Annual Report
Consolidated Financial Statements 2023/24

SWIETELSKY

#buildingeverbetter

IMPRINT

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We work for people
We shape the future.
We are part of the solution.
Building ever better.

About us

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

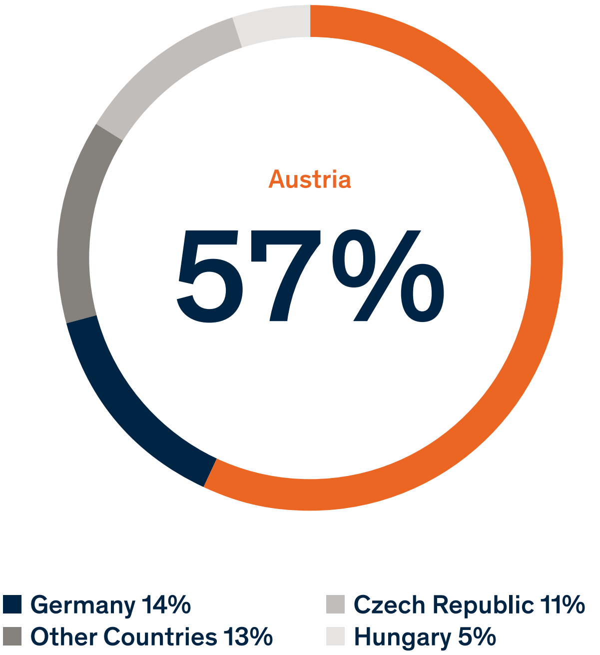
■ Core market
■ Other countries

Average number of employees

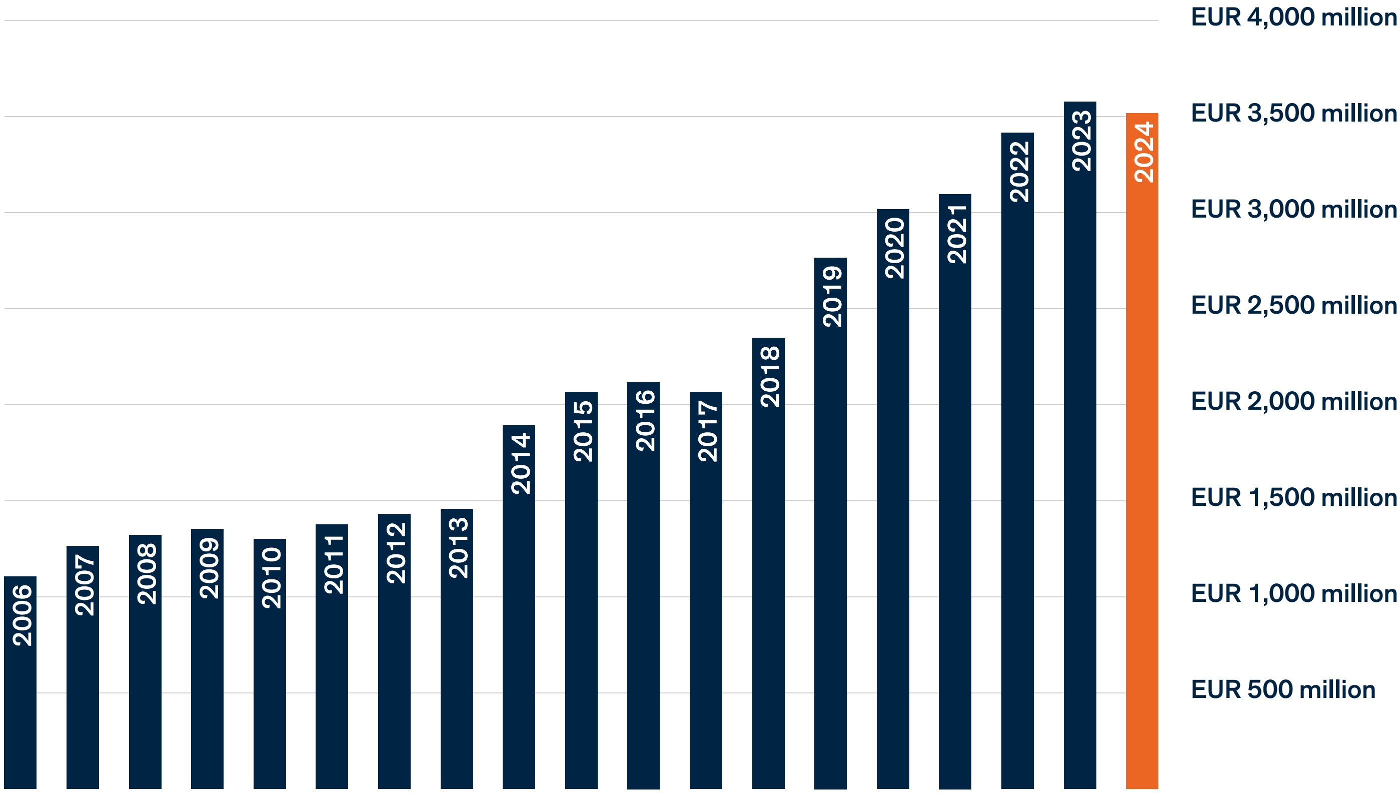
11,910

7,645 Blue-collar workers
4,265 White-collar workers

Construction output by market



Construction output development



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

Construction output

3,517,845,469 EUR
-1.6%

EBT

150,137,393 EUR
+2.9%

Order backlog

3,105,256,672 EUR
+4.8%

2023/24

Foreword by the Management Board

Dear Shareholders,
Despite challenging economic conditions for the global economy, we are looking back on the 2023/24 financial year with confidence. In a tougher interest rate environment with low consumer confidence, a slowdown in the economy and geopolitical tensions, SWIETELSKY demonstrated its extreme resilience in the past financial year.

