

# ANNUAL REPORT 2022/23

CONSOLIDATED FINANCIAL STATEMENTS



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## CARBON-NEUTRAL PRODUCTION

X-FILES Druck-, Consulting- und Produktionsagentur GmbH has created the **carbon footprint** of its own company in cooperation with climate protection specialist **ClimatePartner**. This report has therefore been produced with net zero carbon footprint. To this end, unavoidable CO<sub>2</sub> emissions of printing operations are offset by investments in select climate protection projects.



### PEFC-certified paper

Paper from the Claro Bulk brand was used for this report. It is PEFC-certified and comes from sustainable wood production.



# BUILDING ON IDEAS

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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-  [@wir\\_swietelskys](https://www.instagram.com/@wir_swietelskys)
-  [Swietelsky AG](https://www.linkedin.com/company/Swietelsky-AG)
-  [Swietelsky AG](https://www.twitter.com/Swietelsky-AG)

# TODAY

The SWIETELSKY Group is a leading construction company in Central and Eastern Europe. With the driving force of approximately 12,000 employees, more than EUR 3.5 billion in construction output, and a decentralised organizational structure, we are an international player, a national winner, and a local champion in all sectors of the construction industry.



## MARKETS

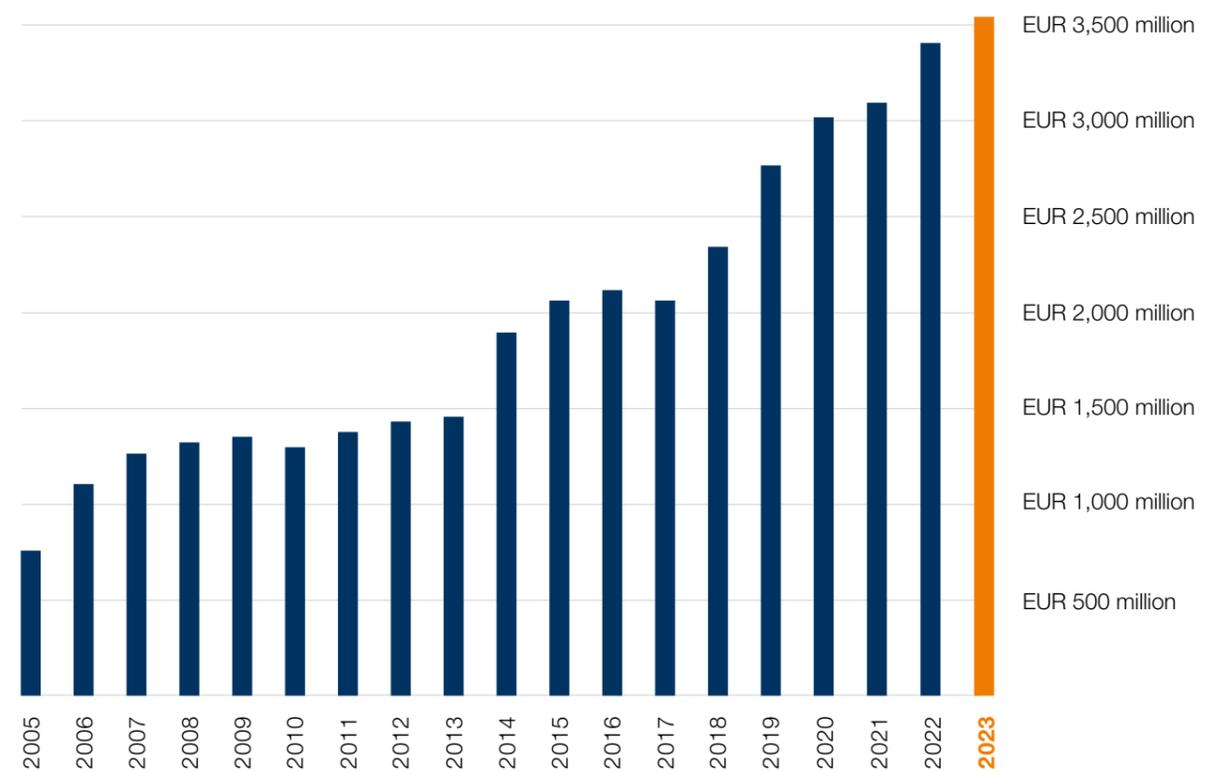
### 21 COUNTRIES

Subsidiaries in four core countries (Austria, Germany, Hungary, Czech Republic) and 17 other countries (Australia, Bosnia and Herzegovina, Croatia, Denmark, France, Great Britain, Italy, Latvia, Luxembourg, Netherlands, Norway, Poland, Romania, Sweden, Switzerland, Slovakia, Slovenia)

- Core market
- Other countries



## CONSTRUCTION OUTPUT DEVELOPMENT



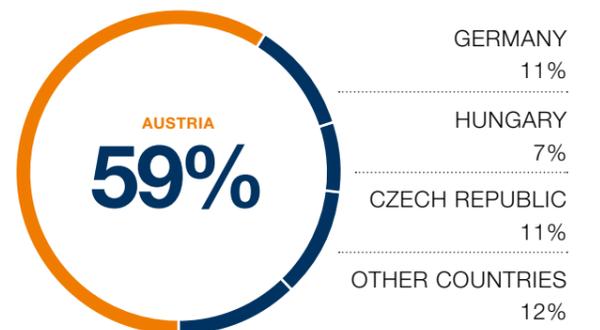
## AVERAGE NUMBER OF EMPLOYEES

**12,035**

7,828 blue-collar workers  
4,207 white-collar workers



## CONSTRUCTION OUTPUT BY MARKET





Management Board (from left): DI Dr. Peter Krammer, August Weichselbaumer, Dipl.-Ing. Klaus Bleckenwegner, Peter Gal, Harald Gindl, MBA

## FOREWORD BY THE MANAGEMENT BOARD

Ladies and gentlemen!

The outstanding commitment shown by all at SWIETELSKY is yielding results: Building on the high level of the comparable period of the previous year, SWIETELSKY boosted its output volume by approx. 4.7% to EUR 3.58 billion in the 2022/23 financial year. Despite challenging underlying conditions with significant price pressures for energy and raw materials, high inflation and far-reaching interest rate increases, we were able to achieve a robust result – with an above-average profitability and equity ratio in comparison to the rest of the Austrian industry. This financial strength ensures stability and security – for our employees, customers and business partners.

Forecasts for the current financial year still envisage the construction industry in a tense environment. Although the situation regarding the availability and price of raw materials has improved, rising interest rates and regulatory measures are diminishing demand – especially in private building construction. The higher financing costs also have an impact on public projects.

Our widespread diversification over all construction segments, clients and markets, the comparatively sound market position of SWIETELSKY associated with this and the measures necessary for the energy transition leads us to be confident that we will be in a position to maintain our performance and results at the same average level as in recent years in the 2023/24 financial year as well. Our aspiration is to develop SWIETELSKY into a leading provider in the field of climate change adaptation, to expand our international presence and to enhance the efficiency of the entire construction process with digital solutions. And to captivate customers with new career models for new employees and new contract models. All of this will have a decisive bearing on our path to a sustainably successful future.

## CONSTRUCTION OUTPUT

# EUR 3,575,798,451

## EBITDA

# EUR 246,744,830

## ORDER BACKLOG

# EUR 2,963,940,018

# RANGE OF SERVICES

## CONSTRUCTION OUTPUT BY SECTOR



SWIETELSKY's activities span all branches of the building industry: Building construction, civil engineering, road and bridge construction, railway construction, and tunnel construction.

The Group offers projects of any dimension with the highest quality and flexibility, while always adhering to schedules. A decentralised organizational structure and a variety of branches and subsidiaries with different orientations ensure maximum efficiency.

OFFICES/OFFICE COMPLEXES  
SINGLE-FAMILY HOUSING  
SHOPPING CENTRES  
HEALTH FACILITIES  
ALPINE CONSTRUCTION PROJECTS/ MOUNTAIN HUTS  
HOTELS  
INDUSTRIAL BUILDINGS  
PUBLIC BUILDINGS  
REVITALISATIONS/CONVERSIONS  
STADIUMS  
RESIDENTIAL BUILDINGS/HOUSING DEVELOPMENTS

# BUILDING CONSTRUCTION

**SWIETELSKY  
BUILDS  
WITH VISION**

SWIETELSKY is able to efficiently realise construction projects of any size, making us a trustworthy partner in addressing various target groups such as families building their own homes, public clients, housing cooperatives, private investors, project developers, industrial companies, and many more.

The client can always rely on the fact that SWIETELSKY builds on solid values. Reliability and economic longevity are characteristics that our clients hold in high regard. The immense variety of projects proves just how flexible SWIETELSKY is in its role as either a construction manager or general contractor. Having considerable expertise including in modern timber and hybrid construction, we see ourselves as a material-neutral builder able to meet any requirement.



Housing Inside XIX, Vienna, AT



Housing area Dolní Chabry, CZ



Housing Mühlshlössl, Graz, AT

## SWIETELSKY builds on solid values: Reliability and economic longevity.



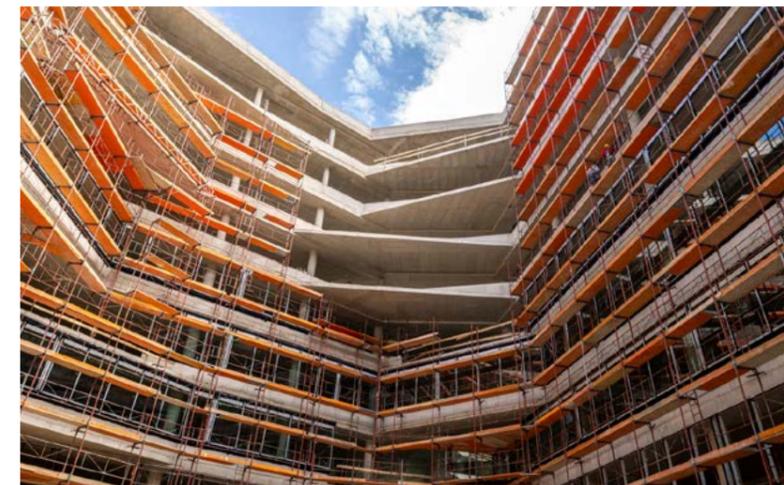
Apartments Cerna V Posumavi, CZ



NTT Datacenter, Vienna, AT



Housing area Kunstpark, Regensburg, GER



Office Building Liberty, Budapest, HU

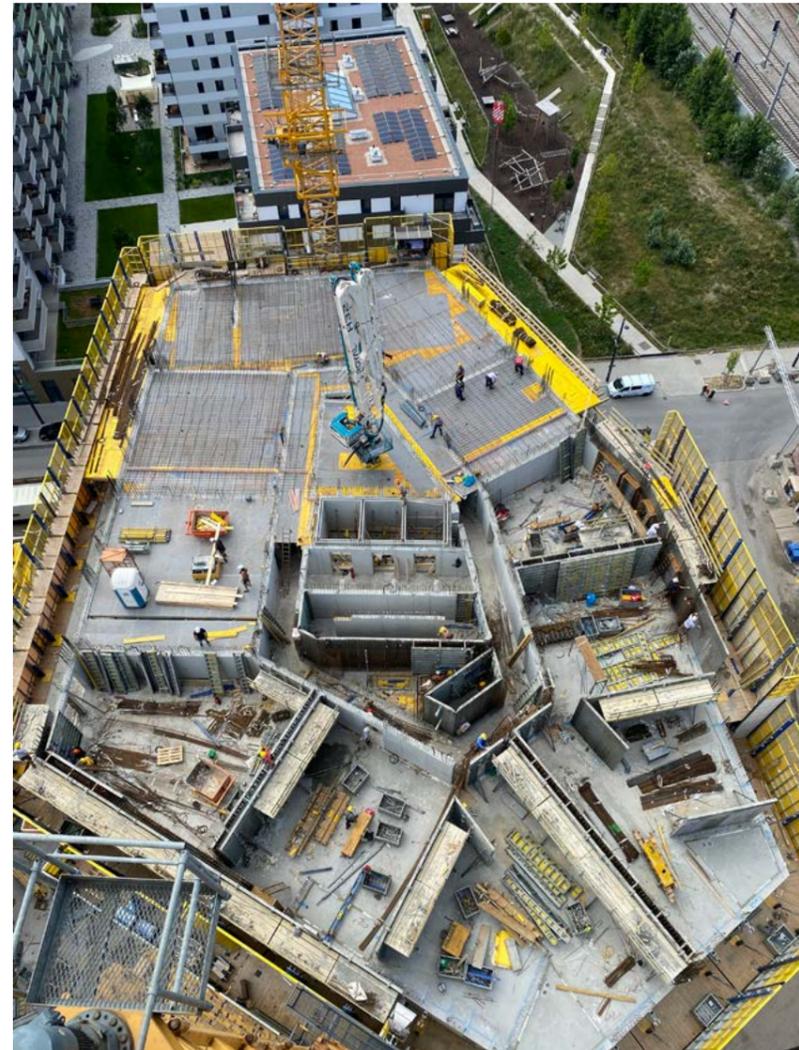


Market Hall Békéscsaba, HU

Of the large number of different building construction projects in the financial year 2022/23, we would like to showcase one that is particularly special due to the specific structural challenges it posed.

# SNOW WHITE, VIENNA, AUSTRIA

SWIETELSKY is building one of Austria's tallest residential buildings in Vienna's Nordbahnhof district, with 295 rental properties ranging from 41 to 101 m<sup>2</sup> on 29 floors over 97 metres. The energy community of all buildings of the Wiener Städtische Group in the Nordbahnhof district is of particular importance. For instance, the tenants of the new rental properties and lofts will benefit from the electricity from the neighbouring Christine Nöstlinger educational campus at weekends. In return, the electricity not used by the tenants during the week goes to the school. Extensive green roofing on the high-rise building will contribute to a good microclimate. In doing so, the building fulfils the requirements under the EU Taxonomy Regulation and is thereby striving for Climate Active Gold certification. Completion is scheduled for the start of 2025.





DEMOLITION WORKS  
ASPHALT OR CONCRETE RECYCLING  
OUTDOOR FACILITIES  
BIOGAS PLANTS  
EXCAVATED SOIL LANDFILL  
LANDFILLS AND RECYCLING PLANTS (INCL. SEWAGE TREATMENT PLANTS)  
EARTH EXCAVATION  
MILLING OF THE ASPHALT CONSTRUCTION  
SEWER STRUCTURES AND HYDRAULIC STRUCTURES  
POWER PLANTS  
NOISE PROTECTION  
PIPELINES  
SPECIAL COATINGS  
BLASTING OPERATIONS  
CABLE CARS, LIFTS, AVALANCHE BARRIERS AND GALLERIES  
TEST DRILLING AND BORING  
DEEP FOUNDATIONS, EXCAVATION PIT AND SLOPE STABILISATION  
PROVISION OF CONCRETE, GRAVEL, CRUSHED ROCK OR BALLAST MATERIAL

# CIVIL ENGINEERING

**SWIETELSKY  
DRAWS ON  
PROFOUND  
TECHNICAL  
KNOW-HOW**

In civil engineering, SWIETELSKY ensures that space and the environment are optimally used while protecting natural surroundings. We specialise also in complex construction projects in difficult terrain, such as in the mountains or underground.

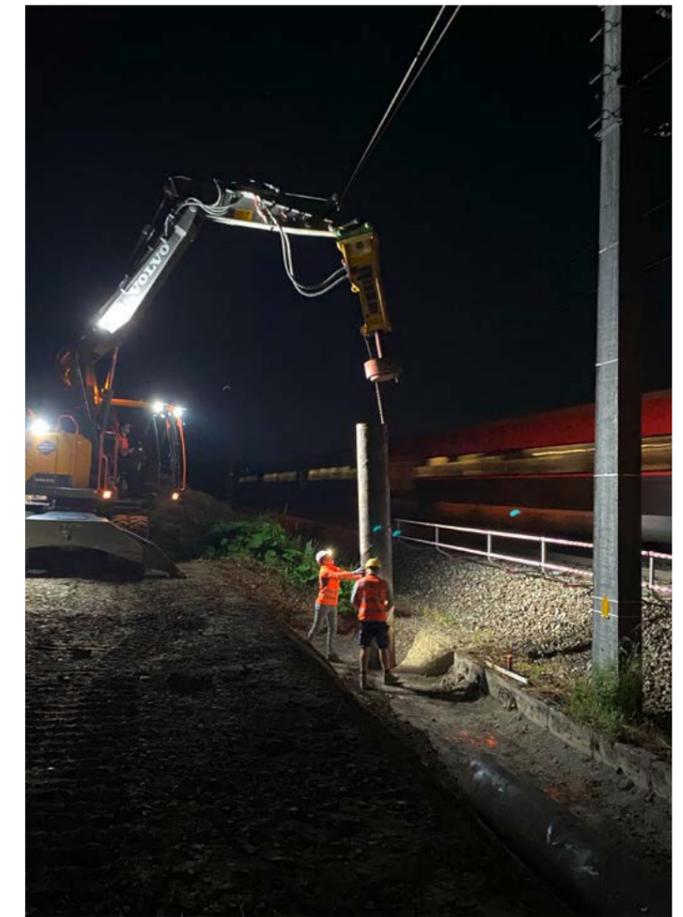
Through the use of state-of-the-art technologies and interdisciplinary knowledge, we are able to offer innovative, economical, and ecologically sustainable solutions. This applies to earthworks, hydraulic engineering, and foundation engineering as well as the construction of supply and disposal networks, waterways, dams and sewer systems. SWIETELSKY is particularly knowledgeable in special civil and underground construction.



Earthwork unification building power plant Sellrain, AT



Marienbrücke Neuschwanstein, GER



Noise Barrier Vöcklamarkt, AT

## Technology and know-how, including for complex construction projects in difficult terrain.

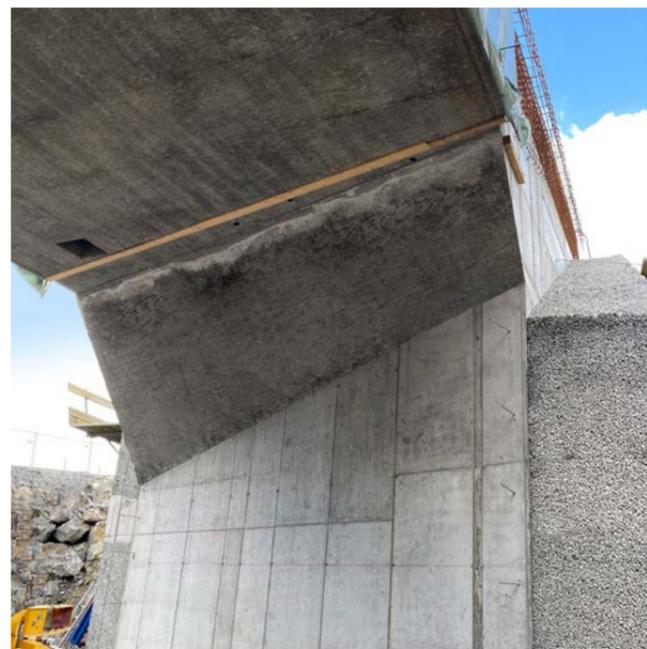


Rock protection Brno, CZ



Refurbishment Klagemauer, Frohnleiten, AT

Of the large number of different civil engineering projects in the financial year 2022/23, we would like to showcase one that is particularly special due to the specific structural challenges it posed.



# URBAN TUNNEL FELDKIRCH, AUSTRIA

The urban tunnel in the municipalities of Feldkirch and Frastanz in Vorarlberg is made up of four tunnel branches that are connected through a central underground roundabout. The state road will be rerouted in the area of the future Felsenau tunnel portal and a cycle path subway and ramp bridge will be built. The first works involved various pipe re-routings and large-scale rock removal with the aim of creating space for the cycle path subway and the new access road in the direction of Felsenau/ Fellengatter. The blasted rock was processed directly on site by means of a crushing and screening system and can now be reused – for the substructure of the newly laid road, for example. The blasting work was successfully undertaken against a complex backdrop. The angular shapes of the tunnel portal presented a further challenge: The subsidiary HTB Bau used modern 3D planning tools and the latest CNC machines to transform the architecturally demanding shapes into reality.



ASPHALT PRODUCTION  
VIEWING PLATFORMS  
MOTORWAYS AND ROADS  
BRIDGES  
ADVENTURE TRAILS  
AIRPORTS  
FOREST ROADS AND AGRICULTURAL ROADS  
SUSPENSION BRIDGES  
ELEVATED HIGHWAYS  
TOWN SQUARES  
CAR PARKS

# ROAD AND BRIDGE CONSTRUCTION

SWIETELSKY  
BUILDS ON  
COHESIVE  
KNOWLEDGE

When SWIETELSKY first started, individual mobility was nothing more than a bold vision for millions of Europeans. Road construction pioneer Hellmuth Swietelsky made this dream his own personal mission. More than 80 years later, we have often pushed our own limits and successfully mastered every project dimension in road and bridge construction.

As an experienced, flexible and absolute quality-driven partner of the public sector, we have helped build and continuously develop infrastructure. With requirements changing over time, SWIETELSKY has always been at the forefront of development. We are therefore more in demand now than ever before when it comes to implementing modern solutions for growing urban spaces.



