at 2.1%, and building construction is anticipated to still be in a significant recession at -2.6%. Severe setbacks are especially still expected in new residential construction (2023: -5.7%, 2024: -6.2%). A decline of -0.6% in civil engineering is assumed in 2025, and building construction should have turned around by then at 1.0%. Construction output in absolute numbers of EUR 56.3 billion is expected for 2023. Economic performance will be diminished by a lack of workers and prices that will generally increase. Construction projects in the area of residential construction are increasingly more difficult to implement because of more restrictive lending and increasing interest rates.

Because of increasing construction and financing costs, SWIETELSKY expects a moderate decline of construction output in Austria temporarily for the financial year 2023/24 with a return on earnings that is still above the industry average in recent years.

The German economy did perform somewhat better in 2022 at 1.8% than was originally expected. However, for 2023, lower growth of economic output at only 1.5% is expected. Since real wages will initially continue to fall in the context of high inflation rates, personal consumer spending may especially continue to decline. Recent price-adjusted turnover that is falling in the consumer-related economic sectors points to this. A powerful rebound is especially expected for auto sales since many car purchases were made in December, earlier than expected, because of government premiums being discontinued. Industrial activity may have a supporting effect. There is still a long order backlog, and supply bottlenecks that are easing for pre-products and strong declines in energy prices may now make it possible to work through the backed-up orders more quickly. Slowly falling inflation rates and rising wages may lead to a real wage increase again at the latest by the middle of the year and support the domestic economy. However, the construction industry may be an inhibitor even though at the beginning of 2023, the construction industry recorded a surprisingly high production growth. The demand for construction services has plummeted sharply, not least as a result of the quickly rising financing costs.

The German construction industry will continue to remain in a recession. After the decline in 2022 at -1.5%, negative performance at -2.2% is still expected for 2023 as well. All areas of the German construction industry will be affected by this. New residential construction will more significantly contract at -2.9% than the remaining areas of building construction (-1.6%) and civil engineering (-0.5%). Even if civil engineering, that is primarily funded by the government, should grow again in 2024 and 2025 at 1.7% per year, the construction industry as a whole is expected to remain negative in these years (2024: -1.6% and 2025: -0.8%). The expected decline in residential construction which is the most significant area by volume (2024: -4.0% and 2025: -2.2%) is too strong, and the increase in the other areas of building construction (2024: 1.6% and 2025: 0.4%) is too weak.

In Germany, SWIETELSKY anticipates an increase in output for the financial year already underway, with profitability remaining approximately the same.

After the above-average strong growth of economic output in 2022 of over 4.6%, economic output in Hungary is expected to slow drastically in 2023 to 0.8%. The Ukraine crisis has worsened the outlook for the Hungarian economy more than originally expected (expectation for 2023: 4.1%). The war is continuing to slow the economy of important trading partners of Hungary in the European Union and is diminishing export opportunities, especially in the automotive sector. The strong price increase for energy, food, raw materials and pre-products – inflation was 14.5% in 2022 and is increasing in 2023 to 19.5% – as well as uncertainties about the impacts of sanctions on the energy supply are diminishing personal consumer spending and companies' inclination to make investments. Moreover, it is questionable when the EU funds of EUR 6.3 billion that were frozen because of violations against the rule of law will be released.

The Hungarian construction industry will have to record declines in the next two years after years of high growth rates. In 2023, both building construction at -8.6% as well as civil engineering at -5.2% will fall. New residential construction at -15.0% will especially slow down. In the area of civil engineering, road construction is likely to decline the most at -12.0%. In 2024, civil engineering should pick up again at 0.8% growth, but building construction that is stronger by volume will contract again by -4.7%. The Hungarian construction industry will also remain in a recession in 2024 at -3.1%.

Due to the political environment and the EU funding that has been held back, SWIETELSKY will also be affected by a decline in output and earnings in Hungary.

In the Czech Republic, experts are anticipating economic growth to flatten out to only 0.1% for the entire year of 2023. The decisive factors for the economic stagnation are the reluctance to make investments, the decline of personal consumer spending because of real income losses and the energy prices and interest rates that continue to be high. The high inflation is also a worry which may also remain at a high level in 2023 at 10.9% after being at 15.1% in 2022. For 2024 (2.6%) and 2025 (2.9%), expectations of economic performance are significantly more optimistic.

The Czech construction industry will significantly retract at -3.5% because of the adverse conditions and certainly will only perform positively again in the following years (2024: 1.1% and 2025: 3.1%). With a decline of -12.2%, new residential construction is mainly responsible for the drop in building construction of -4.8%. Civil engineering will remain negative in the coming years (2023: -0.2%, 2024:-1.1%, 2025: -2.0%). However, building construction should perform positively again from 2024 (2.0%) as well as in 2025 (5.1%).

SWIETELSKY is expecting a gratifying increase in output, leading to a similar earnings level in the Czech Republic.

In the other countries and depending on conditions in the sector or the market, SWIETELSKY will continue to attempt to acquire and implement promising projects.

For the current financial year, SWIETELSKY is expecting construction output that is above the average of recent years following a historically high level. Throughout Europe, the construction industry continues to be exposed to

serious challenges. Although the situation regarding availability and prices of raw materials has improved, rising interest rates and regulatory measures are now diminishing demand, especially in private building construction. Publicly funded projects are also negatively influenced to a certain extent by higher financing costs, although we expect demand that is largely constant.

The market position of the SWIETELSKY corporate Group is comparatively good because of its broad diversification across all construction sectors, customers and markets. With this in mind and the necessary measures for the energy transition, we are convinced that we will also achieve output and earnings numbers in the current financial year 2023/24 that are at a level similar to the previous years.

Linz, 7 July 2023
Management Board



DIPL.-ING. KLAUS BLECKENWEGNER
COO International



DI DR. PETER KRAMMER
CEO



PETER GAL
COO Railway construction



HARALD GINDL, MBA
CFO



AUGUST WEICHELBAUMER
COO Austria

AUDITOR'S REPORT

REPORT ON THE FINANCIAL STATEMENTS

Audit Opinion

We have audited the financial statements of **Swietelsky AG, Linz, Austria**, comprise the Balance Sheet as at 31 March 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 March 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 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.

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 misstatements, 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 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 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 to it in our audit report to the respective note in the financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the audit committee regarding, amongst other matters the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

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.

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.

Engagement Partner

The engagement partner is Mr Mag. Patric Stadlbauer.

Linz, 7 July 2023

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft



qualified electronically signed:
Mag. Patric Stadlbauer
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid. The financial statements together with our auditor's opinion may only be published if the financial statements and the management report are identical with the audited version. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.
Qualified electronically signed.



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