SWIETELSKY was able to complete the 2023/24 financial year on a very positive note and to thus continue the successful trend from previous years. At EUR 252.7 million, earnings before interest, taxes, depreciation and amortisation exceeded the previous years. The contributions to earnings from all core markets were very pleasing. Because of the significantly positive interest earnings, current EBT of EUR 150.1 million is higher than in the previous year. After-tax earnings are also higher than after-tax earnings in 2022/23 at EUR 113.7 million.

Regarding construction output in the current financial year, we expect to be able to continue the trend from previous years at a high level. Irrespective of higher financing costs that are currently reducing demand, especially in residential construction, we see stable demand particularly in the area of sustainable investments. The infrastructure sectors civil engineering and railway construction are showing a significant growth trend that is continuing to strengthen our already strong position in these areas.

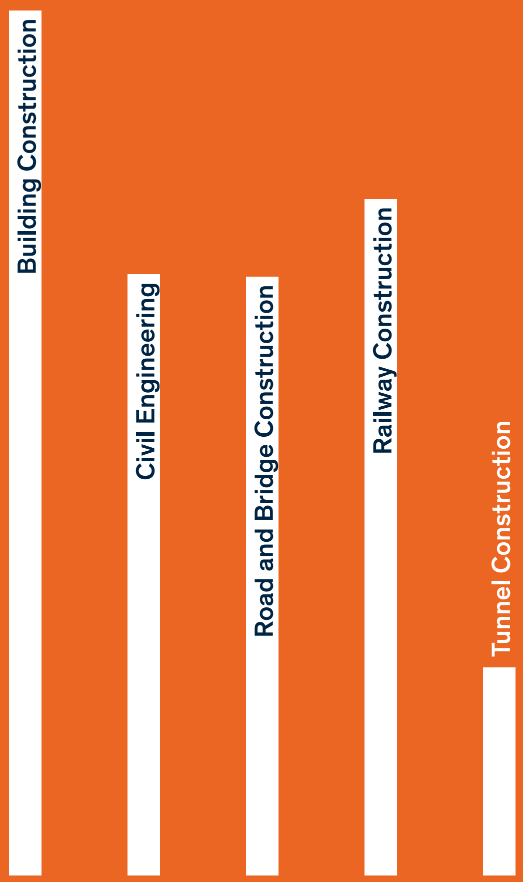
SWIETELSKY is very well-positioned in a volatile market. Thanks to our broad diversification across all construction sectors and our focus on various markets and clients, we are able to react flexibly to challenges and to optimally seize opportunities. Large infrastructure projects, renovations and climate change will require competent construction performance in the next few years as well in all construction segments that we cover as SWIETELSKY.

Success is always associated with people. We are proud of our around 12,000 dedicated employees who make a significant contribution in 21 countries so that we can continue to achieve attractive performance and earnings.

We will handle the challenges of the coming year together and will continue to rely on innovation, expertise and sustainability to secure our long-term success. We would like to thank you for your trust in us and your support. We are looking forward to continue successfully building together in the future as well.

The Management Board

Construction output by sector



Range of Services

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.

SWIETELSKY

Elementary and middle school, Leopold-Kohr-Strasse, Vienna, Austria

Building Construction

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.

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 Projects

SWIETELSKY builds on solid values: Reliability and economic longevity.

Nursery in Sopron, Hungary

AQ2.2 Joseph, Vienna, Austria

Gotthardská, Prague,
Czech Republic

Attemsgasse 42+44, Vienna,
Austria

“Schneewittchen” residential tower,
Vienna, Austria

Hotel Sofitel Chainbridge,
Budapest, Hungary

Building Construction
Lighthouse Project 2023/24

New construction of Leopold-Kohr-Strasse Elementary and Middle School, Vienna, Austria

Sustainable new building in Vienna's 22nd district

Completed in September 2023, this school accommodates 775 children in 29 classes and impresses with its innovative, sustainable construction. The school building consists of three parts that are connected by elegant stairways. Its modern classrooms include inspiring creative rooms such as crafts and trade rooms, a physics lab and a teaching kitchen. Terraces with a garden view function as outdoor classrooms. The school also houses a cafeteria, administration rooms, a library and a multipurpose room as well as sufficient space for exercise and sports. Impressive bridge construction provides architectural accents. The 8,000 m² outside areas boasts two sports fields, elaborately-designed gardens, a wide variety of play areas and a long slide that leads from the terraces to the play areas. The building relies on geothermal power with 42 geothermal probes, heat pumps and photovoltaic systems. Intelligent building equipment provides energy efficiency and comfort. A plant façade and nest boxes for birds and bats underscore the ecological approach. This BIM project, designed by architects Franz & Sue, serves as a valuable reference for future-oriented school construction. Division manager Thomas Kleiner emphasises: "Innovation and sustainability are the cornerstones of this building".

Sewage treatment plant, Cegléd, Hungary

Civil Engineering

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.