Bridge construction Jauntalbrücke, Ruden, AT



Road and railway viaduct, Mielec, PL

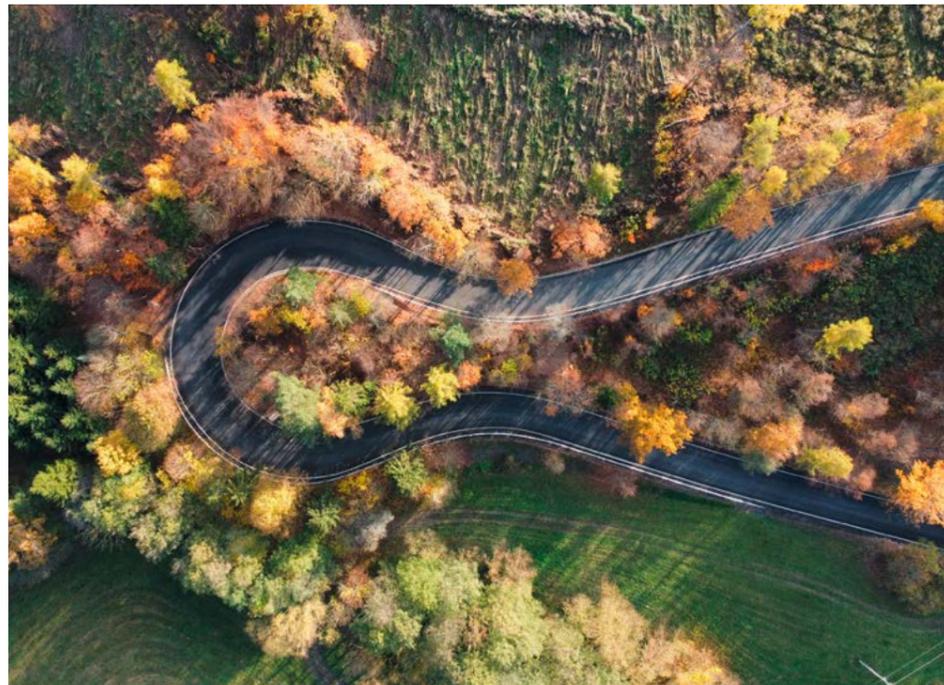
**SWIETELSKY is a pioneer and visionary in the construction and development of road infrastructure.**



Suspension bridge Todtnau, GER



Reconstruction bridge Stretava, SK



Countryroad III-37367, Section Krtiny-Brezina, CZ



Motorway D46, Section Vranovice, CZ



Bypass Sajószénpéter-Berente, HU



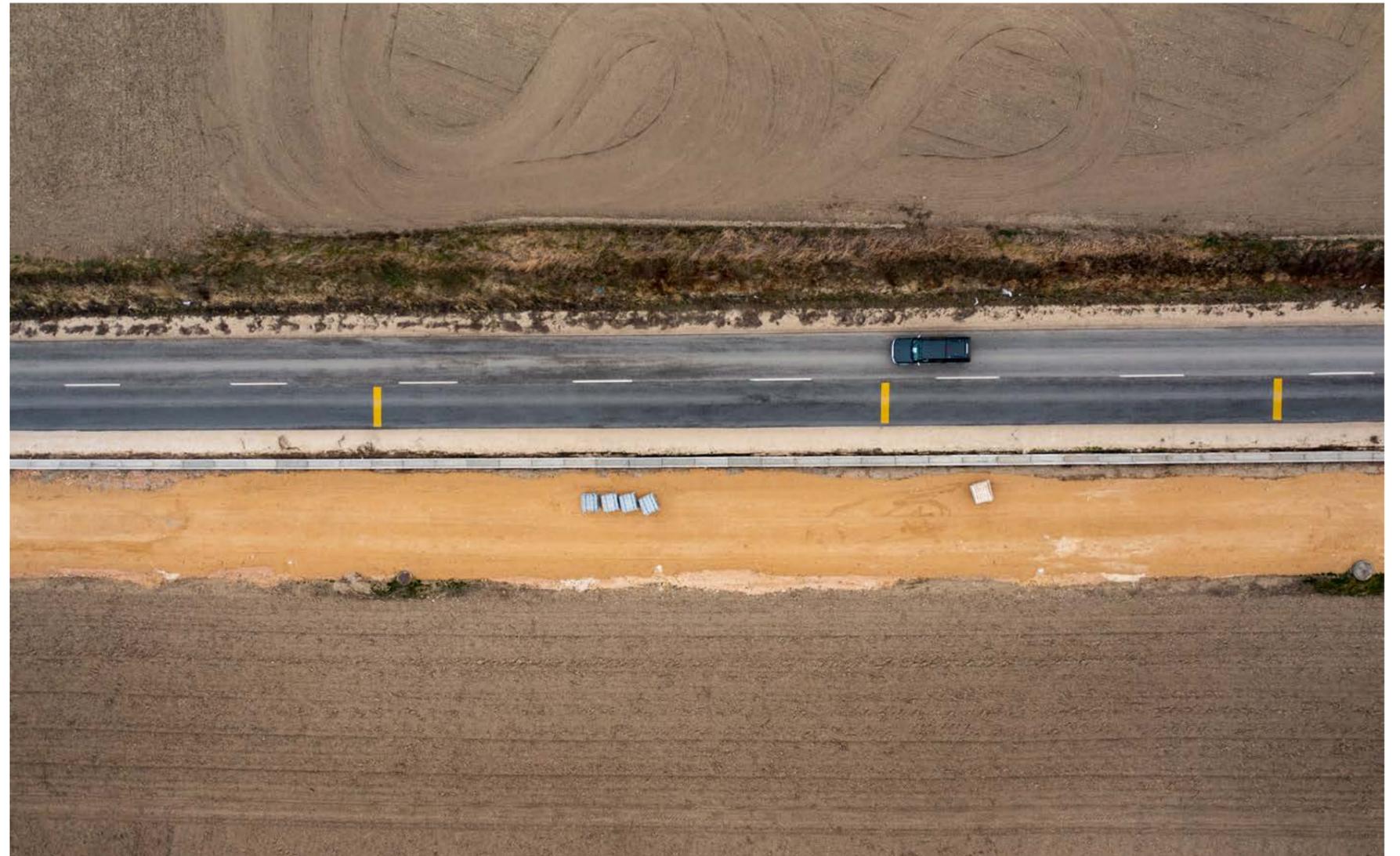
Roundabout Sümeg, HU

Of the large number of different bridge construction projects in the financial year 2022/23, we would like to showcase one that is particularly special due to the specific structural challenges it posed.



# CYCLE ROUTE BUDAPEST-BALATON, HUNGARY

The cycle route from Budapest to Lake Balaton/Plattensee, stretching 108 km, is a valuable addition to the Hungarian cycle network and establishes a direct link from the pulsating capital to the tranquil shores of the lake. SWIETELSKY Magyarország Kft constructed the 17.5 km section between Tordas and Velence. The scope of works included the development of 9.1 km for mixed traffic for agriculture and cyclists, the construction of almost 2 km of independent cycle lanes and 6.4 km of traffic engineering works as well as a bike bridge. This involved bridge, water, dam, embankment and bedding works, edging and the construction of the frost protection layer as well as asphaltting. Hydrants were also rebuilt, electricity poles moved, and street lighting installed for the mega sustainability project.



CONVENTIONAL TRACK FORMATION REHABILITATION  
MECHANISED TRACK FORMATION REHABILITATION  
BALLASTED TRACK  
BALLASTED TURNOUTS  
SLAB-TRACK & TURNOUTS  
OVERHEADWIRES (OLE) OR OVERHEAD CATENARY SYSTEM (OCS)  
TRACTION CURRENT  
LOW VOLTAGE & TELECOMMUNICATION  
SIGNALING  
ACCREDITED ROLLING STOCK OPERATOR  
WORKSITE PROTECTION  
WORKSITE LOGISTIC  
CERTIFIED WORKSHOP RAIL FACILITY  
SURVEY  
PLANNING & PROJECT DELIVERY  
PLANT HIRE SERVICE

# RAILWAY CONSTRUCTION

**SWIETELSKY  
PUTS  
INFRASTRUCTURE  
ON RAILS**

The principle of sustainability has shaped SWIETELSKY's thinking and activities throughout its history like no other. The founders already knew 80 years ago that without the railway as a means of transport, too much economic and ecological strain was going to be put on road traffic. Thus, the road construction pioneer became a railway construction pioneer also.

SWIETELSKY has created certain prerequisites in track construction to afford people and goods a quick, cheap, safe and comfortable transport. The company owes its state-of-the-art machinery and its own railway transport company to farsighted capital expenditures. By developing and using large machinery, SWIETELSKY has revolutionised railway construction in terms of efficiency and safety. Today, we are leading in Europe and also operating in Australia in this field.



Track renewal „Ängelsberg–Snyten“, SWE



Track doubling, Dobieszyn, PL



Rail tamping machine Unimat 09-8x4-4S Dynamic, AT



Driving- and power rail assembly, PTS FRA, Frankfurt, GER

## Experience, know-how and technology for maximum flexibility in railway construction.



Track maintenance HS1 „Paris-London“, UK



RM80, Hunter Valley, Australien



Railroad Crossing Adamov, CZ



Platforms und track doubling, Kruszyna, PL

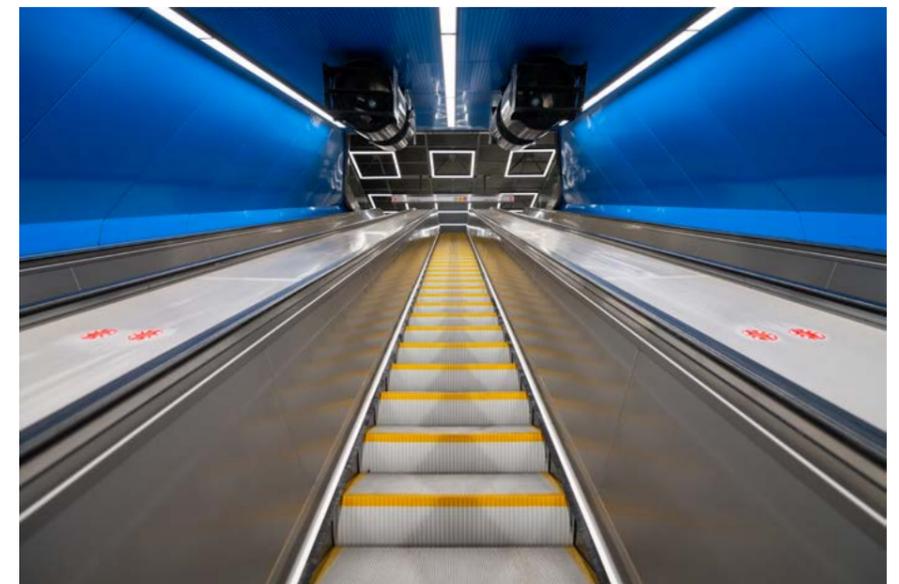
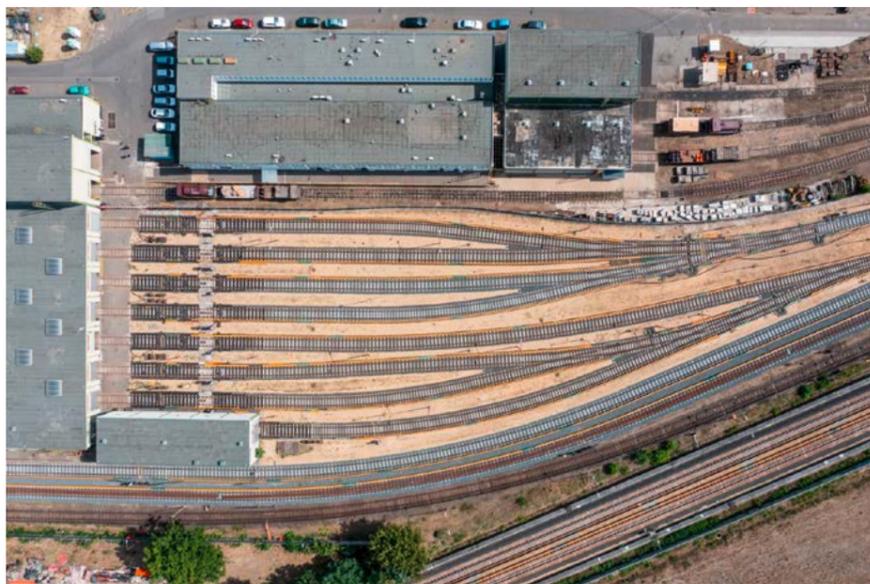


Repair work Culemborg, NL

Of the large number of different railway construction projects in the financial year 2022/23, we would like to showcase one that is particularly special due to the specific structural challenges it posed.

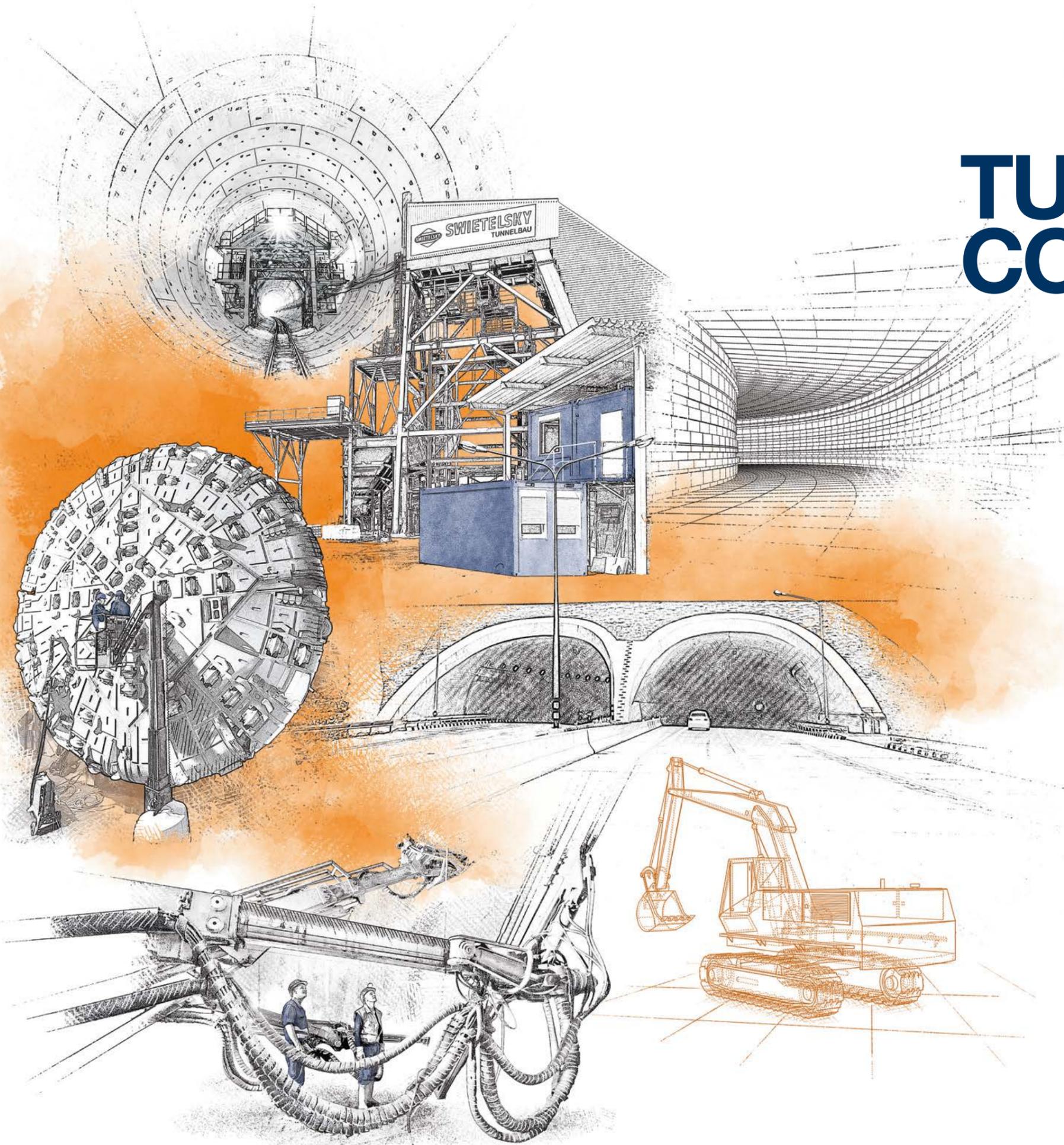


A very special reconstruction project due to its extreme complexity in the Hungarian capital: With an average daily passenger volume exceeding 530,000, Budapest's M3 metro line ranks as the busiest rail line in Central Europe. The reconstruction work was carried out over several phases between November 2017 and May 2023. The tasks assigned to SWIETELSKY Bahnbau included the complete renovation of the approx. 34 km long main track as well as the comprehensive modernisation of the infrastructure, control, signalling and telecommunication systems. Another component consisted of insulation and renovation work on the tunnel network and in the 20 stations. The renovation allows the trains to run at a maximum speed of 80 km/h along the entire line, extending the service life by around 30 years.



RAILWAY TUNNEL  
GALLERIES, CAVERNS, SHAFTS  
ROAD TUNNELS  
SUBWAY TUNNEL

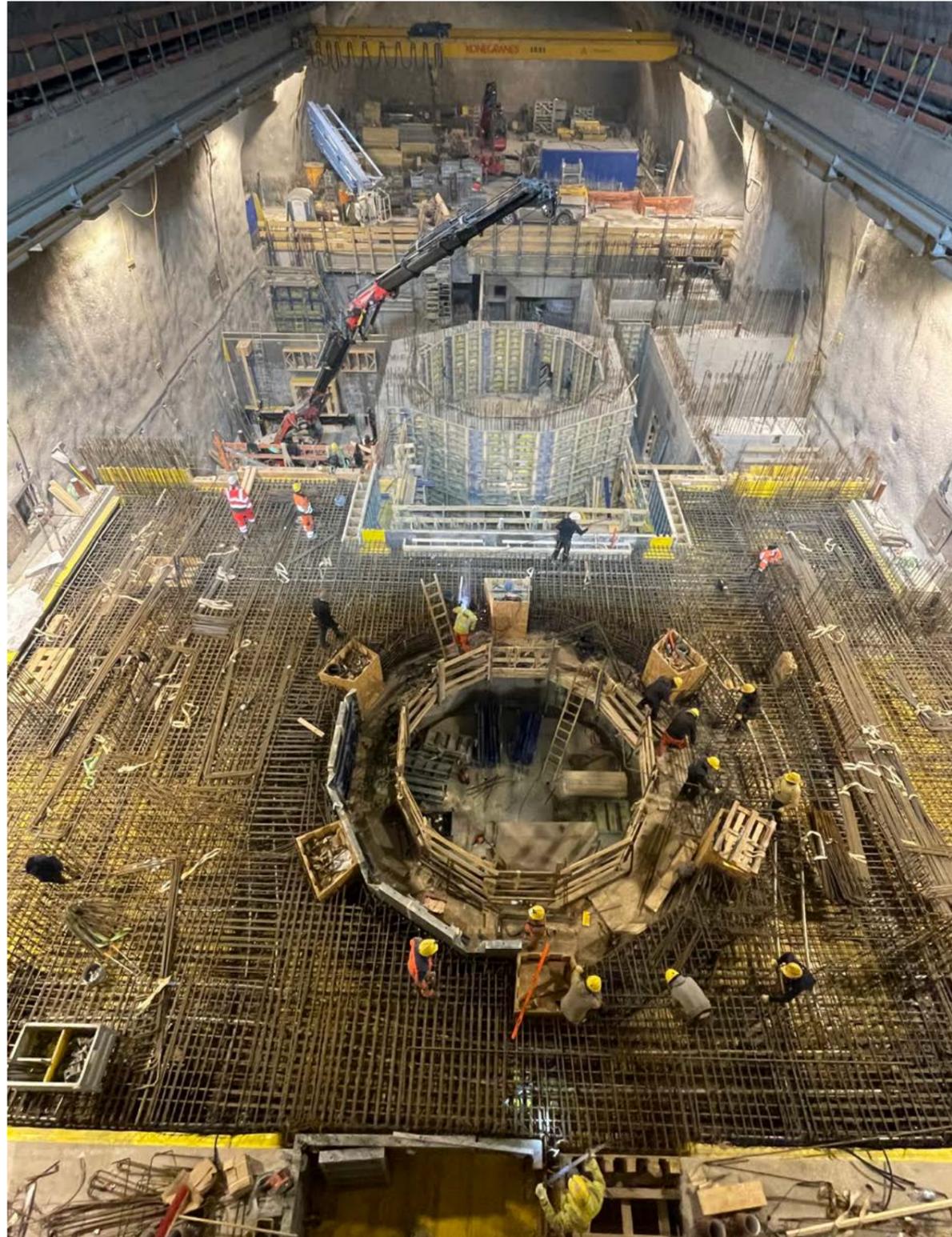
# TUNNEL CONSTRUCTION



**SWIETELSKY  
UNDERSTANDS  
BUILDING  
PROJECTS**

Railway and road tunnels do not only shorten distances but also make alpine zones more attractive as a habitat for humans and animals. Shifting traffic underground conserves natural resources and prevents noise development. When it comes to growing urban spaces, too, do subway tunnels guarantee environmentally friendly and efficient mobility.

As a pioneer in both road construction and railway construction, SWIETELSKY recognised the potential of tunnel construction early on. By participating in important infrastructure projects, the company was able to make its mark, becoming a leading specialist in this field as well. What distinguishes SWIETELSKY from its competitors is its decades of experience in dealing with geological characteristic, its skill in applying high-tech machines and processes, and its designers' engineering know-how.