- 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 Projects

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

Pavement reinforcement,
Bad Bimbach, Germany

Sewage treatment plant,
Cegléd, Hungary

Landfill, Hochschatzen, Germany

Road rehabilitation, Cvrčovice, Czech Republic

Dynamic barriers, Brno, Czech Republic

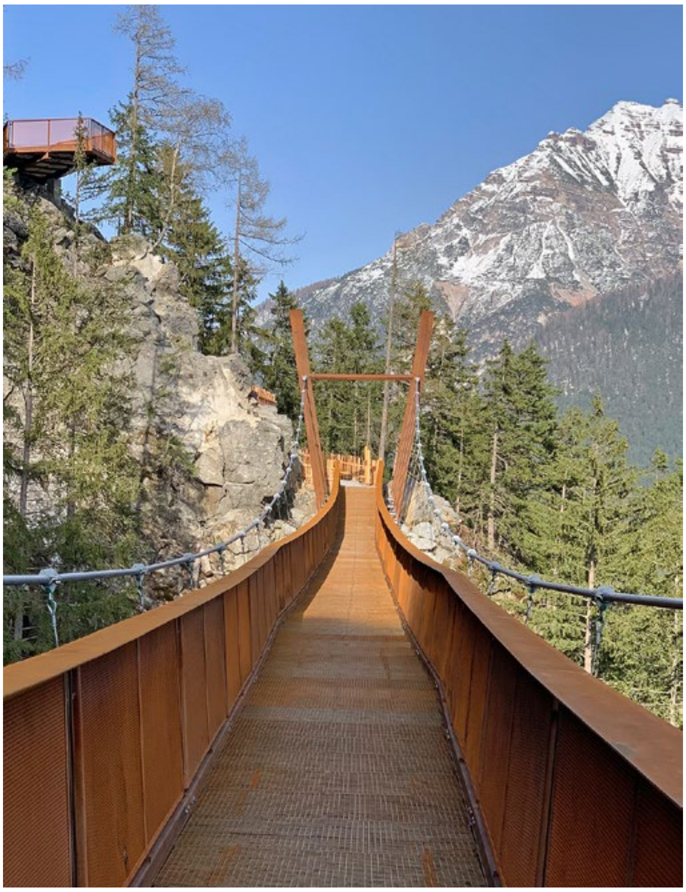
Hydroelectric power plant, Wagrain, Austria

Civil Engineering
Lighthouse Project 2023/24

Suspension bridge, Stubai Valley, Austria

Experience the soar: The new suspension bridge in the Stubai Valley

In April 2024, HTB finished an impressive suspension bridge in the Stubai Valley on the Sunnenseit'n Weg (sunny side path), which is a new attraction. The 109-meter-long bridge floats 50 meters in the air and connects the Froneben in der Schlick 2000 middle station with the Kartnall scenic nature site. The structure is made of weatherproof corten steel and blends harmoniously into the landscape, which is especially important for maintaining the natural beauty of the Stubai Valley while providing modern infrastructure. The aesthetic integration into the environment minimises visual interference and preserves the landscape, a crucial aspect for sustainable tourism. In addition, the suspension bridge provides improved accessibility to scenic nature sites and views, such as the new "Neustift scenic nature site" observation platform 25 meters above the bridge that is equipped with a grating floor of corten steel and offers a spectacular view across the Stubai Valley to the glacier. This project is not only an architectural highlight but also an important contribution to the sustainable development and promotion of tourism in the Stubai Valley.



I/34 bypass, Dolní Lhota, Czech Republic

Road and Bridge Construction

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.

Asphalt production

Viewing platforms

Motorways and roads

Bridges

Adventure trails

Airports

Forest roads and agricultural roads

Suspension bridges

Elevated highways

Town squares

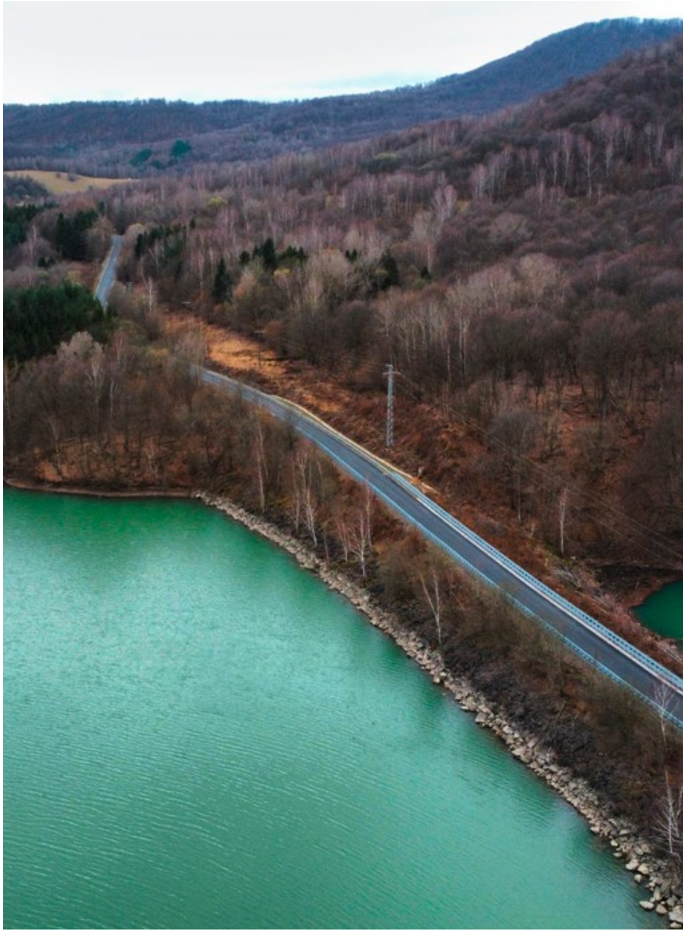
Car parks

Road and Bridge Construction Projects

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

Ocna Sibiului, Loamneș, Soroștin, Țapu, Romania

Motorway D3, Dolní Dvořiště – Nažidla, Czech Republic



Poloniny Trail bicycle path,
Poloniny National Park, Slovakia

Bypass Sajószentpéter-Berente,
Hungary

Bypass road
Chelmiec, Poland

Traffic junction, Érd,
Hungary

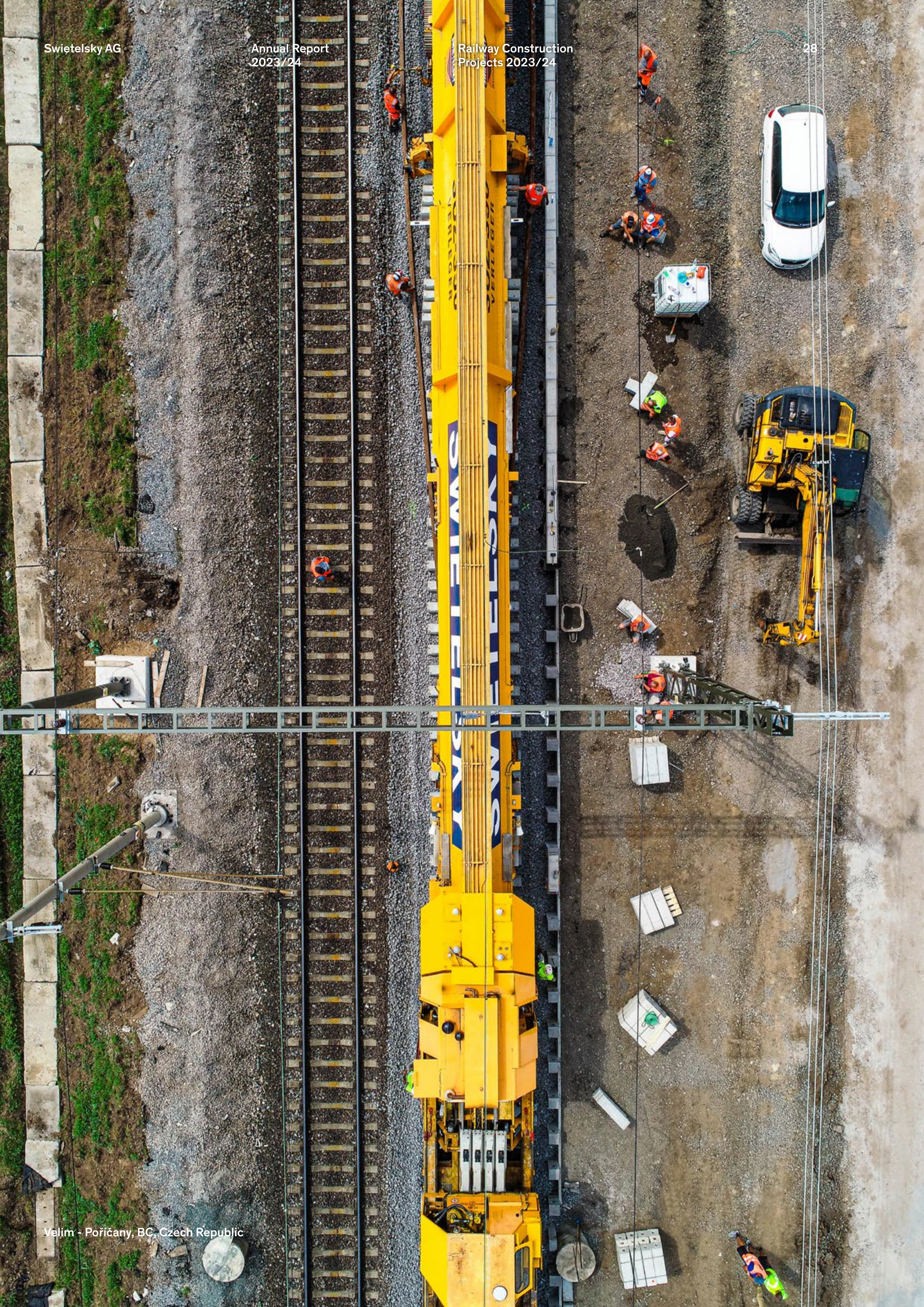
Road And Bridge Construction Lighthouse Project 2023/24

S31 viaducts, Sieggraben, Austria

The future of mobility with a partnership model

The Burgenland dual carriageway S31 is an arterial road in Burgenland that is being upgraded because of high capacity and safety problems. An important component of this upgrade is the new construction of four large viaducts near Sieggraben, which is being carried out by SWIETELSKY and HABAU starting in March 2023. As part of this large project, 34 bridge piers are being built and more than 37,000 cubic meters of concrete are being used. The sustainable, resource-efficient construction method is especially impressive: excavated rock is being used on site and concrete waste is being recycled. The project is being managed by an ecological construction management team to protect the local plants and animals. In addition, the construction method is supported by an innovative alliance agreement where the risks and successes are shared by the client ASFINAG and the performing companies. This partnership model promotes maximum quality and efficiency by focusing the contractual partners on performing the project in the best possible way.


HABAU
GROUP



Velim - Poříčany, BC, Czech Republic

Railway Construction

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.