Cavern Power plant Tauernmoos, AT



U2XU5, Propulsion track tunnel, Vienna, AT



Embankment SKW Kühtai, AT

**SWIETELSKY** guarantees rapid driving and innovative building in tunnel construction.



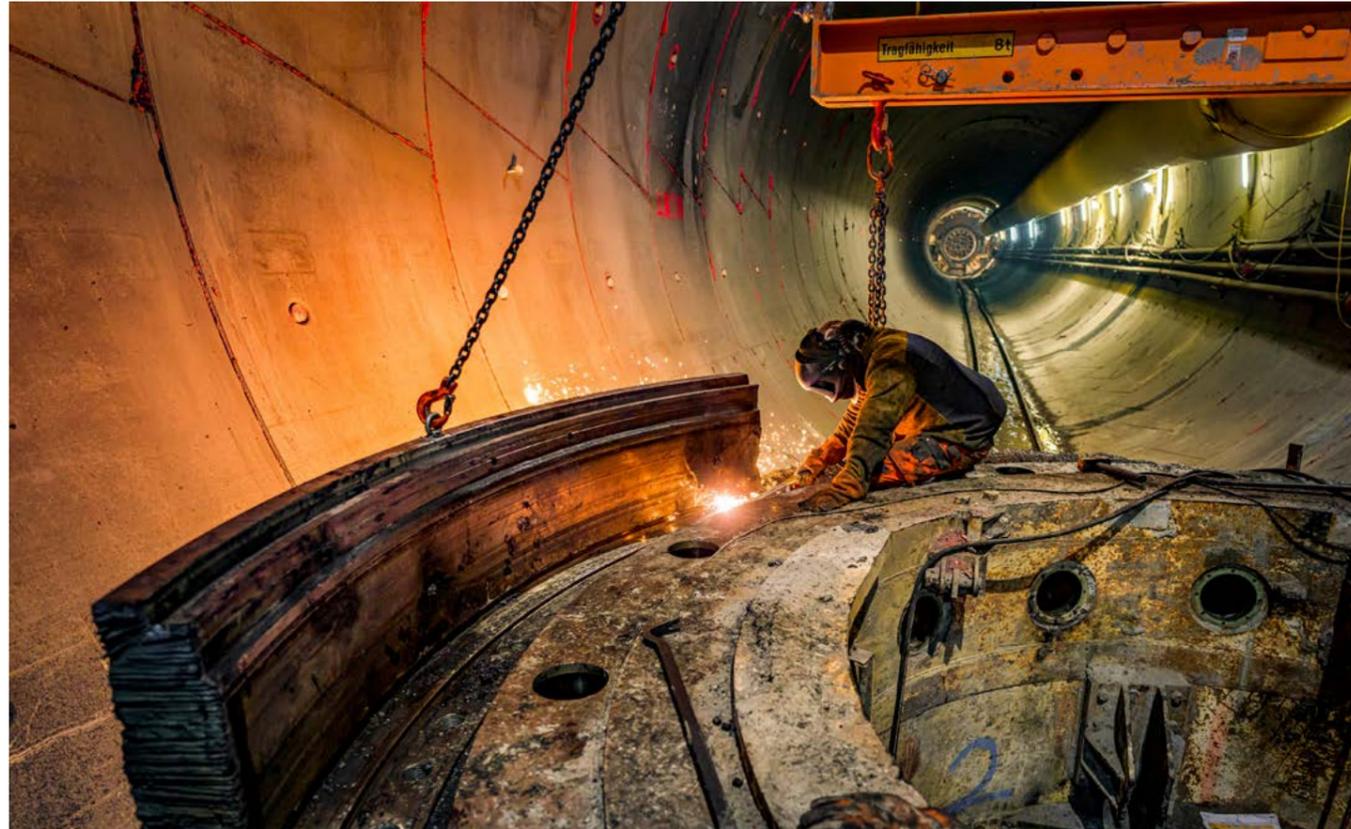
Headrace Power plant Tauernmoos, AT



U2XU5, Brillenwand, AT

Of the large number of different tunnel construction projects in the financial year 2022/23, we would like to showcase one that is particularly special due to the specific structural challenges it posed.

# SEMMERING BASE TUNNEL (SBT), AUSTRIA



The Semmering Base Tunnel (SBT), presently under construction, constitutes one of the most important large-scale infrastructure projects in the heart of Europe and forms part of the new Austrian Southern Railway. Covering a total length of 27.3 km, the SBT will connect Lower Austria and Styria in the future. SWIETELSKY was selected as part of a joint venture in 2014 for the approximately 13 km long middle section (Lot 2.1) "Tunnel Fröschnitzgraben". The special aspects include the complex logistics, whereby the entire tunnel system is opened up and serviced via two approx. 400 m deep vertical shafts. A cavern was formed at its foot – a gigantic construction site below ground, which would later become an underground emergency stopping station. The shafts were constructed as well as supplied, installed and operated by SWIETELSKY on behalf of the joint venture. The major part of the SBT as well as all accesses will be constructed using classic excavation and blasting methods. Work continued with tunnel boring machines (TBMs) from mid-2018: driving units 120 m long and weighing 1,750 t each – one per tunnel tube – which have since served their purpose and have been dismantled.



# SPECIALTY COMPETENCY

Tourism is an essential engine for the economy. In the alpine region, where SWIETELSKY has always felt at home, mountain and hiking tourism plays an important role alongside skiing. We are continuously faced with new constructional challenges when bringing tourists closer to the alpine region's impressive land-scapes, fascinating nature and distinctive features. SWIETELSKY has the know-how to be up to the task and is able to master all mountainous logistical and technical challenges.

## ALPINE CONSTRUCTION

## TIMBER AND HYBRID CONSTRUCTION

While timber construction is becoming the standard of contemporary architecture, planners and architects still have many unanswered questions. No one is better at addressing them than someone who has already completed countless timber construction projects ranging from new construction to conversion and hybrid construction. Under the SWIETimber brand, SWIETELSKY has bundled the knowledge of more than one hundred experts with experience in timber construction. We are thus able to meet any challenge in this market segment and see ourselves as a building material-neutral partner for our customers in planning and implementation.

## FACADE CONSTRUCTION

SWIETELSKY is your specialist for the coating, renovation and cleaning of facades, for exterior insulation finishing systems and for scaffolding. A particular strength of ours is our personalised consulting regarding the design, the selection of the materials and the practical implementation.

## PROJECT DEVELOPMENT

For 35 years, the SWIETELSKY development team has stood for high-quality residential property planning, construction and marketing. Every customer can rely on the construction quality for which the name SWIETELSKY is a guarantee. Competent and reliable contact persons with decades of experience make dreams of a home come true. With great attention to detail and comprehensive knowledge of the market, we do not only implement projects but create sustainable value as well.

SWIETELSKY has specialty competency in some market segments due to its developed structure or strategic intentions.

## CONSTRUCTION OF SPORTS AND LEISURE FACILITIES

Being physically active in our free time is becoming increasingly important in our society. With its many years of experience, SWIETELSKY provides for optimal planning and construction of sports facilities as well as for indoor and outdoor renovations. The three main services offered in sports venue construction are gyms, sports facilities, and swimming pools.

Our 80 years of experience as the SWIETELSKY Group and the combined strength of a financially strong international construction group have given rise to the services that we can offer in general and full-service contracting. To ensure that big visions do not fail because of small details, we offer complete solutions from planning to project management and construction. Thus, the customer is assisted by a single contact person until the turnkey project is handed over – and beyond.

## FULL-SERVICE AND GENERAL CONTRACTOR FOR CONSTRUCTION

## ENVIRONMENTAL ENGINEERING

Keeping air, water and soil clean are the tasks of today. SWIETELSKY has comprehensive knowledge in contaminated site remediation and in land recycling, provides complete services in landfill and plant construction, and is a specialist for special environmental processes. The increasing demand for renewable energy has led to innovative technical developments that SWIETELSKY has mastered. The company is, of course, also certified in accordance with the current standards for quality, work, environmental, and energy management.

## METAL CONSTRUCTION

SWIETELSKY offers its customers extensive experience and specialty competency in metal construction, such as in large-scale facade manufacturing. We excel at demanding projects that pose a technological challenge and require traditional and precise production combined with a high degree of planning and professional project management. We also execute smaller orders with a keen eye for detail, such as customised windows, doors, gates, grilles, conservatories, and the like.

## WASTE DISPOSAL AND RECYCLING

In addition to its own construction sites, SWIETELSKY also offers other market participants and end customers attractive waste disposal and consulting services. We possess both the necessary competence and the right facilities for the proper disposal of both hazardous and non-hazardous waste as well as for the recycling of mineral building remains and the treatment of contaminated soils. Our range of services also includes the handling, collection, sorting and proper disposal of waste.

## BUILDING SERVICES ENGINEERING

SWIETELSKY has a state-authorized testing facility for the quality control of construction materials and construction sites. We also provide comprehensive consulting services regarding waste and environmental issues, the transport of hazardous materials, radiation protection, as well as type testing and self-monitoring as part of factory production controlling for aggregates, recycling materials and asphalt. Our extensive laboratory experience and our detailed knowledge of the legal environment are the foundation of our competent consulting.

## MECHANICAL ENGINEERING

Repairs, special customisations and machine testing are carried out at our machine garage. The garage is divided into the sections Garage (construction machines and motor vehicles), Crane, Electro and Metalworking. We also have specialists in facility management, fleet management and purchase and sale of equipment.

From design to installation to final assembly, we also advise you on all matters related to electrical and sanitation systems. Our technicians design, calculate and plan heating, sanitation, ventilation and air conditioning systems as well as control technology and photovoltaic installations.

## LABORATORY AND TESTING FACILITY

## LANDSCAPING AND GARDEN DESIGN

In landscaping and garden design, we create and maintain public and private green spaces, such as gardens, ponds and pools, and the green areas of residential buildings and complexes and of public and commercial buildings. We are also experts in greening park areas, cemeteries and roof, facade and infrastructure surfaces.

## PREFABRICATED HOUSES

At SWIETELSKY, we combine fast and precise industrial prefabrication with the many advantages of massive construction. That's why our prefabricated houses have lasting value. The harmony between nature and technology, which is immediately visible, creates an extraordinary atmosphere. No two houses are the same, because while designing the houses, our architects draw inspiration directly from our customers.

## INDUSTRIAL FLOORING

SWIETELSKY has specialist competences in high-quality, durable industrial flooring and carefully selected additives and binding agents for every area of application. The choice of flooring surface adapted to the planned duration of use and the integration of appropriate materials or coloured chips results in floors that are perfectly suited to your needs.

SWIETELSKY provides excellent underground sewer maintenance. We use the latest technological processes and outstanding products for the highest quality requirements. This is another area where our specialised engineers and workforce contribute to protecting the environment.

## SEWER MAINTENANCE



# SUSTAINABLE MANAGEMENT

Sustainability has always been a part of SWIETELSKY's DNA. We think of the term comprehensively: We focus on our own carbon footprint and, as an important player, contribute to finding a solution for a climate-neutral construction industry. This allows us to lay the foundation for organic growth and long-term prosperity.

## STRATEGIC ACTION AREAS

Based on the 2021 materiality analysis, SWIETELSKY aligns the strategic fields of action with nine sustainability topics that are of key importance to SWIETELSKY: The main focus is on "anti-corruption", "data protection", and "compliance", as well as being a "fair business partner" when it comes to the self-image of the company and its impact on the external public. From an ecological point of view, SWIETELSKY focuses on topics such as "sustainable building materials", "sustainable design", "sustainability of users", and "extension of service life". The topic of "employees" is of particular importance from the company's point of view. As a result, the three ESG pillars of sustainability are reflected in the four strategic fields of action.

### FAIRNESS



The activities of the SWIETELSKY group are characterised by a sense of social and national responsibility. We maintain our excellent reputation as a reliable, competent and law-abiding business partner through regulatory compliance and a group code of ethics.

### INNOVATION



The construction industry's future will be more complex. SWIETELSKY is aware of the importance of taking the impact of its activities on the environment and society into account before adopting project plans. With the aim of reducing its carbon footprint, SWIETELSKY seeks out innovative solutions, improves process flows and product optimisation along the entire life cycle.

### ENVIRONMENT



SWIETELSKY aims to ensure the use of environmentally friendly processes, equipment and machines across all project phases. We continuously seek solutions for more efficient water, air, energy and soil use and look for ways to optimise material and logistics costs and reduce emissions where possible. Through our consistent consideration of these natural resources and the environment, we remain committed to doing our part to achieve the goals of the Paris Climate Agreement.

### TOGETHERNESS



When we say, "We are Swietelskys", we are not referring to the founding family but to everyone who works at our company. That is because we want SWIETELSKY to feel like a big family in which we have each other's backs, encourage one another and stick together to shape our financial future as one team.

## SUSTAINABILITY REPORT

The SWIETELSKY Group of Companies publishes a sustainability report every two years. Over and above the statutory reporting requirements, the company presents information and facts about its activities and performance within the context of sustainable management. The next issue of the sustainability report will appear this year, with the sustainability report being fully integrated into the financial statements from the 2025/26 financial year onwards.

**CONSOLIDATED  
FINANCIAL  
STATEMENTS  
FOR 2022/23**

# CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR 2022/23

FIGURES IN THOUSAND EUR	Notes	2022/23	2021/22
Revenue	(1)	3,298,308	3,118,565
Changes in inventories		13,723	-2,835
Own work capitalised		10,006	8,375
Other operating income	(2)	16,723	25,949
Expenses for material and other purchased construction services	(3)	-2,118,760	-1,957,042
Employee benefits expenses	(4)	-824,823	-787,719
Other operating expenses	(6)	-185,956	-190,712
Share of results of associates	(7)	33,574	34,014
Net income from investments	(8)	3,950	3,564
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>246,745</b>	<b>252,159</b>
Depreciation and amortisation	(5)	-104,276	-102,791
<b>Earnings before interest and taxes (EBIT)</b>		<b>142,469</b>	<b>149,368</b>
Interest and similar income		6,301	1,981
Interest and similar expenses		-3,777	-4,045
<b>Interest income</b>		<b>2,524</b>	<b>-2,064</b>
Other financial result		907	-80
<b>Earnings before tax (EBT)</b>		<b>145,900</b>	<b>147,224</b>
Income tax	(9)	-34,809	-39,069
<b>Earnings after tax</b>		<b>111,091</b>	<b>108,155</b>
Attributable to: hybrid capital owners		0	204
Attributable to: shareholders of the parent company		111,091	107,951

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR 2022/23

FIGURES IN THOUSAND EUR	2022/23	2021/22
<b>Earnings after tax</b>	<b>111,091</b>	<b>108,155</b>
<b>Items that cannot be reclassified in the income statement:</b>		
Changes in revaluation reserves of land	964	-1,574
Changes in actuarial gains and losses	548	1,329
Deferred taxes on neutral changes in equity	-213	351
	<b>1,299</b>	<b>106</b>
<b>Items that can be reclassified in the income statement:</b>		
Differences arising from currency translation	923	1,747
Changes in financial instruments	0	192
Other result from investments in associates	1,672	0
Changes from the fair value measurement of securities	-1,315	0
Deferred taxes on neutral changes in equity	0	65
	<b>1,280</b>	<b>2,004</b>
<b>Other income</b>	<b>2,579</b>	<b>2,110</b>
<b>Total comprehensive income</b>	<b>113,670</b>	<b>110,265</b>
Attributable to: hybrid capital owners	0	204
Attributable to: shareholders of the parent company	113,670	110,061

# CONSOLIDATED BALANCE SHEET

AS OF 31 MARCH 2023

## ASSETS

FIGURES IN THOUSAND EUR	Notes	31/3/2023	31/3/2022
<b>Non-current assets</b>			
Intangible assets	(10)	12,328	13,949
Property, plant and equipment	(10)	613,831	579,623
Investments in associates	(11)	16,282	14,674
Other financial assets	(11)	78,763	22,853
Trade receivables	(13)	2,800	3,111
Other receivables and assets	(13)	11,671	9,651
Deferred taxes	(15)	13,363	12,047
		<b>749,038</b>	<b>655,908</b>
<b>Current assets</b>			
Inventories	(12)	182,960	154,584
Trade receivables	(13)	563,705	513,627
Other receivables and assets	(13)	57,490	60,031
Cash and cash equivalents	(14)	352,927	407,730
		<b>1,157,082</b>	<b>1,135,972</b>
		<b>1,906,120</b>	<b>1,791,880</b>

## EQUITY AND LIABILITIES

FIGURES IN THOUSAND EUR	Notes	31/3/2023	31/3/2022
<b>Equity</b>			
Share capital		7,705	7,705
Capital reserves		58,269	58,269
Revaluation reserves		9,271	9,838
Revenue reserves		632,588	558,351
	(16)	<b>707,833</b>	<b>634,163</b>
<b>Non-current liabilities</b>			
Provisions	(17)	27,135	29,607
Financial liabilities	(18)	118,618	102,851
Trade payables	(18)	31,351	37,216
Other liabilities	(18)	20,519	21,134
Deferred taxes	(15)	27,571	39,268
		<b>225,194</b>	<b>230,076</b>
<b>Current liabilities</b>			
Provisions	(17)	195,969	160,359
Financial liabilities	(18)	39,351	29,876
Trade payables	(18)	564,016	582,657
Other liabilities	(18)	173,757	154,749
		<b>973,093</b>	<b>927,641</b>
		<b>1,906,120</b>	<b>1,791,880</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR 2022/23

FIGURES IN THOUSAND EUR	2022/23	2021/22
Earnings after tax	111,091	108,155
Deferred taxes	-13,358	8,763
Non-cash effective results from associates	64	-753
Non-cash effective results from initial consolidations	5	0
Depreciation/reversals of write-downs	103,025	102,791
Changes in non-current provisions	-1,923	-3,977
Gains/losses on disposal of non-current assets	-2,123	-10,678
<b>Consolidated cash flow from results</b>	<b>196,781</b>	<b>204,301</b>
Changes to the items:		
Inventories	-30,332	-11,829
Trade receivables, contract assets and project consortiums	-48,409	-126,509
Intra-group receivables and receivables from other non-current investees and investors	1,501	1,632
Other receivables and assets	6,315	10,163
Current provisions	35,851	29,379
Trade payables, contract liabilities and project consortiums	-24,141	-17,932
Intra-group liabilities and liabilities to other non-current investees and investors	4,992	-617
Other liabilities	12,779	13,526
<b>Consolidated cash flow from operating activities</b>	<b>155,337</b>	<b>102,114</b>

FIGURES IN THOUSAND EUR	Notes	2022/23	2021/22
Purchase of intangible assets and property, plant and equipment		-105,363	-111,799
Purchase of financial assets		-80,940	-160
Inflows from disposals of intangible assets and property, plant and equipment		29,488	19,453
Inflows from the disposal of financial assets		28,472	0
Changes in scope of consolidation		-590	0
<b>Consolidated cash flow from investing activities</b>		<b>-128,933</b>	<b>-92,506</b>
Changes in liabilities to banks		-1,629	13,816
Changes in lease liabilities		-30,278	-28,992
Changes in group financing		-965	26
Redemption of hybrid capital		0	-31,406
Paid hybrid coupon		0	-204
Distributions		-40,000	-40,000
<b>Consolidated cash flow from financing activities</b>		<b>-72,872</b>	<b>-86,760</b>
Consolidated cash flow from operating activities		155,337	102,114
Consolidated cash flow from investing activities		-128,933	-92,506
Consolidated cash flow from financing activities		-72,872	-86,760
<b>Net change in liquid funds</b>		<b>-46,468</b>	<b>-77,152</b>
Liquid funds at the beginning of the period		387,940	465,099
Currency translation adjustment relating to liquid funds		-2,005	-7
<b>Liquid funds at the end of the period</b>	<b>(19)</b>	<b>339,467</b>	<b>387,940</b>

# DEVELOPMENT OF EQUITY

FROM 1 APRIL 2021 TO 31 MARCH 2023

FIGURES IN THOUSAND EUR	Share capital	Capital reserves	Hybrid capital	Revaluation reserves	Revenue reserves	Currency translation	Group equity
<b>As of 1 April 2021</b>	<b>7,705</b>	<b>58,269</b>	<b>30,462</b>	<b>10,842</b>	<b>499,130</b>	<b>-10,900</b>	<b>595,508</b>
Earnings after tax	0	0	0	0	108,155	0	108,155
Differences arising from currency translation	0	0	0	-87	0	1,834	1,747
Changes in revaluation reserves of land	0	0	0	-1,574	0	0	-1,574
Changes in financial instruments	0	0	0	0	192	0	192
Changes in actuarial gains and losses	0	0	0	0	1,329	0	1,329
Deferred taxes on neutral changes in equity	0	0	0	657	-241	0	416
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,004</b>	<b>109,435</b>	<b>1,834</b>	<b>110,265</b>
Hybrid capital	0	0	-30,462	0	-944	0	-31,406
Paid hybrid coupon	0	0	0	0	-204	0	-204
Distributions	0	0	0	0	-40,000	0	-40,000
<b>As of 31 March 2022 = As of 1 April 2022</b>	<b>7,705</b>	<b>58,269</b>	<b>0</b>	<b>9,838</b>	<b>567,417</b>	<b>-9,066</b>	<b>634,163</b>
Earnings after tax	0	0	0	0	111,091	0	111,091
Differences arising from currency translation	0	0	0	-129	0	1,052	923
Changes in investments in associates	0	0	0	0	1,672	0	1,672
Changes in revaluation reserves of land	0	0	0	964	0	0	964
Changes from the fair value measurement of securities	0	0	0	-1,315	0	0	-1,315
Changes in actuarial gains and losses	0	0	0	0	548	0	548
Deferred taxes on neutral changes in equity	0	0	0	-87	-126	0	-213
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-567</b>	<b>113,185</b>	<b>1,052</b>	<b>113,670</b>
Distributions	0	0	0	0	-40,000	0	-40,000
<b>As of 31 March 2023</b>	<b>7,705</b>	<b>58,269</b>	<b>0</b>	<b>9,271</b>	<b>640,602</b>	<b>-8,014</b>	<b>707,833</b>

## General principles

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.