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

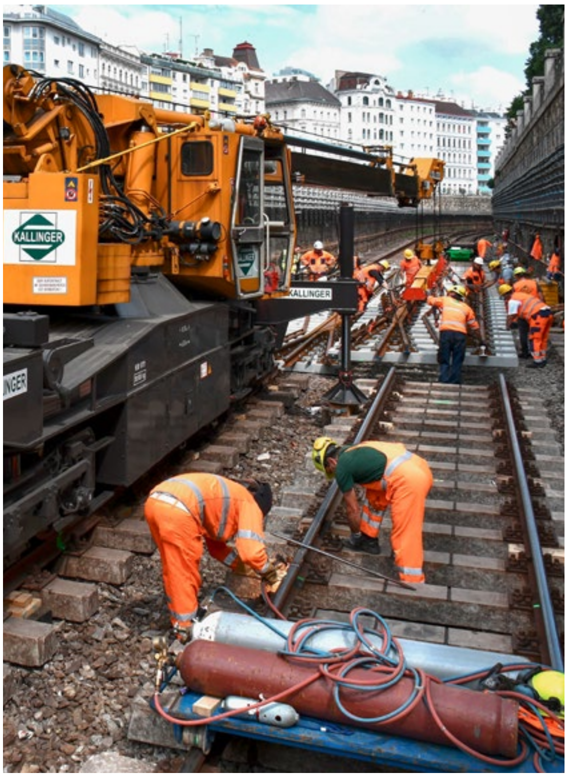
Survey

Planning & project delivery

Plant hire service

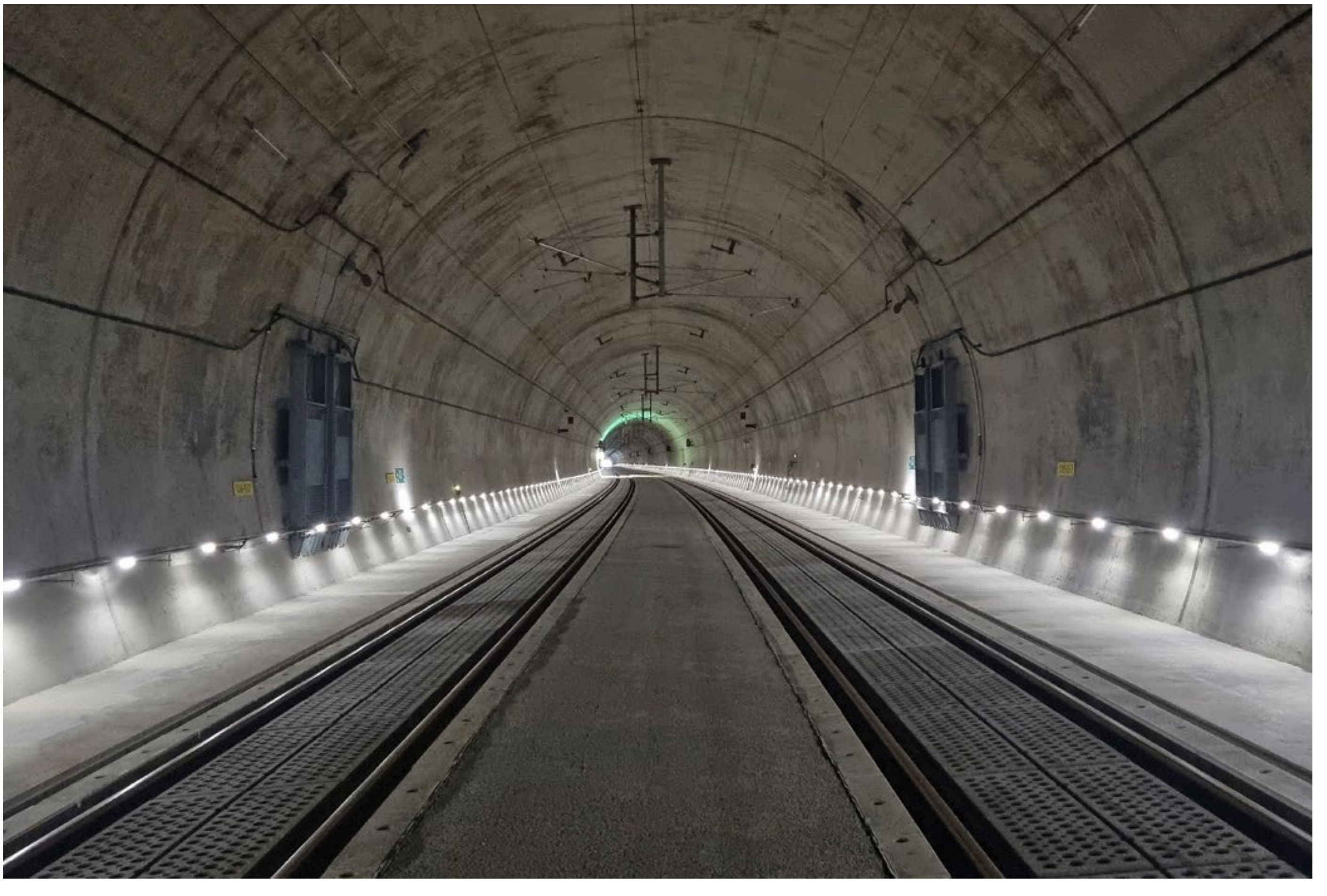
Railway Construction Projects

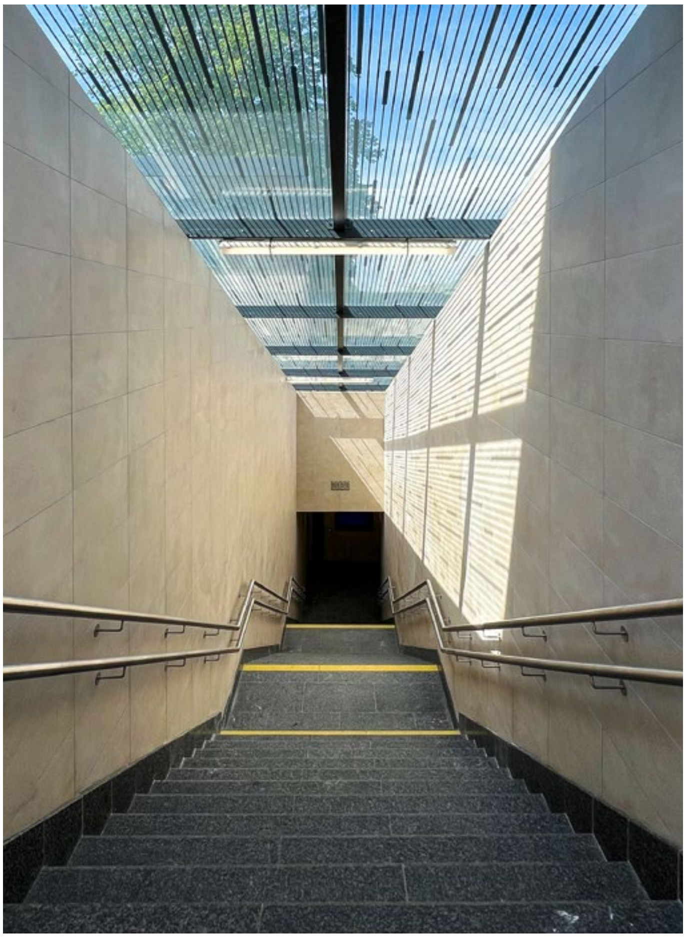
Experience, know-how and technology for maximum flexibility in railway construction.