Pursuant to Section 245a (2) of the Austrian Business Enterprise Code (UGB), the consolidated financial statements of Swietelsky AG, Linz, of 31 March 2023 were generated in line with the mandatory provisions of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the European Union. Additionally, the further duties of disclosure set out in

Section 245a (1) UGB have been fulfilled. In addition to the statement of comprehensive income and the balance sheet, a cash flow statement has been generated in line with IAS 7 and a statement of changes in equity has been prepared (IAS 1). The notes also contain a disclosure of business segments in line with IFRS 8.

In order to improve the clarity of the disclosures, various items in the balance sheet and income statement have been condensed. These items are broken down and explained in more detail in the notes. The income statement has been prepared using the total cost method (nature of expense format).

If not stated otherwise, the consolidated financial statements are set out in thousands of euros (kEUR), which can result in rounding differences.

## Amendments to the accounting standards

Standards / interpretations	Application date IASB	Application date EU
Annual Improvements to IFRS 2018–2020	1/1/2022	1/1/2022
Amendments to IFRS 3 – References to Conceptual Framework	1/1/2022	1/1/2022
Amendments to IAS 16 – Proceeds before Intended Use	1/1/2022	1/1/2022
Amendments to IAS 37 – Onerous Contracts: Cost to Fulfilling a Contract	1/1/2022	1/1/2022

The first-time adoption of the IFRS standards and IFRIC interpretations had only an immaterial impact on the consolidated financial statements as at 31 March 2023, as the changes were only applicable in individual cases.

## Future amendments to the accounting standards

The following new or modified standards and interpretations already published by the IASB were not yet mandatory for financial years that started on or before 1 April 2022:

Standards / interpretations	Application date IASB	Application date EU
IFRS 17 Insurance Contracts	1/1/2023	1/1/2023
Amendments to IAS 1 – Disclosure of Accounting Policies	1/1/2023	1/1/2023
Amendments to IAS 8 – Definition of Accounting Estimates	1/1/2023	1/1/2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to assets and liabilities arising from a single transaction	1/1/2023	1/1/2023
First-time application of IFRS 17 and IFRS 9	1/1/2023	1/1/2023
Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback	1/1/2024	na
Amendments to IAS 1 – Classification of Liabilities as current and non-current and non-current Liabilities with Covenants	1/1/2024	na

The application of the new standards and interpretations is expected to have only a minor impact on the consolidated financial statements. There are no plans to apply the new standards and interpretations prematurely.

### Basis of consolidation

Besides Swietelsky AG, all major domestic and foreign subsidiaries controlled by the parent company have been included in the consolidated financial statements of 31 March 2023.

For control, the following criteria must be met:

- The parent company has power over the investee.
- The returns of the investment are variable.
- The parent company has the ability to use its power over the investee to affect the amount of its returns.
- If there are indicators that at least one of these criteria has changed with regard to the investee, the parent company must re-assess whether or not it has control.

- Regardless of the majority of voting rights, power – and therefore control over an investee – can be acquired through other rights and contractual agreements which give the parent company the opportunity to influence the activities that affect the investee's returns.

14 affiliated companies (previous year: 16) whose influence on the group's net assets, financial and earnings position is of minor importance are not included. The decision to include an entity in the scope of consolidation is based on quantitative and qualitative considerations. Companies currently included in the consolidated financial statements can be found in the list of investments. The balance sheet date for all fully consolidated companies is 31 March 2023.

In the 2022/23 financial year, the basis of consolidation developed as follows:

	Full consolidation	Equity measurement
As at 1 April 2022	59	3
<i>of which foreign companies</i>	31	2
Initial consolidations	4	0
Deconsolidations	-1	0
<b>As at 31 March 2023</b>	<b>62</b>	<b>3</b>
<i>of which foreign companies</i>	32	2

### Additions to scope of consolidation

Initial consolidation	Direct share	Date of acquisition
Railsafe ApS	100%	5/4/2022
Swietelsky Liegenschaftsentwicklungs GmbH	100%	1/4/2022 <sup>1)</sup>
Boschweg Alpha Projektentwicklungs GmbH & Co KG	100%	22/9/2022
Boschweg Beta Projektentwicklungs GmbH & Co KG	100%	22/9/2022

<sup>1)</sup> Due to its increased business volumes, the company was included in the scope of consolidation of the group for the first time effective 1/4/2022. The foundation/acquisition of the company occurred before 1/4/2022.

No significant assets and liabilities were included from the first-time consolidations. Companies included for the first time were consolidated at the date of acquisition or a near reporting date, provided this had no significant difference to an inclusion at the date of acquisition. The companies included for the first time in the 2022/23 financial year have contributed kEUR 74 to the group revenue and kEUR -239 to the comprehensive income.

Effective 2 May 2022, a special fund was established for Swietelsky AG. Because of the contractual arrangement and the extensive participation rights, SWIETELSKY has a controlling interest. Therefore the fund is classified and fully consolidated as a structured company, which is why kEUR 50,000 of assets were included. At the balance sheet date, there are no substantial risks beyond general investment risks related to the structured company.

### Disposals from scope of consolidation

#### Deconsolidation

Swietelsky Immobilien GmbH in Liqu.	liquidation
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The deconsolidation of the company only had an insignificant impact on the assets, liabilities and earnings.

# ACCOUNTING AND VALUATION METHODS

## Consolidation methods

The financial statements of the domestic and foreign companies included in the basis of consolidation have been generated using standard accounting and valuation methods. The financial statements of the domestic and foreign group companies have been adapted accordingly; negligible deviations have not been changed.

The capital consolidation was carried out using the acquisition method in accordance with the provisions of IFRS 3. The consideration transferred during the purchase and the identifiable net assets received have been measured at fair value. The resulting goodwill is subjected to an annual impairment test. The income from an acquisition at a price lower than the market value is recognised directly as profit or loss.

Regarding the other non-current equity investments included using the equity method, the same principles are used for capital consolidation as for fully consolidated companies, whereby the last available financial statements are used as the basis of the equity consolidation. Amendments to the IFRS accounting standards are made on the principle of materiality.

As part of the consolidation of debt, trade receivables, loans and other receivables are offset against the corresponding liabilities and provisions between the subsidiaries included in the consolidated financial statements.

Expenses and income from intra-group trade are eliminated. Intercompany profit and loss in the fixed and current assets resulting from intra-group trade is eliminated unless it is of lesser significance. The necessary taxes are deferred for consolidation measures recognised in net profit or loss.

## Currency translation

The currency of the group is the Euro. Financial statements of foreign companies are translated into Euros in line with the concept of functional currency. For all companies this is the currency of the country as the companies run their business independently in financial, economic and organisational terms.

The translation of all balance sheet headings, except for those of the equity, is carried out based on the exchange rate on the balance sheet date. Income and expense items are translated using the average annual exchange rate. Goodwill from the capital consolidation is recognised as assets in the local currency and is also translated using the exchange rate on the balance sheet date.

In the financial year, currency translation differences of kEUR 923 (previous year: kEUR 1,747) were recorded in other comprehensive income and reported in equity. Differences resulting from currency translation between the exchange rate on the balance sheet date within the balance sheet and the average exchange rate used in the income statement were also recognised in other comprehensive income and offset against the currency translation provision in the equity. Revaluations under IAS 29 (Financial Reporting in Hyperinflationary Economies) were not carried out.

## Intangible assets and property, plant and equipment

The goodwill resulting from mergers is subjected to an annual impairment test. In this test, the recoverable amount of a cash-generating unit is compared to the corresponding carrying amount. The cash-generating unit is the acquired legal entity and legal entities that benefit from the potential synergy of the merger, respectively.

As there are not normally market prices for individual entities, the present value of the net cash inflows is used to calculate the fair value less costs of disposal. It is calculated based on current forecasts in internal reports which in turn are based on experience and expectations in connection with future market developments. The detailed planning period is three years; planning years further in the future will be more heavily weighted. The discount rate for the future cash flows corresponds to the weighted average cost of capital (WACC) after taxes, which is calculated based on a peer group. The costs of capital ranged from 6% to 14%.

Acquired intangible assets and property, plant and equipment are initially recognised at acquisition or production cost. In accordance with IAS 23, the borrowing costs incurred are capitalised for property, plant and equipment classified as qualifying assets. The cost model is used for subsequent measurement: Acquisition or production costs less scheduled depreciation and impairment. The revaluation model is used for the land, land rights and buildings asset group, including buildings on third-party land. The comparative approach was used to calculate the fair values. Differences resulting from the revaluation are offset directly against equity, less deferred taxes.

The SWIETELSKY Group is a lessee of real estate properties, machines and equipment, as well as of vehicle fleets. Lease payments are primarily assessed with the implied interest rate of the lease agreement; alternatively, the Group's incremental borrowing rate is used. Payments for short-term leases and leases regarding low-value assets are recorded as expenses. Short-term leases are lease agreements with a term of up to twelve months.

The depreciation of limited-life asset is linear across the asset's foreseeable useful life. If, in connection with assets, indications of impairments arise and if the present values of future cash flows are lower than the carrying amounts, the assets will be written down to the lower fair value under IAS 36. Expenses for repairs and maintenance work which do not significantly extend the planned useful life of an asset are recognised as expenses in the period in which they arose.

The following assumed useful lives were used when calculating the depreciation rates:

#### Intangible assets

Software and licences	2 – 4 years
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#### Property, plant and equipment

Buildings	10 – 50 years
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Technical equipment and machinery	2 – 20 years
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Other equipment, operating and office equipment	2 – 20 years
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#### Government grants

Investment grants are shown as deferred income in other liabilities. The releases take place according to the useful life of the subsidised fixed assets and is shown in the other operating income. Grants were recognised when there is reasonable assurance that the grant will be received, and the group complies with the necessary conditions for receiving the grant. Many governments have responded to the Covid-19 pandemic by enacting various subsidy programmes to support businesses affected by the crisis. The SWIETELSKY Group has received short-time work compensation, investment subsidies, accelerated tax deductions and direct subsidies. These financial assistance measures had only a minor overall impact on the consolidated financial statements.

#### Financial assets

Financial assets are recognised in the consolidated balance sheet if SWIETELSKY has a contractual right to receive cash or other financial assets from another party. Regular way purchases and sales of financial assets are recognised using settlement date accounting. Financial assets that are not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs which are directly attributable to the acquisition. Transaction costs which arise upon the acquisition of financial assets measured at fair value through profit or loss are immediately

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

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

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

Income and expenses to be recognised as profit or loss relating to the fully consolidated special fund are recognised on the income statement in the other financial result.

#### Derivative financial instruments and hedging

Derivative financial instruments are employed occasionally exclusively to mitigate risks arising from movements in currency exchange rates as well as interest rates and are classified as measured at fair value at the date of contract conclusion. Derivative financial instruments are recognised at fair value and valued at fair value in subsequent periods. Unrealised gains or losses on the measurement are recognised in the income statement if the conditions for hedge accounting under IFRS 9 are not met. If these conditions are met, in connection with the hedging of future cash flows (cash flow hedge) from a recognised receivable, liability or highly anticipated transaction, the effective part of the fair value change will be recognised in other comprehensive income and the ineffective part immediately in the income statement.

Derivative financial instruments are stated under other financial assets or other financial liabilities. Derivative financial instruments are measured based on observable market data and non-observable market data. The fair value is determined using generally accepted methods of mathematical finance.

#### Inventories

Inventories are measured at historical cost or at their lower net realisable value. The historical costs include all direct costs and reasonable portions of the overheads accrued during production/acquisition. Sales costs and the costs of general management are not included in the historical costs. In accordance with IAS 23, the attributable borrowing costs have been capitalised for inventories classified as qualifying assets.

#### Contract assets and contract liabilities

Contract assets comprise contracts specifically negotiated for the construction of buildings (construction contracts). In the case of construction contracts, revenue is recognised over time. To determine revenue over a specific period, it is necessary to measure the stage of completion, which is based on the output generated at the reporting date (output method). If one of the parties has fulfilled its contractual obligations in part, the entity must recognise the contract as a contract asset or a contract liability, depending on whether the entity has rendered the service, or the customer has made the payment.

If the measured service rendered as part of a construction contract should exceed the prepayments received, it will be recognised as an asset under receivables from construction contracts. If the opposite should happen, the service will be recognised as a liability under trade payables.

The allocation of the transaction price to each performance obligation from construction contracts with customers is made based on the work estimate for the respective stand-alone item. Contractual penalties or bonus payments during the construction period may lead to amendments of the transaction price. Payments for construction contracts are usually made parallel to the performance based on regular invoicing. Payments of advance consideration before the actual performance are common practice.

#### Impairment of financial assets

SWIETELSKY relies on expected credit losses in accordance with IFRS 9 to recognise impairment losses. The expected loss impairment model is based on financial instruments accounted for at amortised cost on non-current assets and debt instruments, which are accounted for at fair value in equity.

The impairment model of IFRS 9 calls for the formation of a risk provision in the amount of the twelve-month expected credit loss (stage 1). Should a significant increase in the credit risk occur, then the lifetime expected credit loss is recognised (stage 2). If there is objective evidence of actual impairment, then stage 3 applies. This does not necessarily result in the recognition of additional impairment, although an adjustment of cash flows to the net book value is required for financial instruments recognised under application of the effective interest method.

For trade receivables and contract assets, the simplification rules of IFRS 9 (simplified approach) were applied. This means that the valuation allowance for these assets is at least at the level of the credit losses expected over the term. The general impairment model applies to all other financial instruments mentioned above.

SWIETELSKY draws on all available information when evaluating the significant increase in the credit risk after the initial measurement and when estimating the expected credit loss. This includes historic data, future-oriented information and internal and external credit ratings.

## Deferred taxes

The balance sheet liability method is used to calculate the tax accrual for all temporary differences between the carrying amounts of the balance sheet headings in the IFRS consolidated financial statements and the existing tax values in the various companies. Furthermore, the expected tax benefit from existing loss carryforwards is included in the calculation. Exceptions from this comprehensive tax accrual are differences from non-tax-deductible goodwill as well as temporary differences relating to investments in subsidiaries and associates, if the group can control the reversal of these differences yet does not intend to do so.

Deferred tax assets are only accounted for if it is likely that the tax benefit they contain can be realised. The calculation of deferred tax is based on the standard income tax rate in the country in question on the date of the probable reversal of the value difference. As in the previous year, in the case of the Austrian companies, the future tax rate of 23% was used due to the statutory reduction in the corporate income tax rate.

## Provisions

Due to the statutory provisions, provisions for severance payments have been made in Austria. Provisions for severance payments are calculated based on actuarial evaluations. In this regard, the probable entitlement over the term of employment of an employee is collected with consideration for salary increases in the future. The present value of the partial entitlement earned by the balance sheet date is accounted for as a provision. Pension provisions are calculated using the projected unit credit method. In the projected unit credit method, the discounted pension entitlement acquired by the balance sheet date is calculated.

Due to the applicability of IAS 19, changes to the calculation parameters (actuarial gains and losses) are recognised directly in other comprehensive income, minus deferred taxes.

The other provisions cover all identifiable risks and liabilities whose amounts or grounds are unknown. Essentially, these are provisions for guarantees, expected losses, remaining and subsequent work and process costs. Each is accounted for at the amount judged to be necessary on the balance sheet date to cover future payment obligations of the group. In each case, the amount proving to be the most probable after a careful examination of the matter is accounted for.

Unless they are of lesser significance, non-current provisions are recognised at their discounted settlement value on the balance sheet date. The settlement value also includes the cost increases to be considered on the balance sheet date.

## Financial liabilities

The financial liabilities comprise non-derivative liabilities and derivatives with a negative fair value at the balance sheet date.

Non-derivative financial liabilities are recognised in the consolidated balance sheet if SWIETELSKY has a contractual obligation to transfer cash or other financial assets to another party. Initial recognition of non-derivative financial liabilities is made at fair value. As part of the subsequent measurement of non-derivative financial liabilities at amortised cost, any premiums, discounts or other differences between the cash inflow and the repayment amount are distributed over the financing term using the effective interest method and stated on an accruals basis in interest expense.

Financial liabilities that are not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs, which are directly attributable to the acquisition. Differing thereof, transaction costs which arise upon the acquisition of financial liabilities measured at fair value are immediately recognised as an expense.

## Contingent liabilities

Contingent liabilities are potential or existing liabilities for which an outflow of resources is not probable. They are not recognised in the balance sheet. The obligations disclosed under contingent liabilities correspond to the liabilities that exist on the balance sheet date.

## Revenue recognition

Revenues from construction contracts are continuously recognised pursuant to IFRS 15. The output method based on the output generated at the reporting date is used for the revenue recognition over time. Addenda in the sense of construction contracts are services which cannot be billed due to the contractual agreements, as an agreement is yet to be reached with the client in connection with their chargeability and acknowledgement. Whereas costs are immediately recognised in net profit or loss when they are accrued, revenue from addenda is generally only realised after the client provides his/her written acknowledgement or with payment, if the payment is received before the written acknowledgement.

Revenue from trade, services for project consortia, other services and resulting from the sale of construction materials is recognised upon the transfer of power of disposal and the associated opportunities and risks, or upon the performance of the service. If the real estate projects are sold, the revenue is recognised pro rata based on the degree of completion of the work.

## Estimations and assumptions

Estimates and assumptions on the amount and identity of reported assets and liabilities, revenues and expenses, and information on contingent liabilities, are required for the consolidated financial statement, according to IFRS, and mainly relate to the verification of the value of assets and recognition and valuation of provisions.

For the assumptions and estimates about the future made on the balance sheet date, the circumstances availing at the time of the conclusion of the consolidated financial statement and a realistic estimate of the future development of the global and industry-specific environment are considered in the determination of the expected future business development. Changes to the circumstances away from these assumptions may result in deviations of the actual amounts from the estimated values. In the event of such a development, the assumptions, and if necessary, the carrying amounts of the affected assets and liabilities, will be adjusted to the new state of knowledge. At the time of the generation of the consolidated financial statement, there were no indications for the need to make significant changes to the fundamental assumptions and estimates.

## Revenue from construction contracts and real estate development

Revenue from construction contracts is recognised over time. SWIETELSKY estimates the share of the overall order backlog that was already realised by the balance sheet date and the outstanding contract costs. Should the manufacturing costs exceed the recoverable proceeds, a provision for impending losses is identified. Especially with technically complex and demanding projects, there is always the risk that this estimate of overall costs deviates from the actually incurred costs. The above also applies to over-time recognition of revenue from real estate development.

## Recoverability of goodwill

In accordance with the rules set out in IAS 36, every year SWIETELSKY checks whether the goodwill's have lost any value. The recoverable amount of the cash-generating unit is determined using the fair value less disposal costs. The calculation is based on the current forecast as well as on assumptions about future market development. Should the global market and the industry-specific conditions change for reasons that are beyond the control of SWIETELSKY, the actual values may deviate from the assumed values.

## Other provisions

Regarding the other construction-related provisions, there is the risk that the actual costs for warranty, remaining performances or impending losses may be higher in individual cases. However, the provision item is composed of a number of individual projects, so that the risk is reduced to the individual consideration of the projects. The same also applies for provisions related to legal disputes.

# CONSOLIDATED INCOME STATEMENT

## Impacts of the Ukraine crisis

There have been military conflicts between Russia and Ukraine since 24 February 2022. SWIETELSKY has no branches, participation and other assets in Ukraine or Russia. There are no substantial customer or supplier relationships with either of these countries. The direct risk from the political conflict is categorised as low. In the current reporting period, there were no substantial impacts on the assets and financial position of the Group.

Restrictions on the availability of materials and energy along with associated price increases caused by the conflicts, have lost significant momentum. SWIETELSKY continues to monitor the situation and is continuing with its mitigating measures. It is still difficult to estimate how much the continuing conflict in Ukraine and its impacts will affect the overall economic situation and forecasts regarding performance and earnings and whether other economic risks will become significant.

## Climate change

The topic of sustainability is also very important for SWIETELSKY in times of great ecological challenges. Our industry especially has great responsibility when it comes to climate change. We continue to work on adjusting our activities so that we can contribute to the solution by making our business model more resilient to crises and thus also meeting the climate objectives of the EU taxonomy as well as possible.

The sustainability report that can be downloaded at [www.swietelsky.at](http://www.swietelsky.at) is intended to create transparency, to document our efforts up to this point and at the same time to be a basis for further efforts. The next edition will be available at the end of the calendar year.

## NOTES ON THE ITEMS

### (1) Revenue

#### Revenue 2022/23

FIGURES IN THOUSAND EUR	Austria	Germany	Hungary	Czech Republic	Other countries	Group
Road construction	222,692	176,289	80,771	188,034	44,913	712,699
Railway construction	176,183	55,441	44,334	93,280	327,495	696,733
Building construction	795,378	34,131	120,600	81,768	15,663	1,047,540
Civil engineering	423,561	85,707	16,950	48,888	25,869	600,975
Tunnel construction	240,361	0	0	0	0	240,361
<b>Revenue</b>	<b>1,858,175</b>	<b>351,568</b>	<b>262,655</b>	<b>411,970</b>	<b>413,940</b>	<b>3,298,308</b>
over time	1,809,643	350,838	241,873	409,287	410,380	3,222,021
at a point in time	48,532	730	20,782	2,683	3,560	76,287

#### Revenue 2021/22

FIGURES IN THOUSAND EUR	Austria	Germany	Hungary	Czech Republic	Other countries	Group
Road construction	203,978	157,018	90,116	170,095	24,263	645,470
Railway construction	189,637	47,671	37,418	95,748	211,122	581,596
Building construction	816,551	72,122	140,622	83,787	9,773	1,122,855
Civil engineering	351,543	79,965	12,044	41,679	46,672	531,903
Tunnel construction	236,741	0	0	0	0	236,741
<b>Revenue</b>	<b>1,798,450</b>	<b>356,776</b>	<b>280,200</b>	<b>391,309</b>	<b>291,830</b>	<b>3,118,565</b>
over time	1,756,205	356,009	252,626	382,004	288,049	3,034,893
at a point in time	42,245	767	27,574	9,305	3,781	83,672

Revenues of kEUR 3,298,308 (previous year: kEUR 3,118,565) relate exclusively to proceeds from contracts with customers, including revenue from construction contracts, revenue from developer projects, trade to and services for project consortia, as well as other services. The revenue from the completion of contracts, which contain the partial profits recognised over a given period based on the degree of completion of each contract (the percentage of completion method), are kEUR 3,222,021 (previous year: kEUR 3,034,893).

Revenue provides only an incomplete picture of the construction output generated in the financial year. Additionally, therefore, the segment report illustrates the full output of the group which also contains the proportional services of the project consortia, unconsolidated companies and companies recognised at equity.

## (2) Other operating income

FIGURES IN THOUSAND EUR	2022/23	2021/22
Profits from the sale of tangible fixed assets	2,349	10,678
Insurance refunds	5,299	6,053
Currency translation gains	3,190	3,518
Subsidies, bonus	3,028	3,149
Others under EUR 1 mio each	2,857	2,551
	<b>16,723</b>	<b>25,949</b>

Income from subsidies and bonuses essentially includes apprenticeship training bonuses, research subsidies and income from the reversal of investment grants.

## (3) Expenses for material and other purchased construction services

The cost of purchased services concerns subcontractors and tradesmen, as well as planning services, equipment rentals and other third-party services:

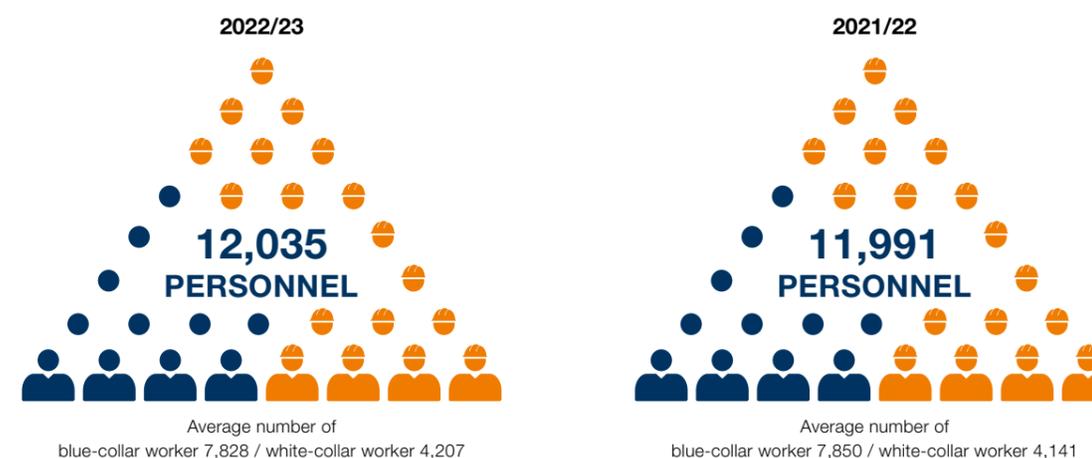
FIGURES IN THOUSAND EUR	2022/23	2021/22
Cost of materials	-820,752	-744,460
Cost of purchased services	-1,298,008	-1,212,582
	<b>-2,118,760</b>	<b>-1,957,042</b>

## (4) Employee benefits expenses

FIGURES IN THOUSAND EUR	2022/23	2021/22
Wages	-357,534	-339,242
Salaries	-285,248	-273,987
Expenses for severance payments and payments into employee welfare funds	-14,978	-16,831
Post-employment benefit costs	-1,956	-1,049
Expenses for mandatory social security contributions and income-based contributions and compulsory contributions	-155,417	-147,623
Voluntary social security expenses	-9,690	-8,987
	<b>-824,823</b>	<b>-787,719</b>

Expenses for severance payments and payments into employee welfare and pension funds contain service costs and interest component of the addition to the provision. The expenses from defined pension schemes are kEUR 12,141 (previous year: kEUR 11,652). In the financial year, government grants of kEUR 1,174 (previous year: kEUR 3,389), mainly quarantine payments, were netted against employee benefits expenses through profit or loss.

The average number of employees is as follows:



## (5) Depreciation and amortisation

Scheduled depreciation and impairments of intangible assets, property, plant and equipment are set out in the statement of changes in fixed assets. As in the previous year, no material impairment losses were recognised on property, plant and equipment in the financial year. As part of the annual impairment test of goodwill (see point 10), no impairments were recorded (previous year: kEUR 701).

## (6) Other operating expenses

FIGURES IN THOUSAND EUR	2022/23	2021/22
Operating taxes	-3,922	-4,243
Fees and charges	-11,806	-11,222
Rentals and leases	-14,210	-15,920
Maintenance and service	-22,094	-19,151
Insurance expenses	-21,754	-18,824
Projects, planning, monitoring	-9,407	-9,276
Vehicle expenses, fleet	-11,640	-14,931
Travel expenses	-16,952	-15,040
Advertising, public relations	-9,772	-8,043
Legal and tax advice, audits	-8,067	-8,843
Currency translation losses	-2,501	-1,062
Other provisions	-15,416	-22,866
Others under EUR 8 mio each	-38,415	-41,291
	<b>-185,956</b>	<b>-190,712</b>

Expenses for research and development result from several specific technical proposals, real projects on the market and the introduction of construction methods and products to the market and were therefore recognised as expenses in their entirety. The remaining other operating expenses include, among other things, expenses for claims, software licenses, liability letter costs and commissions as well as training expenses.

The expenses accrued for the financial year for the group auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft total kEUR 449 (previous year: kEUR 354), of which kEUR 382 (previous year: kEUR 343) result from the audit of the consolidated financial statements (including the financial statements of various affiliated companies) and kEUR 66 (previous year: kEUR 11) result from other services.

## (7) Share of results of associates

FIGURES IN THOUSAND EUR	2022/23	2021/22
Income from associated companies	3,436	4,003
Profit from project consortiums	32,415	32,588
Losses from project consortiums	-2,277	-2,577
	<b>33,574</b>	<b>34,014</b>

## (8) Net income from investments

FIGURES IN THOUSAND EUR	2022/23	2021/22
Income from non-current equity investments	4,143	3,694
Losses from non-current equity investments	-193	-130
	<b>3,950</b>	<b>3,564</b>

## (9) Income tax

Both the taxes on income paid or owed by the various companies and deferred taxes are recognised as taxes on income:

FIGURES IN THOUSAND EUR	2022/23	2021/22
Actual taxes	-48,121	-30,391
Deferred taxes	13,312	-8,678
	<b>-34,809</b>	<b>-39,069</b>

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

FIGURES IN THOUSAND EUR	2022/23	2021/22
Changes to financial instruments	0	65
Changes in actuarial gains and losses	-126	-306
Changes in revaluation reserves of land	-87	657
	<b>-213</b>	<b>416</b>

The causes of the difference between the Austrian group tax rate of 24.75% (previous year: 25%) and the recognised group tax rate are as follows:

FIGURES IN THOUSAND EUR	2022/23	2021/22
<b>Earnings before tax</b>	<b>145,900</b>	<b>147,224</b>
Theoretical tax expenditure of 24.75% (previous year: 25%)	-36,110	-36,806
Differences to foreign tax rates	4,181	5,139
Tax-neutral expenses and income	-4,106	-9,134
Changes in tax rates	-775	1,668
Tax-free investment income / equity measurement of associated companies	1,723	1,462
Changes to estimates of deferred taxes	-264	-273
Aperiodic effects and other non-temporary differences	542	-1,125
<b>Recognised income tax expense</b>	<b>-34,809</b>	<b>-39,069</b>

# CONSOLIDATED BALANCE SHEET

## NOTES ON THE ITEMS

### (10) Intangible assets and property, plant and equipment

The composition and development of the intangible assets, goodwill and property, plant and equipment are set out in the consolidated statement of changes in fixed assets. As in the previous year, no borrowing costs were capitalised in the financial year, as no major qualifying assets were acquired or manufactured.

#### Goodwill

The goodwill on the balance sheet date results from the following mergers:

FIGURES IN THOUSAND EUR	31/3/2023	31/3/2022
Swietelsky Vasuttechnika Kft.	4,458	4,458
Bahnbau Petri Hoch- und Tiefbau Gesellschaft m.b.H.	2,244	2,244
SWIETELSKY stavebni s.r.o.	1,157	1,157
Ing. Baierl Gesellschaft m.b.H.	700	700
Swietelsky Baugesellschaft m.b.H.	565	565
	<b>9,124</b>	<b>9,124</b>

The comparison of the carrying amounts with the recoverable amounts of the cash-generating units as part of the annual impairment test revealed no need for goodwill impairment (previous year: kEUR 701).

For the most significant goodwill, Swietelsky Vasuttechnika Kft., a change in material parameters (WACC and FCF) cannot lead to an underfunding, as the net debt is negative and the negative amount of which exceeds the carrying amount (equity + goodwill). This means that even if the DCF calculation results in an entity value of EUR 0, there is no underfunding.

### Property, plant and equipment

The cumulative amount of the revaluations for the asset group of land, land rights and buildings, including buildings on third-party land, is kEUR 12,376 (previous year: kEUR 11,552) on the balance sheet date. The carrying amount that would result from measurement at amortised cost is kEUR 229,369 (previous year: kEUR 226,809).

The property, plant and equipment were revalued based on the independent appraisal of:

DI Erich Weismann	from 14/2/2022	for Austria
HUNGAVENT Pénzügyi és Befektetési Tanácsadó Kft	from 30/3/2023	for Hungary
SC LOUISIANA SRL	from 31/3/2021	for Romania

### Leases

The development of the rights of use from leases can be found in the consolidated statement of changes in fixed assets. The cash outflows from leases are composed as follows:

FIGURES IN THOUSAND EUR	2022/23	2021/22
Interest expenses for lease liabilities	2,478	2,395
Redemption of lease liabilities	30,278	28,992
Short-term lease expenses	14,210	15,920
<b>Total lease payments</b>	<b>46,966</b>	<b>47,307</b>

As in the previous year, the expenses for low-value leasing contracts are of minor importance.

### Restrictions on disposition / purchase obligations

As in the previous year, no restrictions on disposition or material obligations in connection with the acquisition of fixed assets that are not already accounted for in the consolidated financial statements exist as of the balance sheet date.

## (11) Other financial assets and investments in associates

More detailed information on the group's investments (with shareholdings of over 20%) can be found in the list of investments.

### Disclosures on associated companies

Associated companies are not listed on the stock exchange; the summarised financial information (100%) is as follows:

FIGURES IN THOUSAND EUR	31/3/2023	31/3/2022
Revenue	116,590	95,481
Earnings after tax	6,926	8,639
Other income	9,285	2,727
Total comprehensive income	16,211	11,365
Non-current assets	95,495	95,723
Current assets	29,949	26,148
Non-current liabilities	-61,958	-71,074
Current liabilities	-30,921	-27,443
Net assets	32,565	23,353

### Disclosures on project consortia

Within the group, construction project consortia are classified as joint ventures and their results are recognised under share of results of associates. The table below shows the largest project consortia for the 2022/23 financial year.

Project consortium	(short)	Share in %
Arge ATCOST 21	ATCOST	15.00
Arge SKW Kühtai	SKW	62.00
Arge Tunnel Frörschnitzgraben	ATF	50.00
Arge U2xU5	U2xU5	33.33
Arge Bahntechnik Schwäbische Alb	ABSA	50.00

100% of the financial information has been disclosed.

FIGURES IN THOUSAND EUR	Revenue	Non-current assets	Current assets	thereof cash and cash equivalents	Non-current liabilities	Current liabilities
ATCOST	119,543	0	311,505	7,021	0	311,505
SKW	117,203	55,211	286,403	3,231	0	341,614
ATF	101,167	23,116	69,179	2,747	0	92,295
U2xU5	72,170	5,333	23,013	1,688	0	28,346
ABSA	43,788	3,704	40,441	19,311	0	44,145

In the financial year 2022/23, results from joint ventures in the amount of kEUR 6,111 from the above-mentioned joint ventures are reported in the results of associates.

The table below shows the largest project consortia for the 2021/22 financial year.

Project consortium	(short)	Share in %
Arge ATCOST 21	ATCOST	15.00
Arge Tunnel Frörschnitzgraben	ATF	50.00
Arge Bahntechnik Schwäbische Alb	ABSA	50.00
Arge MTO	MTO	50.00
Arge SKW Kühtai	SKW	62.00

100% of the financial information has been disclosed.

FIGURES IN THOUSAND EUR	Revenue	Non-current assets	Current assets	thereof cash and cash equivalents	Non-current liabilities	Current liabilities
ATCOST	236,125	462	319,187	20,892	0	319,649
ATF	116,647	26,812	69,593	9,541	0	96,405
ABSA	122,999	5,302	41,852	25,101	0	47,154
MTO	47,896	1	13,660	5,454	0	13,661
SKW	117,744	43,179	153,082	513	0	196,261

In the financial year 2021/22, results from joint ventures in the amount of kEUR 20,529 from the above-mentioned joint ventures are reported in the results of associates.

Services of project consortia were engaged as follows in the financial year:

FIGURES IN THOUSAND EUR	31/3/2023	31/3/2022
Services rendered	173,081	142,445
Services received	19,817	17,502
Receivables as of 31 March	60,150	49,219
Liabilities as of 31 March	26,069	16,669

## (12) Inventories

FIGURES IN THOUSAND EUR	31/3/2023	31/3/2022
Raw materials, consumables and supplies	63,439	57,728
Land for development and construction projects	117,203	92,994
Finished products and goods	2,318	3,862
	<b>182,960</b>	<b>154,584</b>

No significant value adjustments were made to the net realisable value of inventories during the financial year. As in the previous year, no borrowing costs were capitalised in the financial year, as no major qualifying assets were acquired or manufactured.

## (13) Trade receivables, other receivables and assets

FIGURES IN THOUSAND EUR	31/3/2023			31/3/2022		
Trade receivables	Total	of which current	of which non-current	Total	of which current	of which non-current
Contract assets	2,461,895	2,461,895	0	2,056,025	2,056,025	0
Advances received	-2,146,765	-2,146,765	0	-1,762,629	-1,762,629	0
	<b>315,130</b>	<b>315,130</b>	<b>0</b>	<b>293,396</b>	<b>293,396</b>	<b>0</b>
Other trade receivables	191,225	188,425	2,800	174,123	171,012	3,111
Receivables from project consortia	60,150	60,150	0	49,219	49,219	0
	<b>566,505</b>	<b>563,705</b>	<b>2,800</b>	<b>516,738</b>	<b>513,627</b>	<b>3,111</b>
<i>of which financial assets</i>	<i>251,375</i>	<i>248,575</i>	<i>2,800</i>	<i>223,342</i>	<i>220,231</i>	<i>3,111</i>
<i>of which non-financial assets</i>	<i>315,130</i>	<i>315,130</i>	<i>0</i>	<i>293,396</i>	<i>293,396</i>	<i>0</i>

The contract assets comprise the right to payment from construction contracts as well as from project developments for the work performed by the reporting date. If the advances received exceed the payment rights, presentation is made under contract liabilities. In the financial year, as well as in the previous year, no costs of contract initiation or contract satisfaction were capitalised as separate assets.

In the financial year 2022/23, revenue was recognised in the amount of kEUR 97,033 (previous year: kEUR 129,182) that had been contained under contract liabilities at the beginning of the financial year. As at 31 March 2023, there

are unsatisfied performance obligations (order backlog) in the amount of kEUR 2,963,940 (previous year: kEUR 3,248,349). The recognition of revenue from these performance obligations is expected with kEUR 2,260,601 (previous year: kEUR 2,251,671) in the following financial year and with kEUR 703,339 (previous year: kEUR 996,678) in the next five financial years.

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

FIGURES IN THOUSAND EUR	31/3/2023			31/3/2022		
Other receivables and assets	Total	of which current	of which non-current	Total	of which current	of which non-current
Receivables from affiliated companies	313	313	0	1,373	1,373	0
Receivables from associated companies	4,145	205	3,940	4,132	192	3,940
Receivables from other non-current investees and investors	12,671	9,106	3,565	12,143	9,220	2,923
Other receivables and prepaid expenses	52,032	47,866	4,166	52,034	49,246	2,788
	<b>69,161</b>	<b>57,490</b>	<b>11,671</b>	<b>69,682</b>	<b>60,031</b>	<b>9,651</b>
<i>of which financial assets</i>	<i>49,363</i>	<i>37,692</i>	<i>11,671</i>	<i>46,885</i>	<i>37,285</i>	<i>9,600</i>
<i>of which non-financial assets</i>	<i>19,798</i>	<i>19,798</i>	<i>0</i>	<i>22,797</i>	<i>22,746</i>	<i>51</i>

The valuation allowances on other trade receivables were as follows in the financial year:

FIGURES IN THOUSAND EUR	2022/23	2021/22
As of 1 April	39,246	46,755
Currency translation	35	173
Addition/utilisation/release	3,859	-7,682
<b>As of 31 March</b>	<b>43,140</b>	<b>39,246</b>
Trade receivables before valuation allowance	609,645	555,984
Valuation allowances	-43,140	-39,246
<b>Carrying amount on 31 March</b>	<b>566,505</b>	<b>516,738</b>

The individual valuation allowances consist of numerous individual items, none of which is considered significant on its own. No significant valuation allowances existed for other financial receivables and other financial assets on the balance sheet date.

#### (14) Cash and cash equivalents

FIGURES IN THOUSAND EUR	31/3/2023	31/3/2022
Securities	13,460	19,790
Cash-in-hand, bank balances	339,467	387,940
	<b>352,927</b>	<b>407,730</b>

#### (15) Deferred taxes

Due to the currently applicable tax provisions, it can be assumed that differences between the amount of the equity interest and the proportional equity of subsidiaries included in the consolidated financial statements resulting from accumulated profits will essentially remain tax-free. As there is also no intent to sell, under IAS 12.39 no tax deferral was carried out.

Deferred taxes on loss carryforwards were capitalised in so far as they can likely be offset against taxable profits in the future. Tax write-downs on investments must be spread over a period of seven years in accordance with the Austrian Corporation Tax Act (KStG). The deferred taxes on open depreciation (one-seventh) of kEUR 533 (previous year: kEUR 341) are reported in the deferred tax assets from non-current assets.

Temporary differences between the valuation of the balance sheet items in the IFRS financial statements and the existing tax value have the following effects on deferred taxes recognised in the balance sheet:

FIGURES IN THOUSAND EUR	31/3/2023		31/3/2022	
	Assets	Liabilities	Assets	Liabilities
Non-current assets	560	30,625	259	23,110
Current assets	1,090	17,050	1,847	15,912
	<b>1,650</b>	<b>47,675</b>	<b>2,106</b>	<b>39,022</b>
Non-current liabilities	25,150	0	6,583	0
Current liabilities	15,842	9,237	17,422	14,733
Tax losses carried forward	62	0	423	0
<b>Deferred tax assets and liabilities</b>	<b>42,704</b>	<b>56,912</b>	<b>26,534</b>	<b>53,755</b>
Offsetting of deferred tax assets and liabilities with the same tax authority	-29,341	-29,341	-14,487	-14,487
<b>Deferred taxes offset</b>	<b>13,363</b>	<b>27,571</b>	<b>12,047</b>	<b>39,268</b>

#### (16) Equity

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

The revaluation reserve consists of the change in the fair value measurement of securities and the differences from the revaluation of the asset group of land, land rights and buildings, including buildings on third-party land.

The development of revaluation reserve in the financial year is shown below:

FIGURES IN THOUSAND EUR	2022/23			2021/22		
	Total	of which Securities	of which Land	Total	of which Securities	of which Land
As of 1 April	9,838	0	9,838	10,842	0	10,842
Differences arising from currency translation	-129	0	-129	-87	0	-87
Changes in revaluation reserves	-351	-1,315	964	-1,574	0	-1,574
Deferred taxes on neutral changes in equity	-87	0	-87	657	0	657
<b>As of 31 March</b>	<b>9,271</b>	<b>-1,315</b>	<b>10,586</b>	<b>9,838</b>	<b>0</b>	<b>9,838</b>

**(17) Provisions**

FIGURES IN THOUSAND EUR	Balance as of 1/4/2022	Currency translation	Changes to the basis of consolidation	Additions	Reversal	Utilisation	Balance as of 31/3/2023
<b>Provision for:</b>							
Severance payments	29,156	0	0	2,533	0	4,989	26,700
Pensions	189	0	0	12	53	6	142
Other	262	-5	0	36	0	0	293
<b>Non-current provisions</b>	<b>29,607</b>	<b>-5</b>	<b>0</b>	<b>2,581</b>	<b>53</b>	<b>4,995</b>	<b>27,135</b>
Taxes	35,805	68	0	34,484	2,188	31,303	36,866
Other:							
Construction-related	76,048	355	0	58,957	6,152	24,312	104,896
Other	48,506	7	0	6,881	238	949	54,207
<b>Current provisions</b>	<b>160,359</b>	<b>430</b>	<b>0</b>	<b>100,322</b>	<b>8,578</b>	<b>56,564</b>	<b>195,969</b>
<b>Total</b>	<b>189,966</b>	<b>425</b>	<b>0</b>	<b>102,903</b>	<b>8,631</b>	<b>61,559</b>	<b>223,104</b>

FIGURES IN THOUSAND EUR	Balance as of 1/4/2021	Currency translation	Changes to the basis of consolidation	Additions	Reversal	Utilisation	Balance as of 31/3/2022
<b>Provision for:</b>							
Severance payments	34,568	0	0	2,041	0	7,453	29,156
Pensions	221	0	0	12	33	11	189
Other	124	0	0	150	12	0	262
<b>Non-current provisions</b>	<b>34,913</b>	<b>0</b>	<b>0</b>	<b>2,203</b>	<b>45</b>	<b>7,464</b>	<b>29,607</b>
Taxes	32,005	114	0	21,048	1,965	15,397	35,805
Other:							
Construction-related	79,856	735	0	36,592	14,620	26,515	76,048
Other	18,263	7	0	30,478	98	144	48,506
<b>Current provisions</b>	<b>130,124</b>	<b>856</b>	<b>0</b>	<b>88,118</b>	<b>16,683</b>	<b>42,056</b>	<b>160,359</b>
<b>Total</b>	<b>165,037</b>	<b>856</b>	<b>0</b>	<b>90,321</b>	<b>16,728</b>	<b>49,520</b>	<b>189,966</b>

The development of the provisions for severance payments is shown below:

FIGURES IN THOUSAND EUR	2022/23	2021/22
Present value of the defined benefit obligation (DBO) on 1 April	29,156	34,568
Service cost	2,469	4,507
Interest expense	560	345
Severance payments	-4,989	-8,967
Actuarial gains and losses	-496	-1,297
<b>Present value of the defined benefit obligation (DBO) on 31 March</b>	<b>26,700</b>	<b>29,156</b>

The amount of provisions for severance payments is calculated using actuarial methods on basis of the pension tables set out in AVOE 2018-P (employees). A discount rate of 4.00% (previous year: 1.94%) and a salary-related promise of salary increase of 4.50% (previous year: 2.75%) was used as the basis. In the financial year 2022/23, as in

the previous year, all actuarial losses resulted from financial assumptions – none were caused by demographic assumptions. On the balance sheet date, severance payment obligations had a weighted duration of approximately 10 years (previous year: 11 years).