Use of a subway crane, Vienna, Austria

Graz Koralmbahn Working Group, Klagenfurt, Austria





Lovosice train station
Czech Republic

Graz Koralmbahn Working Group,
Klagenfurt, Austria

Free port, Csepel, Hungary

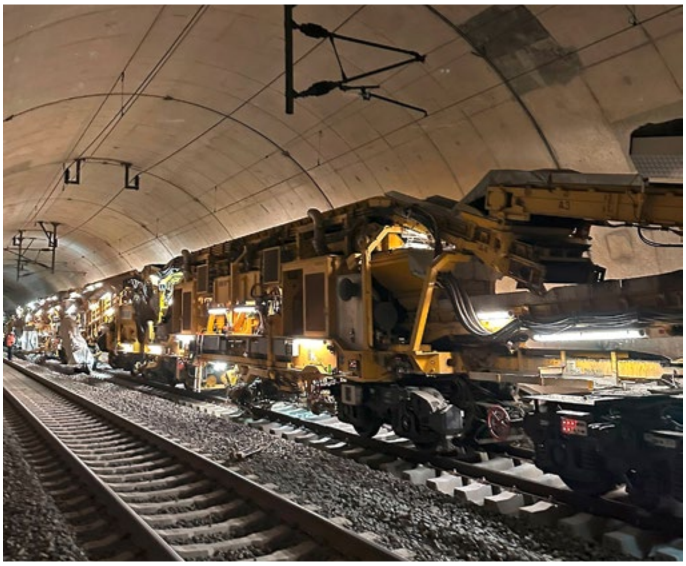
Airport, Riga, Latvia

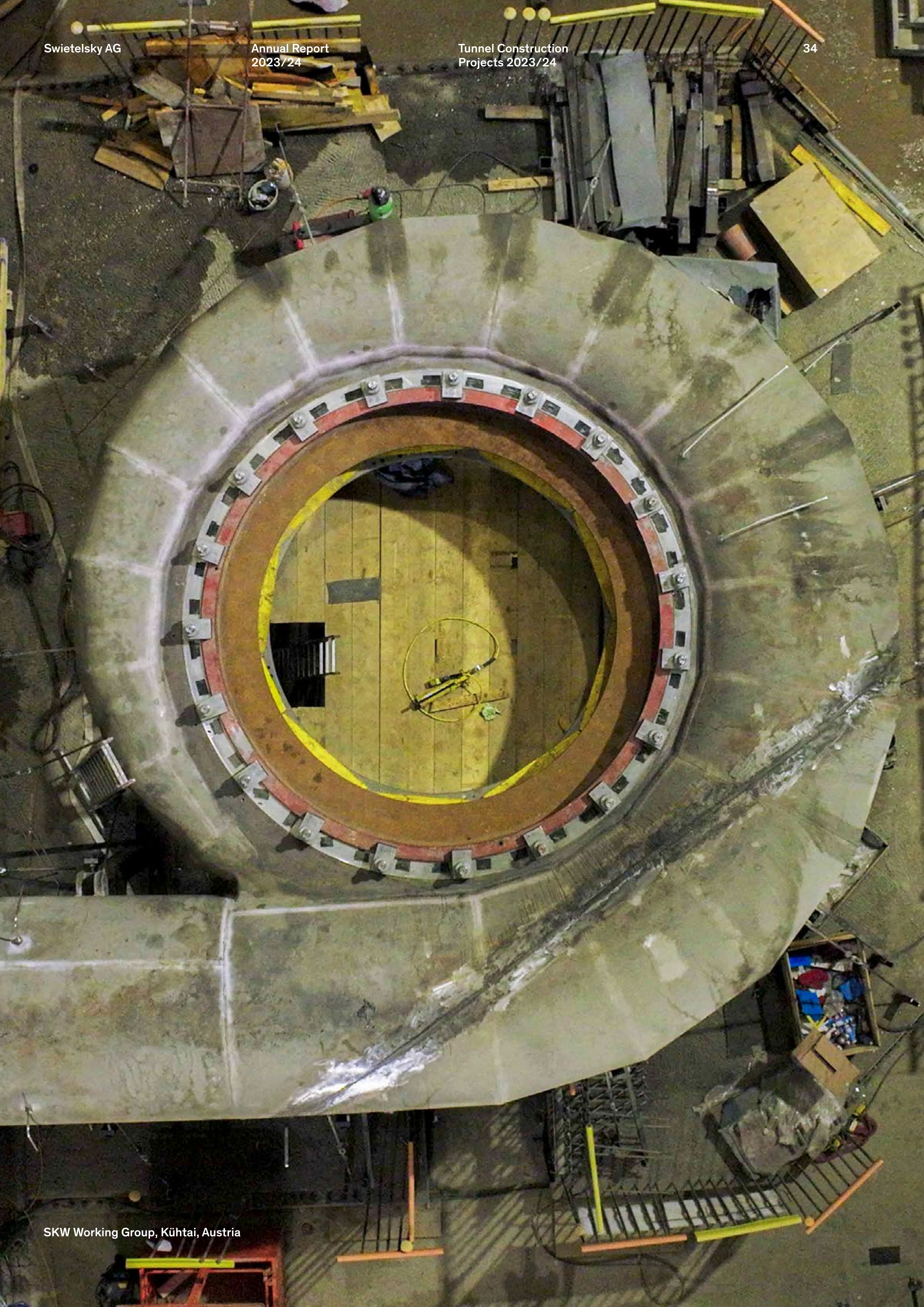
Railway Construction
Lighthouse Project 2023/24

Railway renovation Kassel, Fulda, Germany

85-kilometre line completely redone in 9 months

The deadline was fixed, as rail traffic was completely stopped during the construction time. SWIETELSKY implemented the project entirely as a general contractor. To do so, SWIETELSKY worked with teams from three different countries on this milestone project. The expertise and experience from Germany, Austria and the Netherlands came together to perform this huge project and to build important infrastructure for German rail traffic. The very best large-scale railway machinery was used: the RUS 1000 S, Europe's largest of its type and unique on the continent. Starting at the beginning of construction in April 2023, the international teams worked at high speed to completely redo the 85-kilometre-long line. This immense challenge included replacing 163 kilometres of rails and 196,000 railway sleepers and redoing 70 points – in only nine months. After successful completion on schedule, rail travel is again safe and unhindered on this line.