In the following sensitivity analysis, effects of changes in the essential parameters on the carrying amounts are described:

Changes	Parameters			DBO
Interest rate	-1.00%	+1.00%	+10.70%	-9.30%
Salary increase	-0.50%	+0.50%	-4.80%	+5.10%

The development of provisions for pensions is shown below:

FIGURES IN THOUSAND EUR	2022/23	2021/22
Present value of the defined benefit obligation (DBO) on 1 April	189	221
Service cost	8	9
Interest expense	4	3
Pension payments	-6	-10
Actuarial gains and losses	-53	-34
<b>Present value of the defined benefit obligation (DBO) on 31 March</b>	<b>142</b>	<b>189</b>

The amount of provisions for pensions is calculated using actuarial methods based on the pension tables set out in AVOE 2018-P (employees). A discount rate of 4.09% (previous year: 2.10%) and an increase in the pension commitment of 1.00% (previous year: 1.00%) was used as the basis. In the 2022/23 financial year, as in the previous year, all actuarial losses resulted from financial assumptions – none were caused by demographic assumptions. On the balance sheet date, the DBO had a weighted duration of approximately 15 years (previous year: 17 years).

The pension provision is formed for obligations from entitlements and ongoing payments to active and former employees and their survivors. Obligations mainly concern retirement pensions. Individual commitments are normally based on the length of service of the employee on the date of the commitment (including the employee's position and remuneration). No new commitments have been entered since 1993. The company pension scheme consists of an unfunded defined-benefit pension system. Defined-benefit pension plans oblige the company to render promised services to active and former employees.

In the following sensitivity analysis, effects of changes in essential parameters on the carrying amounts are described:

Changes	Parameters			DBO
	-1.00%	+1.00%	+15.90%	
Interest rate	-1.00%	+1.00%	+15.90%	-12.90%
Pension increase	-0.25%	+0.25%	-2.50%	+2.60%

Construction-related provisions essentially contain provisions for guarantee obligations, contingent losses, obligations from remaining and subsequent work and costs of litigation.

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.

## (18) Liabilities and other liabilities

Financial liabilities	31/3/2023			31/3/2022		
	Total	of which current	of which non-current	Total	of which current	of which non-current
Liabilities to banks	17,320	3,691	13,629	20,166	3,359	16,807
Lease liabilities	140,649	35,660	104,989	112,561	26,517	86,044
	<b>157,969</b>	<b>39,351</b>	<b>118,618</b>	<b>132,727</b>	<b>29,876</b>	<b>102,851</b>

No physical securities were supplied to safeguard liabilities to banks and insurers.

# NOTES ON THE CASH FLOW STATEMENT

FIGURES IN THOUSAND EUR

31/3/2023

31/3/2022

Trade payables	Total	of which current	of which non-current	Total	of which current	of which non-current
Contract liabilities	-566,595	-566,595	0	-644,363	-644,363	0
Advances received	675,319	675,319	0	797,976	797,976	0
	108,724	108,724	0	153,613	153,613	0
Other trade payables	460,574	429,223	31,351	449,591	412,375	37,216
Liabilities to project consortia	26,069	26,069	0	16,669	16,669	0
	595,367	564,016	31,351	619,873	582,657	37,216
<i>of which financial liabilities</i>	486,643	455,292	31,351	466,260	429,044	37,216
<i>of which non-financial assets</i>	108,724	108,724	0	153,613	153,613	0
<b>Other liabilities</b>						
Liabilities to affiliated companies	993	993	0	854	854	0
Liabilities to associated companies	5,557	5,557	0	518	518	0
Liabilities from other non-current investees and investors	1,013	1,013	0	1,178	1,178	0
Other liabilities	186,713	166,194	20,519	173,333	152,199	21,134
	194,276	173,757	20,519	175,883	154,749	21,134
<i>of which taxes</i>	23,021	23,021	0	18,645	18,645	0
<i>of which social security</i>	11,670	11,670	0	7,997	7,997	0
<i>of which personnel-related liabilities</i>	127,557	113,255	14,302	128,619	113,177	15,442
<i>of which financial liabilities</i>	24,038	20,672	3,366	17,981	14,236	3,745
<i>of which non-financial liabilities</i>	170,238	153,085	17,153	157,902	140,513	17,389

The cash flow statement was generated using the indirect method, and is separated into cash flows resulting from business, investment and financing activities. The effects of changes to the scope of consolidation have been eliminated and are recognised in the cash flow from investment activities.

## (19) Cash and cash equivalents

FIGURES IN THOUSAND EUR	31/3/2023	31/3/2022
Liquid funds (Cash-in-hand, bank balances)	339,467	387,940
Other Securities	13,460	19,790
<b>Cash and cash equivalents</b>	<b>352,927</b>	<b>407,730</b>

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

FIGURES IN THOUSAND EUR	2022/23	2021/22
Interest paid	3,304	3,333
Interest received	5,361	1,559
Tax paid	33,430	29,470

# NOTES ON THE FINANCIAL INSTRUMENTS AND ON CAPITAL MANAGEMENT

The SWIETELSKY Group holds primary financial instruments, essentially non-current financial assets, trade receivables, bank balances, financial liabilities and trade payables. The list of primary financial instruments can be found in the balance sheet.

## (20) Financial instruments, financial risk and capital management

Financial assets and liabilities at the balance sheet date are as follows:

### ASSETS

FIGURES IN THOUSAND EUR	Category to IFRS 9	Carrying amount 31/3/2023	Carrying amount 31/3/2022
<b>Assets not measured at fair value:</b>			
Other financial assets	AC	17,104	16,867
Loans	AC	5,546	5,986
Trade receivables	AC	251,375	223,342
Other financial receivables	AC	49,363	46,885
Cash-in-hand, bank balances	AC	339,467	387,940
<b>Assets measured at fair value:</b>			
Securities	FVOCI	36,610	0
Securities	FVPL	32,963	19,790
<b>Total financial assets</b>		<b>732,428</b>	<b>700,810</b>

### LIABILITIES

FIGURES IN THOUSAND EUR	Category to IFRS 9	Carrying amount 31/3/2023	Carrying amount 31/3/2022
<b>Liabilities not measured at fair value:</b>			
Financial liabilities	AC	157,969	132,727
Trade payables	AC	486,643	466,260
Other financial liabilities	AC	23,865	17,981
<b>Liabilities measured at fair value:</b>			
Derivatives	FVPL	173	0
<b>Total financial obligations</b>		<b>668,650</b>	<b>616,968</b>
	AC	-5,622	64,052
	FVPL	32,790	19,790
	FVOCI	36,610	0

Amortised Cost (AC)  
 Fair Value through Profit & Loss (FVPL)  
 Fair Value Other Comprehensive Income (FVOCI)

The net result from financial instruments by class or category is composed as follows:

FIGURES IN THOUSAND EUR	AC	FVOCI	FLAC	FVPL	Total
<b>2022/23</b>					
Interest and similar income/expenses	6,301	0	-3,777	247	2,771
Impairment losses and reversal of impairment losses	-3,894	0	0	0	-3,894
Fair value measurement	0	0	0	824	824
Results from disposal	0	0	0	-164	-164
<b>Net result</b>	<b>2,407</b>	<b>0</b>	<b>-3,777</b>	<b>907</b>	<b>-463</b>
<b>2021/22</b>					
Interest and similar income/expenses	1,981	0	-4,045	0	-2,064
Impairment losses and reversal of impairment losses	7,509	0	0	0	7,509
Fair value measurement	0	192	0	-80	112
Results from disposal	0	0	0	0	0
<b>Net result</b>	<b>9,490</b>	<b>192</b>	<b>-4,045</b>	<b>-80</b>	<b>5,557</b>

Amortised Cost (AC)  
Fair Value through Profit & Loss (FVPL)  
Fair Value Other Comprehensive Income (FVOCI)  
Financial Liabilities at Amortised Cost (FLAC)

Dividends and expenses from investments recognised as investment income are not a component of the net result. Impairments, reversals of impairment losses and results of financial assets and liabilities at amortised cost are recognised in other operating income and other operating expenses.

#### Principles of financial risk management

The SWIETELSKY Group faces credit, market and liquidity risks in connection with its assets, liabilities and scheduled transactions. The goal of financial risk management is to control and limit these risks.

Principles of financial risk management are defined by the management and monitored by the supervisory board. The group treasury and the decentralised treasury units are responsible for implementing financial risk management. Individual risks are minimised by means of derivative financial instruments. The use of derivative financial instruments by the group is subject to corresponding approval and control procedures.

#### Interest rate risk

Essentially, interest rate risk results from bank balances and liabilities to banks which are subject to variable interest rates. This is because the risk exists in rising interest costs or falling interest received resulting from an adverse change in market interest rates.

#### Bank balances

FIGURES IN THOUSAND EUR	Carrying amount 31/3/2023	Average interest rate *) 2022/23	Carrying amount 31/3/2022	Average interest rate 2021/22
variable interest				
EUR	199,406	0.86%	231,012	0.01%
HUF	67,087	0.19%	75,326	0.00%
RON	21,327	2.79%	22,290	0.00%
CZK	18,944	3.83%	29,679	0.55%
GBP	7,971	0.59%	6,106	0.01%
PLN	18,724	0.44%	12,691	0.62%
DKK	2,252	0.00%	2,228	-0.50%
Other	3,756	0.05%	8,608	0.01%
	<b>339,467</b>		<b>387,940</b>	

\*) In the case of short-term investments (time deposits), higher interest rates have been achieved.

#### Liabilities to banks

FIGURES IN THOUSAND EUR	Carrying amount 31/3/2023	Average interest rate 2022/23	Carrying amount 31/3/2022	Average interest rate 2021/22
variable interest				
AUD	2,461	3.70%	4,048	1.93%
Other	167	1.01%	21	0.00%
	<b>2,628</b>		<b>4,069</b>	
fixed interest				
AUD	4,922	2.60%	6,298	2.60%
GBP	8,372	1.86%	9,799	1.86%
EUR	925	3.78%	0	0.00%
CZK	473	6.21%	0	0.00%
	<b>14,692</b>		<b>16,097</b>	
	<b>17,320</b>		<b>20,166</b>	

If the market interest rate on 31 March 2023 were 50 basis points higher, the earnings after tax and equity would have been kEUR 1,267 (previous year: kEUR 1,403) higher. A drop in the market interest rate by 50 basis points would have caused an equal reduction in earnings after tax and equity.

Calculations were made based on these financial assets and liabilities on the balance sheet date. It was assumed that the risk on the balance sheet date essentially represents the risk during the financial year. In the analysis, all other variables – especially exchange rates – are assumed to be constant. 24.75% is used as the tax rate.

#### Foreign exchange risk

Essentially, risk results from bank balances, liabilities to banks in foreign currencies and trade payables and receivables in Euros in connection with subsidiaries whose functional currencies are not the Euro. However, the decentralised structure of the group means that most foreign currency items are naturally closed because most receivables and liabilities from business activities are recognised in the same currency. The credit financing and assessment of the group companies mainly took place in the currency of the country in question.

A 10% appreciation or devaluation of the Euro on 31 March 2023 would have resulted in a change in earnings after tax and equity of kEUR 2,236 (previous year: kEUR 1,963).

Calculations were carried out based on the portfolio of financial assets and liabilities on the balance sheet date. Foreign exchange risks from Euro items in subsidiaries whose currencies are not the Euro were attributed to the foreign exchange risk of the functional currency of each subsidiary. Differences caused by the translation of financial statements into the group currency because of the exchange rates have not been changed. In the analysis, all other variables – especially interest rates – are assumed to be constant. 24.75% is used as the tax rate.

In the financial year 2018/19, SWIETELSKY concluded foreign currency forward transactions in GBP in the amount of kEUR 22,067 for hedging future payments, in the period from 2019 to 2021, and designated them as a cash flow hedge. In the 2021/22 financial year, changes in value of kEUR 192 and deferred taxes in the amount of kEUR -65 were recognised in equity.

#### Credit risk

Due to the wide dispersion of and ongoing credit checks on our customers, credit risk of receivables from customers can be classified as low. Likewise, the default risk for the other primary financial instruments recognised as assets is to be considered low as the financial partners of the group are all financial institutes with the highest levels of credit-worthiness. The carrying amounts of the financial assets classed as assets represent the maximum default risk.

Receivables from contract assets of kEUR 315,130 (previous year: kEUR 293,396) and receivables from project consortia amounting to kEUR 60,150 (previous year: kEUR 49,219) relate to ongoing construction projects and are therefore largely not yet due. From the other receivables from deliveries and services in the amount of kEUR 191,225 (previous year: kEUR 174,123), only a negligible amount is overdue and not impaired.

Additionally, as is standard in the industry, project consortia in which companies of the SWIETELSKY Group hold 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 128,394 (previous year: kEUR 138,273) on 31 March 2023. Additionally, a derived credit risk of kEUR 3,828 (previous year: kEUR 3,570) resulting from the liabilities for associated companies and other investments assumed through payment guarantees.

#### Performance of the major group currencies

Currency:		Closing rate		Average rate of exchange	
		31/3/2023 1 Euro =	31/3/2022 1 Euro =	2022/23 1 Euro =	2021/22 1 Euro =
Australian dollar	AUD	1.6254	1.4820	1.5274	1.5722
Swiss franc	CHF	0.9982	1.0265	0.9938	1.0647
Czech crown	CZK	23.5120	24.4450	24.2979	25.2698
Danish crown	DKK	7.4486	7.4382	7.4405	7.4377
British pound	GBP	0.8791	0.8450	0.8645	0.8502
Croatian kuna	HRK	-	7.5720	-	7.5221
Hungarian forint	HUF	380.3000	370.6000	396.9033	360.0867
Norwegian crown	NOK	11.3660	9.6990	10.4126	10.0781
Polish zloty	PLN	4.6790	4.6580	4.7030	4.5950
Romanian leu	RON	4.9491	4.9470	4.9296	4.9392
Swedish crown	SEK	11.2710	10.3360	10.8477	10.2373

#### Other market price risks

Besides foreign exchange and interest rate risks, the SWIETELSKY Group is exposed to other price risks resulting from financial assets and liabilities, which are however of lesser significance to the group.

### Liquidity risks

A major goal of financial risk management in the SWIETELSKY Group is always to ensure liquidity and financial flexibility. For this purpose, a liquidity reserve has been organised in the form of unused credit lines (cash and guarantee credit), and in the form of cash reserves, if necessary, at creditworthy banks. Most of these unused credit lines have a term of up to 12 months and are continuously prolonged. The group's liquidity needs in the medium and long terms are ensured by bank loans.

The following contractually agreed payment obligations will result from the financial liabilities (interest and amortisation payments) in the coming years:

FIGURES IN THOUSAND EUR	Carrying amount 31/3/2023	Cash flows 1/4/2023 – 31/3/2024	Cash flows 1/4/2024 – 31/3/2028	Cash flows from 1/4/2028
Liabilities to banks	17,320	3,691	10,423	4,086
Lease liabilities	140,649	39,716	77,786	44,241
Trade payables	595,367	564,016	31,351	0
Other financial liabilities	24,038	20,672	3,366	0
	<b>777,374</b>	<b>628,095</b>	<b>122,926</b>	<b>48,327</b>

FIGURES IN THOUSAND EUR	Carrying amount 31/3/2022	Cash flows 1/4/2022 – 31/3/2023	Cash flows 1/4/2023 – 31/3/2027	Cash flows from 1/4/2027
Liabilities to banks	20,166	3,359	11,461	6,357
Lease liabilities	112,561	28,709	65,278	33,355
Trade payables	619,873	582,657	37,216	0
Other financial liabilities	17,981	14,236	3,745	0
	<b>770,581</b>	<b>628,961</b>	<b>117,700</b>	<b>39,712</b>

Interest payments were calculated based on the most recently fixed interest rates on or before 31 March 2023 and 31 March 2022. Planned figures for new liabilities in the future are not included. Financial liabilities that can be repaid at any time are always allocated to the earliest maturity bucket.

### Fair value hierarchy

The following tables list the financial assets and liabilities measured at fair value and the financial assets and liabilities not measured at fair value by their valuation methods in line with the three-level fair value hierarchy of the IFRS. The various levels reflect the significance of the input factors used for the measured and are defined as follows:

**Level 1:** Level 1 inputs are quoted prices in active markets for identical assets or liabilities. SWIETELSKY Group currently holds bonds, investment funds, shares and derivatives that are attributable to this Level and whose fair value matches the market or calculated value.

**Level 2:** Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as a price) or indirectly (i.e. derived from prices). Liability insurance measured at the redemption value of the reserve on the balance sheet date is attributable to this level.

**Level 3:** Level 3 inputs are input factors for the asset or liability which are not based on observable market data (unobservable input factors). In so far as relevant, non-current financial assets, bonds, liabilities to banks and lease liabilities are assigned to this level if no market prices are available. The fair values are calculated using the discounted cash flow method and therefore represent the present values of the associated payments with consideration for the current market parameters (especially interest rates, exchange rates, the creditworthiness of the counterparty in connection with receivables and the default risk in connection with liabilities).

If the input factors used to determine the fair value of a financial asset or financial liability can be assigned to various levels of the fair value hierarchy, the entire measurement at fair value will be assigned to the level of the fair value hierarchy corresponding to the lowest essential input factor for the measurement.

The Group recognises reclassifications between the various levels of the fair value hierarchy at the end of the reporting period in which the change took place. No reclassifications between levels were carried out during the financial year.

**Carrying amounts, fair values and fair value hierarchy of the financial assets and financial liabilities measured at fair value**

FIGURES IN THOUSAND EUR	31/3/2023	Carrying amount	Fair Value	Level 1	Level 2	Level 3
<b>ASSETS</b>						
Securities		69,573	69,573	69,312	261	0
<b>LIABILITIES</b>						
Derivatives		173	173	173	0	0

FIGURES IN THOUSAND EUR	31/3/2022	Carrying amount	Fair Value	Level 1	Level 2	Level 3
<b>ASSETS</b>						
Securities		19,790	19,790	19,546	244	0

The derivatives shown result from the full consolidation of the special fund, which occasionally concludes interest rate hedges as part of its ongoing investments.

**Carrying amounts, fair values and fair value-hierarchy of the financial assets and financial liabilities not measured at fair value**

The cash and cash equivalents, trade receivables, other financial receivables, trade payables and other financial liabilities have mostly short residual terms. The financial liabilities essentially are subject to variable interest rates. Therefore, with these financial instruments the management assumes that the carrying amount is a reasonable approximation of the fair value.

**Offsetting of financial assets and financial liabilities**

In the SWIETELSKY Group, financial assets and financial liabilities are not offset against one another in the balance sheet.

**Capital management**

The goal of capital management is to achieve a strong capital basis that continues to generate a rate of return for the shareholders that matches the risk situation of the Group, supports the future development of the Group and can be put to good use for other interest groups as well. The management exclusively considers the booked equity as capital in accordance with IFRS. The equity ratio on the balance sheet date was around 37% (previous year: 35%).

The capital management strategy of the Group aims for the Group companies to have a large enough equity base to meet the local requirements. All external capital requirements were met in the reporting year.

**(21) Disclosure of business segments**

**Division of segments**

The segments are divided based on internal reporting (the management approach). As the construction market is highly region-based, SWIETELSKY is mainly run from a regional perspective. The Group's internal organisational and management structures, and therefore also the internal reports, follow these regional divisions and are therefore reported to the chief operating decision maker.

The operative business of the SWIETELSKY Group is split into five segments: Austria, Germany, Hungary, Czech Republic and other countries. The segment entitled other countries contains Romania, Croatia, Slovakia, Poland, Latvia, Great Britain, Switzerland, Norway, the Netherlands, Denmark, Sweden and Australia. The segments are defined by the country in which the headquarters of the company are located. The services within and between the segments are billed at market prices.

The following construction output were rendered in the segments:

	Austria	Germany	Hungary	Czech Republic	Other countries
Road construction					
Railway construction					
Building construction					
Civil engineering					
Tunnel construction		x	x	x	x

**Segment report**

The disclosure of business segments takes place based on internal reporting and is further reconciled to the revenue and EBT of the individual business segments. External construction output are services rendered in the segment in question with no internal cost allocation. The segment investments contain additions to intangible assets, property, plant and equipment and non-current financial assets. No segment assets have been disclosed as this is not a component of regular management reports.

**Information on major customers**

In the same way as last year, no external customer generated more than 10% of the Group's turnover.

## SEGMENT INFORMATION 2022/23

FIGURES IN THOUSAND EUR	Austria	Germany	Hungary	Czech Republic	Other countries	Consolidation	Group
Construction output	2,105,055	375,930	261,409	405,042	428,362	0	3,575,798
Reconciliation with IFRS financial statements							-277,490
Revenue	2,014,875	368,340	287,973	417,096	420,479	-210,455	3,298,308
Segment result	83,967	18,286	21,019	20,789	8,443	0	152,504
<i>Included in the segment result:</i>							
Interest income	6,273	191	2,309	1,366	528		
Interest expense	-3,594	-716	-170	-491	-794		
Depreciation and amortisation	-46,754	-11,318	-3,340	-6,014	-8,430		
Share of results of associates	31,993	3,534	0	0	657		
Reconciliation with IFRS financial statements							-6,604
Earnings before tax (EBT)	120,045	23,240	20,475	18,504	11,854	-48,218	145,900
Investments	204,239	16,806	5,113	21,776	7,304	0	255,238
Order backlog	1,658,537	310,075	159,114	245,443	590,771	0	2,963,940

## SEGMENT INFORMATION 2021/22

FIGURES IN THOUSAND EUR	Austria	Germany	Hungary	Czech Republic	Other countries	Consolidation	Group
Construction output	2,080,369	392,469	275,231	377,106	290,244	0	3,415,419
Reconciliation with IFRS financial statement							-296,854
Revenue	1,942,385	370,540	309,002	395,759	293,909	-193,030	3,118,565
Segment result	88,899	15,156	28,285	23,751	4,782	0	160,873
<i>Included in the segment result:</i>							
Interest income	4,709	66	111	234	72		
Interest expense	-2,584	-745	-119	-172	-647		
Depreciation and amortisation	-46,236	-11,553	-3,602	-5,210	-8,371		
Share of results of associates	29,802	5,309	0	0	326		
Reconciliation with IFRS financial statements							-13,649
Earnings before tax (EBT)	112,396	21,333	27,456	21,260	7,539	-42,760	147,224
Investments	81,450	16,810	3,142	24,178	12,926	0	138,506
Order backlog	1,996,529	229,095	264,083	257,356	501,286	0	3,248,349

The major reconciliation items are the result of unconsolidated companies, project consortia and IFRS measurements.

Reconciliation of the construction output with revenue:

FIGURES IN THOUSAND EUR	2022/23	2021/22
Other non-current equity investments, project consortia	-270,459	-302,339
IFRS measurements	-7,031	5,485
<b>Reconciliation</b>	<b>-277,490</b>	<b>-296,854</b>

Reconciliation of the segment result with earnings before tax (EBT):

FIGURES IN THOUSAND EUR	2022/23	2021/22
Investment income	-5,652	-2,056
IFRS measurements	-952	-11,593
<b>Reconciliation</b>	<b>-6,604</b>	<b>-13,649</b>

**(22) Disclosures on related parties**

The services rendered essentially include construction work by the Group at standard market conditions for various related parties.

Dr. Norbert Nagele (Vice-chairman of the supervisory board until 31/3/2023) is a partner of the office HASLINGER/NAGELE & PARTNER RECHTSANWÄLTE GMBH which renders consultancy services for the group at standard market rates.

FIGURES IN THOUSAND EUR	Services rendered		Receivables	
	2022/23	2021/22	31/3/2023	31/3/2022
Thumersbacher Geräteverleih GmbH	858	1,821	0	382
Catharine Brustmann	0	1,837	0	83
Other	262	22	0	0

FIGURES IN THOUSAND EUR	Services received		Liabilities	
	2022/23	2021/22	31/3/2023	31/3/2022
HASLINGER/NAGELE & PARTNER RECHTSANWÄLTE GMBH	146	84	0	2
Other	16	4	0	0

As of the balance sheet date, there were no offset claims or obligations to the shareholders due to advance profits.

**(23) Notes on the Management and Supervisory Boards****Management Board**

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)

**Supervisory Board**

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)

Salary expenses include the total remuneration of the Management Board, short-term benefits, in the amount of kEUR 10,685 (previous year: kEUR 10,691). The severance payments, post-employment benefits, for Management Board members amount to kEUR 1,480 (previous year: kEUR 2,975). Remuneration of kEUR 629 (previous year: kEUR 623) was granted to the members of the Supervisory Board.

**(24) Date of approval for publication**

In Austrian companies organised as corporations limited by shares, the consolidated financial statements prepared by the Management Board are approved by the Supervisory Board. The meeting of the supervisory board of Swietelsky AG to approve the consolidated financial statements of 31 March 2023 will take place on 25 July 2023.

**(25) Extraordinary events after the closing of the financial year**

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

Linz, 7 July 2023  
Management Board

  
**DI DR. PETER KRAMMER**  
CEO

  
**HARALD GINDL, MBA**  
CFO

  
**DIPL.-ING. KLAUS BLECKENWEGNER**  
COO International

  
**PETER GAL**  
COO Railway construction

  
**AUGUST WEICHELBAUMER**  
COO Austria

# CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

AS OF 31 MARCH 2023

FIGURES IN THOUSAND EUR	Historical costs							Cumulative depreciation					Carrying amounts		
	As of 1/4/2022	Changes to the basis of consoli- dation	Currency translation	Reclassifi- cations	Additions	Disposals	As of 31/3/2023	As of 1/4/2022	Currency translation	Reclassifi- cations	Additions	Disposals	As of 31/3/2023	As of 31/3/2023	As of 31/3/2022
<b>I. Intangible assets:</b>															
1. Software and licences	19,727	944	2	202	354	151	21,079	14,938	0	0	3,090	149	17,879	3,199	4,789
2. Goodwill	12,009	0	0	0	0	2,885	9,124	2,885	0	0	0	2,885	0	9,124	9,124
3. Prepayments	36	0	0	-54	22	0	4	0	0	0	0	0	0	4	36
	<b>31,772</b>	<b>944</b>	<b>2</b>	<b>148</b>	<b>377</b>	<b>3,036</b>	<b>30,207</b>	<b>17,823</b>	<b>0</b>	<b>0</b>	<b>3,090</b>	<b>3,034</b>	<b>17,879</b>	<b>12,328</b>	<b>13,949</b>
<b>II. Property, plant and equipment:</b>															
1. Land, land rights and buildings, including buildings on third-party land (basic value kEUR 75,489; previous year: kEUR 70,219)	314,277	0	268	3,093	16,231	6,374	327,495	75,916	101	-3	13,372	3,635	85,750	241,745	238,361
<i>thereof Right of use Assets IFRS 16</i>	60,618	0	-60	-5	8,883	4,668	64,768	14,997	-52	-63	7,105	2,853	19,133	45,635	45,621
2. Technical equipment and machinery	653,084	0	-2,821	4,170	91,067	20,027	725,473	418,983	-1,212	-8,366	63,134	17,481	455,059	270,413	234,100
<i>thereof Right of use Assets IFRS 16</i>	43,642	0	-805	3,019	32,259	3,542	74,572	13,561	-265	1,117	7,041	3,542	17,913	56,659	30,080
3. Other equipment, operating and office equipment	159,238	38	737	17,016	30,330	13,457	193,902	90,998	373	8,370	24,681	12,609	111,812	82,090	68,241
<i>thereof Right of use Assets IFRS 16</i>	66,108	0	315	374	19,879	9,445	77,231	30,017	158	220	15,984	9,171	37,208	40,023	36,092
4. Assets under construction	38,922	0	496	-24,427	31,186	26,593	19,584	0	0	0	0	0	0	19,584	38,922
	<b>1,165,521</b>	<b>38</b>	<b>-1,320</b>	<b>-148</b>	<b>168,813</b>	<b>66,451</b>	<b>1,266,453</b>	<b>585,898</b>	<b>-737</b>	<b>0</b>	<b>101,187</b>	<b>33,725</b>	<b>652,622</b>	<b>613,832</b>	<b>579,624</b>
<i>thereof Right of use Assets IFRS 16</i>	170,368	0	-550	3,387	61,021	17,655	216,571	58,575	-158	1,274	30,130	15,567	74,254	142,317	111,793
	<b>1,197,293</b>	<b>982</b>	<b>-1,318</b>	<b>0</b>	<b>169,190</b>	<b>69,487</b>	<b>1,296,661</b>	<b>603,721</b>	<b>-737</b>	<b>0</b>	<b>104,276</b>	<b>36,759</b>	<b>670,501</b>	<b>626,160</b>	<b>593,573</b>

# CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

AS OF 31 MARCH 2022

FIGURES IN THOUSAND EUR	Historical costs						Cumulative depreciation						Carrying amounts	
	As of 1/4/2021	Currency translation	Reclassifi- cations	Additions	Disposals	As of 31/3/2022	As of 1/4/2021	Currency translation	Reclassifi- cations	Additions	Disposals	As of 31/3/2022	As of 31/3/2022	As of 31/3/2021
<b>I. Intangible assets:</b>														
1. Software and licences	18,620	9	8	1,741	651	19,727	12,753	7	0	2,825	646	14,938	4,789	5,867
2. Goodwill	13,836	0	0	0	1,826	12,009	4,011	0	0	701	1,826	2,885	9,124	9,825
3. Prepayments	0	0	-5	41	0	36	0	0	0	0	0	0	36	0
	<b>32,456</b>	<b>9</b>	<b>3</b>	<b>1,782</b>	<b>2,478</b>	<b>31,772</b>	<b>16,763</b>	<b>7</b>	<b>0</b>	<b>3,525</b>	<b>2,473</b>	<b>17,823</b>	<b>13,949</b>	<b>15,693</b>
<b>II. Property, plant and equipment:</b>														
1. Land, land rights and buildings, including buildings on third-party land (basic value kEUR 70,219; previous year: kEUR 62,379)	304,760	882	-2,713	25,484	14,136	314,277	68,532	418	-5	13,072	6,101	75,916	238,361	236,228
<i>thereof Right of use Assets IFRS 16</i>	<i>60,266</i>	<i>301</i>	<i>206</i>	<i>4,280</i>	<i>4,435</i>	<i>60,618</i>	<i>10,431</i>	<i>91</i>	<i>44</i>	<i>6,911</i>	<i>2,480</i>	<i>14,997</i>	<i>45,621</i>	<i>49,835</i>
2. Technical equipment and machinery	584,373	4,390	16,937	61,918	14,533	653,084	364,778	2,881	2,990	61,865	13,530	418,983	234,100	219,595
<i>thereof Right of use Assets IFRS 16</i>	<i>42,096</i>	<i>172</i>	<i>0</i>	<i>2,838</i>	<i>1,464</i>	<i>43,642</i>	<i>8,202</i>	<i>36</i>	<i>0</i>	<i>6,879</i>	<i>1,555</i>	<i>13,561</i>	<i>30,080</i>	<i>33,894</i>
3. Other equipment, operating and office equipment	147,785	440	-4,189	27,431	12,229	159,238	79,957	230	-3,034	24,329	10,484	90,998	68,241	67,828
<i>thereof Right of use Assets IFRS 16</i>	<i>55,888</i>	<i>463</i>	<i>-206</i>	<i>16,999</i>	<i>7,035</i>	<i>66,108</i>	<i>21,160</i>	<i>252</i>	<i>-44</i>	<i>14,928</i>	<i>6,280</i>	<i>30,017</i>	<i>36,092</i>	<i>34,728</i>
4. Assets under construction	31,224	57	-10,037	17,727	50	38,922	0	0	49	0	49	0	38,922	31,224
	<b>1,068,142</b>	<b>5,770</b>	<b>-3</b>	<b>132,561</b>	<b>40,949</b>	<b>1,165,521</b>	<b>513,267</b>	<b>3,529</b>	<b>0</b>	<b>99,266</b>	<b>30,164</b>	<b>585,898</b>	<b>579,624</b>	<b>554,876</b>
<i>thereof Right of use Assets IFRS 16</i>	<i>158,249</i>	<i>936</i>	<i>0</i>	<i>24,118</i>	<i>12,934</i>	<i>170,368</i>	<i>39,793</i>	<i>379</i>	<i>0</i>	<i>28,717</i>	<i>10,315</i>	<i>58,575</i>	<i>111,793</i>	<i>118,456</i>
	<b>1,100,598</b>	<b>5,779</b>	<b>0</b>	<b>134,343</b>	<b>43,426</b>	<b>1,197,293</b>	<b>530,031</b>	<b>3,536</b>	<b>0</b>	<b>102,791</b>	<b>32,637</b>	<b>603,721</b>	<b>593,573</b>	<b>570,569</b>

# LIST OF INVESTMENTS

AS OF 31 MARCH 2023

<i>Fully consolidated companies</i>		Currency	Registered capital	Group share
A.S.T. Baugesellschaft m.b.H.	AT Zirl	KEUR	35	100%
Bahnbau Petri Hoch- und Tiefbau Gesellschaft m.b.H.	AT Fischamend	KEUR	40	100%
Baumeister Karl Sedlmayer Gesellschaft mit beschränkter Haftung	AT Grafenwörth	KEUR	400	100%
Boschweg Alpha Projektentwicklungs GmbH & Co KG	AT Linz	KEUR	1	100%
Boschweg Beta Projektentwicklungs GmbH & Co KG	AT Linz	KEUR	1	100%
C. Peters Baugesellschaft m.b.H.	AT Linz	KEUR	105	100%
Duswald Bau GmbH	AT Neumarkt im Hausruckkreis	KEUR	37	100%
Georg Fessler GmbH	AT Zwettl	KEUR	150	100%
HTB Baugesellschaft m.b.H.	AT Arzl im Pitztal	KEUR	40	100%
Ing. Baierl Gesellschaft m.b.H.	AT Steinakirchen am Forst	KEUR	86	100%
Jos. Ertl GmbH	AT Hörsching	KEUR	105	100%
Kallinger Bau GmbH	AT Fischamend	KEUR	35	100%
Klaus Hennerbichler GmbH	AT Hagenberg im Mühlkreis	KEUR	37	100%
Kontinentale Baugesellschaft m.b.H.	AT Waidhofen an der Thaya	KEUR	75	100%
Metallbau Wastler GmbH	AT Linz	KEUR	73	100%
Romberger Fertigteile GmbH	AT Gurten	KEUR	900	100%
RTS Rail Transport Service GmbH	AT Graz	KEUR	100	100%
Swietelsky Bauträger Ges.m.b.H.	AT Linz	KEUR	85	100%
Swietelsky Developments GmbH	AT Vienna	KEUR	35	100%
Swietelsky Energie GmbH	AT Traun	KEUR	37	100%
Swietelsky Liegenschaftsentwicklungs GmbH	AT Linz	KEUR	35	100%
Swietelsky Liegenschaftsverwaltung Bauhof Asten GmbH	AT Linz	KEUR	35	100%
Swietelsky Liegenschaftsverwaltung Fischamend GmbH	AT Linz	KEUR	40	100%
Swietelsky Liegenschaftsverwaltung Klagenfurt GmbH	AT Linz	KEUR	10	100%
Swietelsky Liegenschaftsverwaltung Trumau GmbH	AT Linz	KEUR	10	100%
Swietelsky Tunnelbau GmbH	AT Salzburg	KEUR	35	100%

<i>Fully consolidated companies</i>		Currency	Registered capital	Group share
Swietelsky Tunnelbau GmbH & Co KG	AT Salzburg	KEUR	35	100%
Transportbeton und Asphaltgesellschaft m.b.H.	AT Zams	KEUR	73	100%
Wohnanlage Harterhofweg 99 GmbH	AT Innsbruck	KEUR	35	100%
SWIETELSKY RAIL (AUSTRALIA) PTY LTD	AU Potts Point NSW 2011	kAUD	5,400	100%
Swietelsky Rail Schweiz AG	CH Rotkreuz	kCHF	100	100%
Centrum TGM s.r.o.	CZ Praha 8, Karlín	kCZK	100	100%
JB Stavební, s.r.o.	CZ Brno, Horní Heršpice	kCZK	200	100%
Swietelsky Rail CZ s.r.o.	CZ České Budějovice	kCZK	200	100%
SWIETELSKY Real Estate CZ s.r.o.	CZ České Budějovice	kCZK	200	100%
SWIETELSKY stavební s.r.o.	CZ České Budějovice	kCZK	250,000	100%
Vydrovka Office Center s.r.o.	CZ Praha 8, Karlín	kCZK	20	100%
Swietelsky Bahnsicherung Deutschland GmbH (former: Detect Rail Technologies GmbH)	DE Schönhausen (Elbe)	KEUR	25	100%
RTS Rail Transport Service Germany GmbH	DE Munich	KEUR	25	100%
SWIETELSKY Baugesellschaft m.b.H.	DE Traunstein	KEUR	1,600	100%
SWIETELSKY Umwelttechnik GmbH	DE Traunstein	KEUR	25	100%
Wadle Bauunternehmung GmbH	DE Essenbach	KEUR	25	100%
Railsafe ApS	DK Slagelse	kDKK	80	100%
Swietelsky Rail Danmark ApS	DK Copenhagen	kDKK	700	100%
SWIETELSKY CONSTRUCTION COMPANY LTD.	GB Reading	kGBP	100	100%
Swietelsky d.o.o.	HR Zagreb	KEUR	771	100%
CELL-BahnBau Danubia Kft.	HU Celldömök	kHUF	6,000	100%
DS VASÚT Kft.	HU Celldömök	kHUF	17,000	100%
Mandarino Kft.	HU Budapest	kHUF	3,000	100%
SWIETELSKY Építő Kft.	HU Budapest	kHUF	5,001	100%
SWIETELSKY Magyarország Kft.	HU Budapest	kHUF	1,579,120	100%
Swietelsky Vasúttechnika Kft.	HU Celldömök	kHUF	3,000	100%
Vasútgép Kft.	HU Celldömök	kHUF	3,000	100%
Swietelsky Rail Benelux B.V.	NL JR Oisterwijk	KEUR	18	100%
Swietelsky Rail Norway AS	NO Drammen	kNOK	800	100%
Swietelsky Rail Polska Spolka Z o.o.	PL Krakow	kPLN	50	100%

<b>Fully consolidated companies</b>			<b>Currency</b>	<b>Registered capital</b>	<b>Group share</b>
Swietelsky Spolka Z o.o.	PL	Lublin	kPLN	880	100%
S.C. DRUMSERV SA	RO	Targu Mures	kRON	7,082	100%
Swietelsky Constructii Feroviare S.R.L.	RO	Voluntari, Sat Pipera	kRON	699	100%
Swietelsky Rail Sweden AB	SE	Stockholm	kSEK	25	100%
Swietelsky-Slovakia spol. s r.o.	SK	Bratislava	kEUR	89	100%

<b>Associated companies</b>			<b>Currency</b>	<b>Registered capital</b>	<b>Group share</b>
Umfahrung Zwettl Errichtungs- und Betriebsgesellschaft m.b.H.	AT	Linz	kEUR	35	50%
Eurailpool GmbH	DE	Ismaning	kEUR	5,000	50%
Swietelsky-Faber GmbH Kanalsanierung	DE	Schlierschied	kEUR	50	50%

<b>Other non-current equity investments – not consolidated</b>			<b>Currency</b>	<b>Registered capital</b>	<b>Group share</b>
Baldauf Fliesen und Baustoffe Gesellschaft m.b.H.	AT	Linz	kEUR	40	100%
Diks und Swiera Immobilienrehand GmbH	AT	Feldkirch	kEUR	36	100%
TB Betonwerk Zams GmbH	AT	Zams	kEUR	35	52%
ASB Nörsach GmbH	AT	Linz	kEUR	35	50%
ASW - Asphaltmischanlage Zams GmbH	AT	Zams	kEUR	36	50%
ASW - Asphaltmischanlage Zams GmbH & Co. KG	AT	Zams	kEUR	150	50%
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H.	AT	Graz-St.Peter	kEUR	35	50%
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H. & Co. KG	AT	Graz-St.Peter	kEUR	40	50%
Hausruck Baugesellschaft m.b.H.	AT	Schlüßberg	kEUR	240	50%
PAM-Pongauer Asphaltmischanlagen GmbH	AT	St. Johann im Pongau	kEUR	36	50%
PAM-Pongauer Asphaltmischanlagen GmbH & Co KG	AT	St. Johann im Pongau	kEUR	36	50%
SWIETELSKY-FABER Kanalsanierung GmbH	AT	Leonding	kEUR	35	50%
Asphaltmischwerk Weißbach GmbH & Co. Nfg. KG	AT	Salzburg	kEUR	73	45%
AWB Asphaltmischwerk Weißbach Betriebs-GmbH	AT	Vienna	kEUR	35	45%
Asphaltwerk Seibersdorf GmbH	AT	Linz	kEUR	35	40%