SKW Working Group, Kühtai, Austria

Tunnel Construction

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.

Railway tunnel

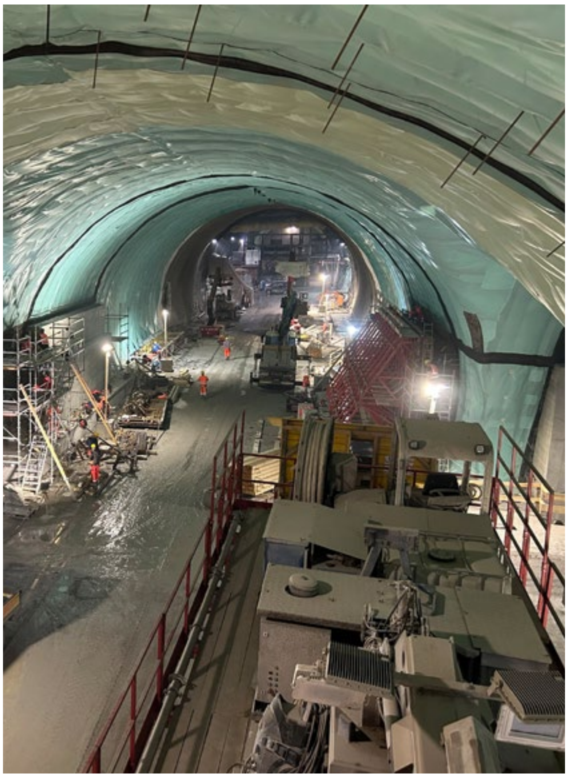
Galleries, caverns, shafts

Road tunnels

Subway tunnel

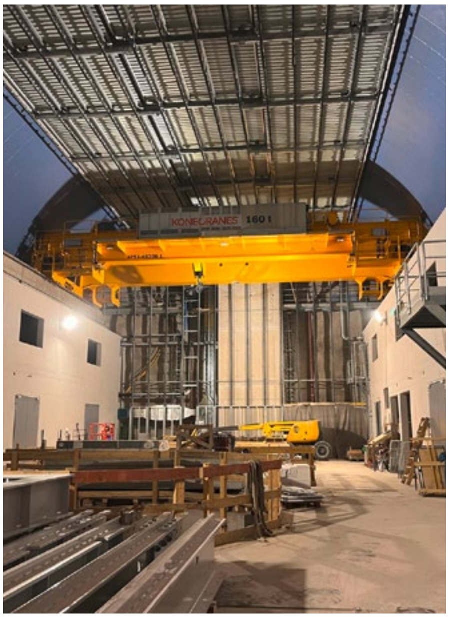
Tunnel Construction Projects

SWIETELSKY guarantees rapid driving and innovative building in tunnel construction.



Semmering Base Tunnel SBT 2.1,
Steinhaus am Semmering, Austria

Tauernmoos power plant,
Uttendorf, Austria



Subway ©Working Group U2 and U5 railway intersection, Vienna, Austria

Tauernmoos power plant, Uttendorf, Austria

Subway ©Working Group U2 and U5 railway intersection, Vienna, Austria

Tunnel Construction
Lighthouse Project 2023/24

Energy storage power plant Kühtai, Austria

The Kühtai underground hydroelectric power station – a milestone for a sustainable future

The Kühtai underground hydroelectric power station is a groundbreaking project for Tyrol and beyond that is making a substantial contribution to the energy transition. The construction of the new Kühtai storage and pumped-storage power plant Kühtai 2 expands the use of renewable energy and increases supply reliability. Completion is planned by 2026 after the project has been successfully installed. The underground hydroelectric power station uses large underground cavities to generate clean energy through turbines in the caverns, which make an important contribution to reducing CO_2 emissions. This project is the result of hard teamwork and shows our dedication to a sustainable future because the project offers both ecological as well as economic benefits to Tyrol and Europe.

Specialty Competency

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.

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.

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.

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.

Full-Service and General Contractor for Construction

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.

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.

Timber and Hybrid Construction

While timber construction is becoming the standard of contemporary architecture, planers 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.

Laboratory and Testing Facility

SWIETELSKY has a state-authorised 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.

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.

Sewer Maintenance

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.

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.

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.

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 con-struction, 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.

Building Services Engineering

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.