<b>Other non-current equity investments – not consolidated</b>			<b>Currency</b>	<b>Registered capital</b>	<b>Group share</b>
Kieswerk-Betriebs-Gesellschaft m.b.H.	AT	Zams	kEUR	40	38%
Pinzgau Beton GmbH	AT	Salzburg	kEUR	40	37%
Pinzgau Beton GmbH & Co KG	AT	Salzburg	kEUR	40	37%
Gaspix Beteiligungsverwaltungs GmbH	AT	Zirl	kEUR	35	36%
RBA - Recycling- und Betonanlagen Ges.m.b.H. & Co. Nfg. KG	AT	Zirl	kEUR	581	36%
AMS - Asphaltmischwerk Süd Gesellschaft m.b.H.	AT	Linz	kEUR	36	35%
FMA Asphaltwerk GmbH	AT	Feldbach	kEUR	35	35%
FMA Asphaltwerk GmbH & Co KG	AT	Feldbach	kEUR	44	35%
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	AT	Linz	kEUR	44	33%
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co. KG	AT	Linz	kEUR	654	33%
AMW Asphaltwerk GmbH.	AT	Weitendorf	kEUR	727	33%
AMW Leopoldau GmbH & Co OG	AT	Vienna	kEUR	70	33%
AWT Asphaltwerk GmbH	AT	Stadtschlaining	kEUR	700	33%
GT Baustoff Recycling GmbH	AT	Grafenstein	kEUR	60	33%
TAM Traisental Asphaltmischwerk Ges.m.b.H.	AT	Nußdorf ob der Traisen	kATS	600	33%
TAM Traisental Asphaltmischwerk Ges.m.b.H. & Co KG	AT	Nußdorf ob der Traisen	kATS	1,000	33%
TB Transportbeton GmbH	AT	Linz	kEUR	36	33%
AHRENTAL ABBAU- UND AUFBEREITUNGSGESELLSCHAFT M.B.H.	AT	Hall in Tirol	kEUR	35	30%
AMA Linz GmbH	AT	Linz	kEUR	35	30%
Kieswerk - Betriebs - Gesellschaft m.b.H. & Co. Kommanditgesellschaft	AT	Zams	kEUR	80	29%
Petschl Frästechnik GmbH	AT	Arbing	kEUR	450	29%
ASW - Asphaltmischanlage Innsbruck GmbH	AT	Innsbruck	kEUR	36	26%
ASW - Asphaltmischanlage Innsbruck GmbH & Co KG	AT	Innsbruck	kEUR	150	26%
Hemmelmair Frästechnik GmbH	AT	Linz	kEUR	73	25%
VAM - Valentiner Asphaltmischwerk Gesellschaft m.b.H.	AT	Linz	kEUR	36	25%
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H. & Co. KG	AT	Linz	kEUR	73	25%
HTB Bau AG	CH	Scuol	kCHF	100	100%

# GROUP MANAGEMENT REPORT

FOR THE FINANCIAL YEAR 2022/23

Other non-current equity investments – not consolidated		Currency	Registered capital	Group share
Strakonická obalovna s.r.o.	CZ Sousedovice	kCZK	24,258	51%
Obalovna Lipník s.r.o.	CZ České Budějovice	kCZK	30,000	50%
Obalovna Ostrava s.r.o.	CZ České Budějovice	kCZK	17,930	50%
Obalovna Středokluky s.r.o.	CZ Praha 10, Strašnice	kCZK	5,000	50%
Obalovna Tábor s.r.o.	CZ České Budějovice	kCZK	5,000	50%
SČO s.r.o.	CZ České Budějovice	kCZK	10,000	50%
Západočeská obalovna s.r.o.	CZ Plzeň - Koterov	kCZK	40,000	50%
TBG SWIETELSKY s.r.o.	CZ České Budějovice	kCZK	10,000	49%
Chebská obalovna, spol. s r.o.	CZ Štěnovice	kCZK	17,744	33%
Obalovna Louny s.r.o.	CZ České Budějovice	kCZK	30,000	33%
Obalovna Týniště s.r.o.	CZ České Budějovice	kCZK	30,000	33%
Brněnská obalovna, s.r.o.	CZ Brno, Chrlice	kCZK	24,000	25%
Hrušecká obalovna, s.r.o.	CZ Hrušky	kCZK	1,540	20%
RPM Wiebe & Swietelsky & Co KG	DE Achim	KEUR	1,000	49%
RPM Wiebe & Swietelsky Beteteiligungs-GmbH	DE Achim	KEUR	26	49%
SWIETELSKY TRAVAUX FERROVIAIRES	FR Metz	KEUR	5	100%
FSP (2004) LIMITED	GB Blantyre	GBP	100	50%
BELVÁROS TETÖTÉR Kft.	HU Budapest	kHUF	3,000	100%
G.K.S. SWIETELSKY Kft.	HU Dunakeszi	kHUF	3,000	100%
Harmatház Kft.	HU Budapest	kHUF	3,000	100%
ZED-TBM Kft.	HU Budapest	kHUF	3,001	100%
EULAB Kft.	HU Dunakeszi	kHUF	80,000	50%
Cosbau S.r.l. in Liquidazione	IT Nalles	KEUR	6,000	28%
Swietelsky Rail Luxembourg S.à.r.l.	LU Windhoff	KEUR	13	100%
SWIETELSKY-FABER NEDERLAND RELINING BV	NL KK DRUTEN	KEUR	18	50%
S.C. AMFIBOSWIN SRL	RO Sibiu	kRON	11,757	56%
Swietelsky gradbeno d.o.o.	SI Laibach	KEUR	9	100%
Športfinal s.r.o.	SK Bratislava	KEUR	7	100%
Obalovačka Martin, s.r.o.	SK Bratislava	KEUR	50	50%

## 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, entertainment 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 EUR 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.

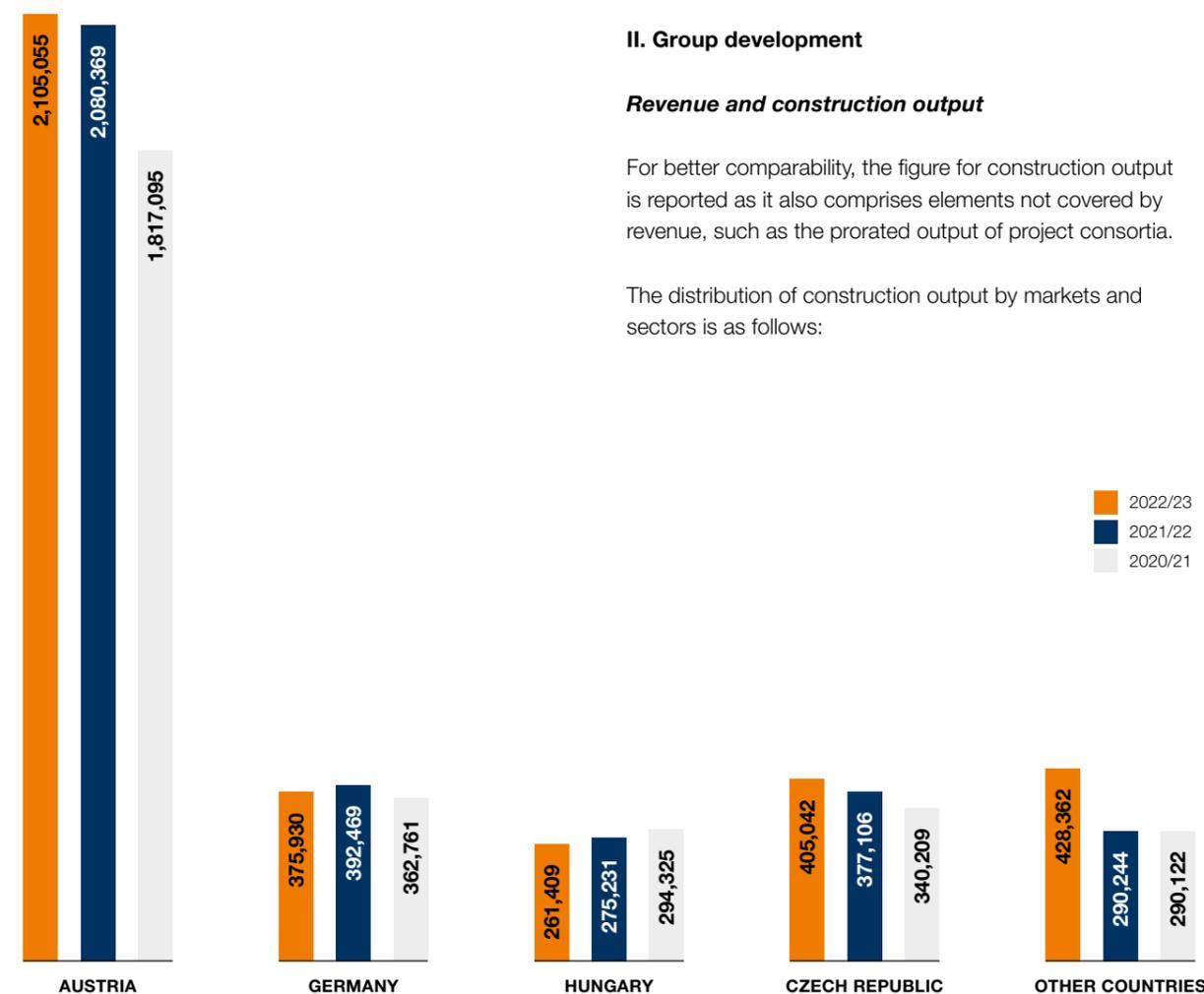
## CONSTRUCTION OUTPUT BY MARKETS

### II. Group development

#### Revenue and construction output

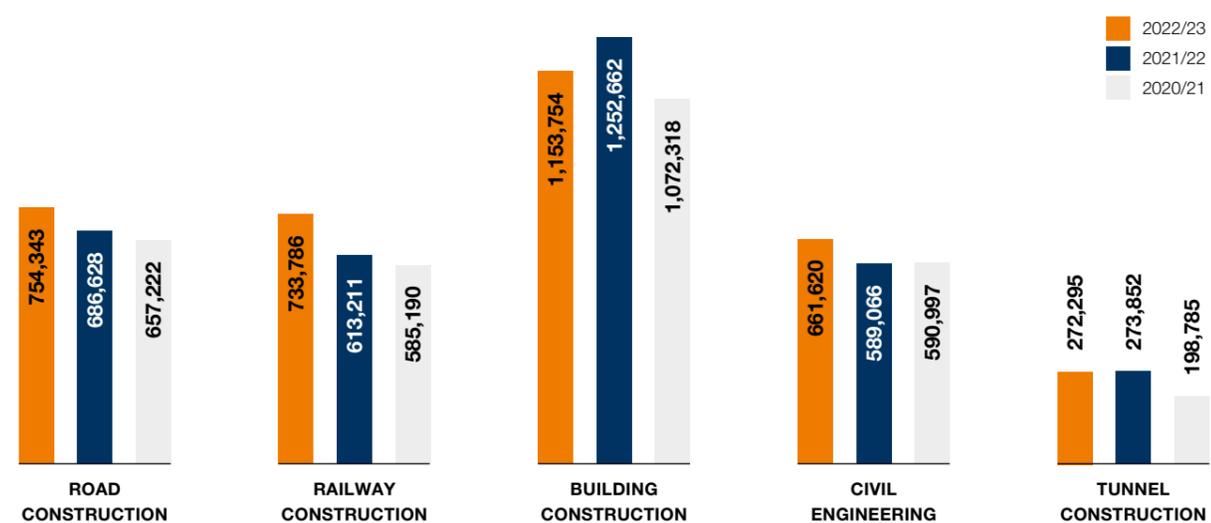
For better comparability, the figure for construction output is reported as it also comprises elements not covered by revenue, such as the prorated output of project consortia.

The distribution of construction output by markets and sectors is as follows:



FIGURES IN THOUSAND EUR	2022/23	%	2021/22	%	2020/21	%
<b>By market:</b>						
Austria	2,105,055	59	2,080,369	62	1,817,095	59
Germany	375,930	11	392,469	11	362,761	12
Hungary	261,409	7	275,231	8	294,325	9
Czech Republic	405,042	11	377,106	11	340,209	11
Other countries	428,362	12	290,244	8	290,122	9
<b>Total</b>	<b>3,575,798</b>	<b>100</b>	<b>3,415,419</b>	<b>100</b>	<b>3,104,512</b>	<b>100</b>

## CONSTRUCTION OUTPUT BY SECTORS



FIGURES IN THOUSAND EUR

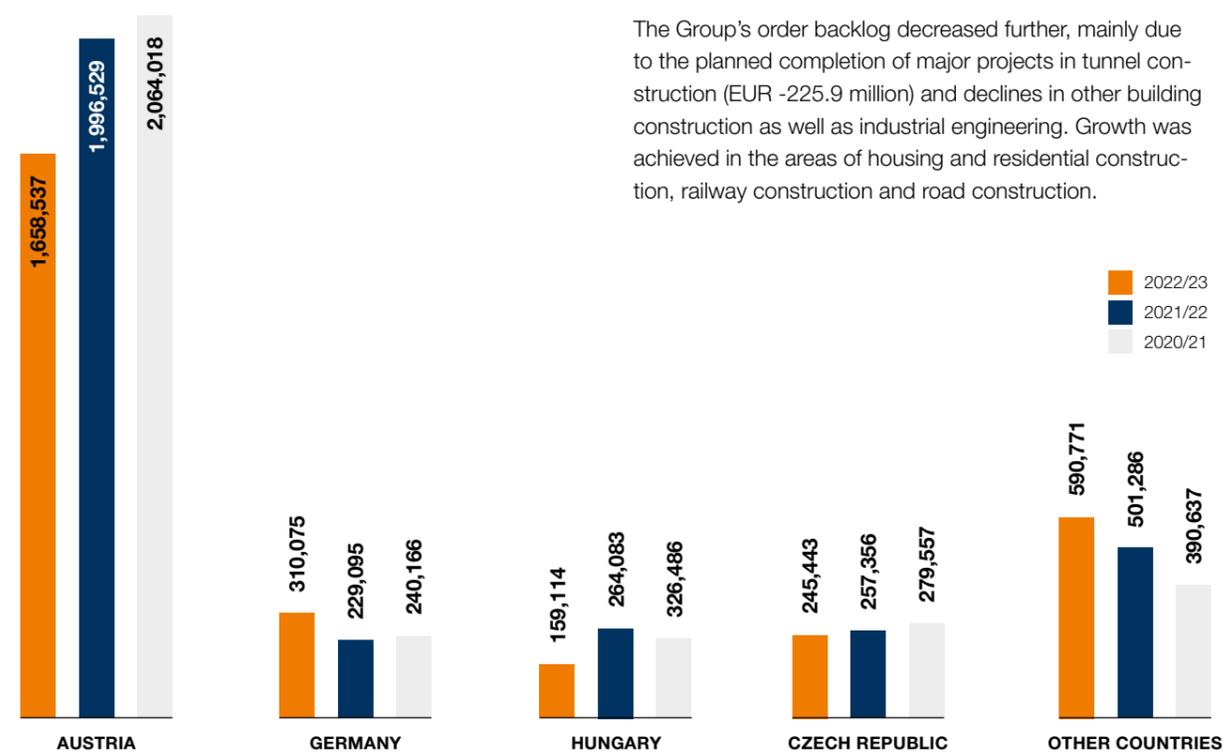
### By sector:

	2022/23	%	2021/22	%	2020/21	%
Road construction	754,343	21	686,628	20	657,222	21
Railway construction	733,786	21	613,211	18	585,190	19
Building construction	1,153,754	32	1,252,662	37	1,072,318	35
Civil engineering	661,620	19	589,066	17	590,997	19
Tunnel construction	272,295	7	273,852	8	198,785	6
<b>Total</b>	<b>3,575,798</b>	<b>100</b>	<b>3,415,419</b>	<b>100</b>	<b>3,104,512</b>	<b>100</b>

Analogous to construction output, the revenue reported in the IFRS financial statements was EUR 3,298.3 million, around EUR 179.7 million or 5.8% above the previous year (Construction output increased by around 4.7%). The change in inventory from the erection of own building projects increased to EUR 13.7 million. Capitalised own contributions from project constructions rose slightly to EUR 10.0 million. Other operating income reduced to the level of 2020/21 (2022/23: EUR 16.7 million, 2020/21: EUR 15.5 million).

Expenses for materials and other purchased construction output increased more strongly by EUR 161.7 million, as not all price increases could be passed on to customers. Employee benefits expenses also increased by EUR 37.1 million to EUR 824.8 million. Results from investments (including equity) remained unchanged at EUR 37.5 million compared to the previous year.

## ORDER BACKLOG BY MARKETS



FIGURES IN THOUSAND EUR

### By market:

	2022/23	%	2021/22	%	2020/21	%
Austria	1,658,537	56	1,996,529	62	2,064,018	63
Germany	310,075	11	229,095	7	240,166	7
Hungary	159,114	5	264,083	8	326,486	10
Czech Republic	245,443	8	257,356	8	279,557	8
Other countries	590,771	20	501,286	15	390,637	12
<b>Total</b>	<b>2,963,940</b>	<b>100</b>	<b>3,248,349</b>	<b>100</b>	<b>3,300,864</b>	<b>100</b>

### Earnings position

The past financial year 2022/23 was again very positive and was able to build on the successful previous year. At EUR 246.7 million, earnings before interest, taxes, depreciation and amortization were only slightly below the previous year (2021/22: EUR 252.2 million), with the earnings contributions from all core markets again being very pleasing.

### Order backlog

The Group's order backlog decreased further, mainly due to the planned completion of major projects in tunnel construction (EUR -225.9 million) and declines in other building construction as well as industrial engineering. Growth was achieved in the areas of housing and residential construction, railway construction and road construction.

At EUR 142.4 million, an EBIT was achieved that was slightly below the level of the previous year. The tax burden decreased from EUR 39.1 million to EUR 34.8 million and results in a group tax rate of 23.9%. Ultimately, there is a result after taxes of EUR 111.1 million, which is slightly higher than in the previous year (EUR 108.2 million).

## Financial position

FIGURES IN THOUSAND EUR	2022/23	%	2021/22	%	2020/21	%
Non-current assets	749,038	39	655,908	37	624,633	36
Current assets	1,157,082	61	1,135,972	63	1,089,268	64
<b>ASSETS</b>	<b>1,906,120</b>	<b>100</b>	<b>1,791,880</b>	<b>100</b>	<b>1,713,901</b>	<b>100</b>
Equity	707,833	37	634,163	35	595,508	35
Non-current liabilities	225,194	12	230,076	13	214,276	13
Current liabilities	973,093	51	927,641	52	904,117	52
<b>EQUITY and LIABILITIES</b>	<b>1,906,120</b>	<b>100</b>	<b>1,791,880</b>	<b>100</b>	<b>1,713,901</b>	<b>100</b>
<b>Net Debt</b>						
Financial liabilities	157,969		132,727		125,642	
Provision for post employment benefits	26,988		29,474		34,913	
Cash and cash equivalents	-352,927		-407,730		-484,952	
<b>Net debt</b>	<b>-167,970</b>		<b>-245,529</b>		<b>-324,397</b>	
<b>Gearing</b>	<b>-0.24</b>		<b>-0.39</b>		<b>-0.54</b>	

Net debt = interest-bearing debt + non-current provisions - cash and cash equivalents  
Gearing = net debt/equity

In the past financial year, investments in intangible assets and property, plant and equipment with a total volume of EUR 169.2 million, were significantly higher than in previous years (2020/21: EUR 158.7 million and 2021/22: EUR 134.3 million). Of the total investments, around EUR 119.6 million is attributable to Austrian Group companies, EUR 21.8 million to investments in the Czech Republic, EUR 15.4 million to Germany and EUR 5.1 million to Hungary. A total of around EUR 7.3 million was invested in other markets. Around EUR 55.9 million was invested in financial assets. At EUR 626.2 million, the carrying amounts were – taking into account asset disposals and depreciation – EUR 32.6 million higher than in the previous year (EUR 593.6 million) and represent around 40% of total assets.

Despite a distribution of EUR 40.0 million to the shareholders of Swietelsky AG, equity continued to grow to EUR 707.8 million due to the positive earnings situation. The equity ratio was thus increased to 37.1%. Overall, total assets increased by EUR 114.2 million to EUR 1,906.1 million, with own funds increasing by EUR 73.7 million and liabilities by EUR 40.6 million. Cash and cash equivalents significantly exceed interest-bearing debt and long-term provisions.

## Selected key figures and financial performance indicators

FIGURES IN THOUSAND EUR	2022/23	2021/22	2020/21
Construction output	3,575,798	3,415,419	3,104,512
Revenue	3,298,308	3,118,565	2,895,753
Order backlog	2,963,940	3,248,349	3,300,864
Staff (annual average)	12,035	11,991	11,633
Construction output/staff	297	285	267
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	246,745	252,159	251,821
Earnings before interest and taxes (EBIT)	142,469	149,368	158,050
Interest income	2,524	-2,064	-645
Earnings before tax (EBT)	145,900	147,224	157,647
Earnings after tax	111,091	108,155	125,058
Operating Cash flow	196,781	204,301	225,055
Cash flow/Construction output	5.5%	6.0%	7.2%
Return on sales (ROS)	4.3%	4.8%	5.5%
Return on equity (ROE)	21.7%	23.9%	29.1%
Return on investment (ROI)	7.7%	8.5%	9.5%
Total assets	1,906,120	1,791,880	1,713,901
Equity	707,833	634,163	595,508
<b>Equity ratio</b>	<b>37.1%</b>	<b>35.4%</b>	<b>34.7%</b>

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

### 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 overseas 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 entice 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 12,035 employees (2021/22: 11,991). Of these, 7,828 were blue-collar workers and 4,207 were white-collar workers (2021/22: 7,850 blue-collar workers and 4,141 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 op-

portunity 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 CO<sub>2</sub> 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 stakeholders 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 CO<sub>2</sub> 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 quantities 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% und 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%).

# AUDITOR'S REPORT

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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.

### Audit Opinion

We have audited the consolidated financial statements of **Swietelsky AG, Linz**, Austria, and its subsidiaries ("the Group"), which comprise the Consolidated Income Statement, the Statement of total Comprehensive Income, the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2023, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

### Basis for our Opinion

We conducted our audit in accordance with 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 described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

### Other Information

Management is responsible for the other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report. We expect the annual report to be provided to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

### Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

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

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

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 WEICHSELBAUMER**  
COO Austria

## Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

### Moreover:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those such risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty about the entity's ability to continue as a going concern, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.
- We communicate to the audit committee regarding, among 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.

## GROUP MANAGEMENT REPORT

In accordance with Austrian company law, the Group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

### Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements.

### Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

**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 consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies. Qualified electronically signed.



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