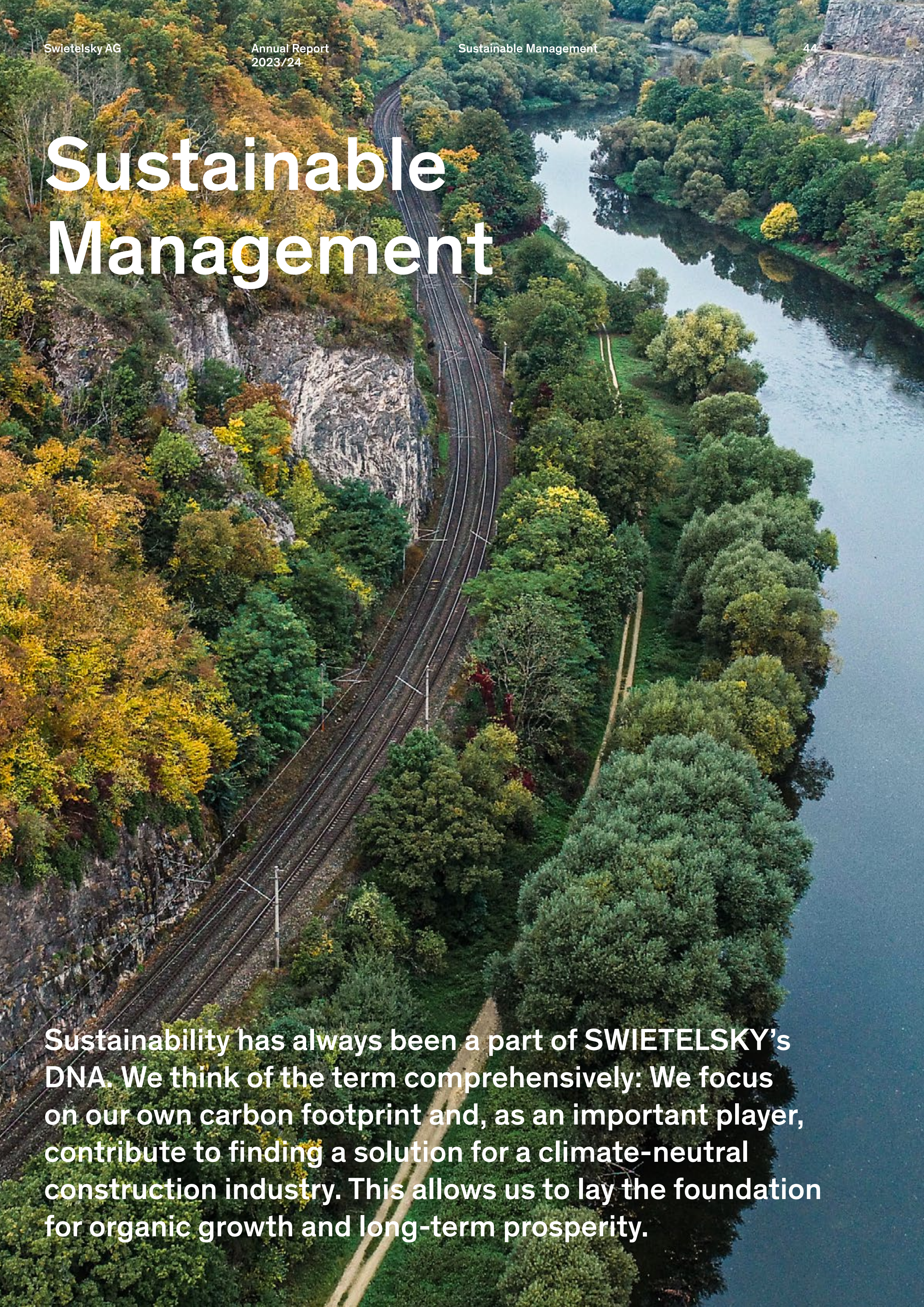
Alpine Construction

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.

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.

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

Sustainable business is more important today than ever. Sustainable practices play an increasingly important role for our environment and society. As a major economic force in Europe, the construction industry has a great responsibility regarding preservation of the environment, achievement of climate goals, openness toward technological advancement and care for the people who are directly or indirectly affected by our activity. Our collective strengths, ideas and solutions are needed. SWIETELSKY also assumes its responsibility to contribute positively to sustainability in the construction industry. Our sustainability strategy has an inward focus and is aimed at our own actions.

You can find SWIETELSKY's sustainability strategy here.

Sustainability Report

The SWIETELSKY Group of Companies publishes a sustainability report annually since 2024. 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.

You can find all of SWIETELSKY's sustainability reports here.

The 2023/24 sustainability report will be published in September 2024.

Consolidated Financial Statements for 2023/24

Financial year 2023/24

Consolidated income statement

Figures in thousand Euro	Notes	2023/24	2022/23
Revenue	(1)	3,220,034	3,298,308
Changes in inventories		11,838	13,723
Own work capitalised		16,793	10,006
Other operating income	(2)	17,571	16,723
Expenses for material and other purchased construction services	(3)	-1,988,211	-2,118,760
Employee benefits expenses	(4)	-882,368	-824,823
Other operating expenses	(6)	-180,176	-185,956
Share of results of associates	(7)	33,841	33,574
Net income from investments	(8)	3,367	3,950
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**252,689**	**246,745**
Depreciation and amortisation	(5)	-117,508	-104,276
Earnings before interest and taxes (EBIT)		**135,181**	**142,469**
Interest and similar income		23,916	6,301
Interest and similar expenses		-12,255	-3,777
Interest income		**11,661**	**2,524**
Other financial result		3,295	907
Earnings before tax (EBT)		**150,137**	**145,900**
Income tax	(9)	-36,441	-34,809
Earnings after tax		**113,696**	**111,091**
Attributable to: shareholders of the parent company		113,696	111,091

Financial year 2023/24

Consolidated statement of comprehensive income

Figures in thousand Euro	2023/24	2022/23
Earnings after tax	**113,696**	**111,091**
Items that cannot be reclassified in the income statement:		
Changes in revaluation reserves of land	1,362	964
Changes in actuarial gains and losses	-126	548
Deferred taxes on neutral changes in equity	-61	-213
	1,175	**1,299**
Items that can be reclassified in the income statement:		
Differences arising from currency translation	-5,066	923
Other result from equity investments	-992	1,672
Changes from the fair value measurement of securities	825	-1,315
Recycling from the fair value measurement of securities	639	0
Deferred taxes on neutral changes in equity	-34	0
	-4,628	1,280
Other income	**-3,453**	**2,579**
Total comprehensive income	**110,243**	**113,670**
Attributable to: shareholders of the parent company	110,243	113,670

31 March 2024

Consolidated balance sheet

Assets

Figures in thousand Euro	Notes	31/3/2024	31/3/2023
Non-current assets			
Intangible assets	(10)	5,295	12,328
Property, plant and equipment	(10)	647,702	613,831
Investments in associates	(11)	15,915	16,282
Other financial assets	(11)	82,800	78,763
Trade receivables	(13)	1,834	2,800
Other receivables and assets	(13)	12,770	11,671
Deferred taxes	(15)	11,813	13,363
		778,129	**749,038**
Current assets			
Inventories	(12)	172,557	182,960
Trade receivables	(13)	444,598	563,705
Other receivables and assets	(13)	50,738	57,490
Cash and cash equivalents	(14)	566,713	352,927
		1,234,606	**1,157,082**
		2,012,735	**1,906,120**

Equity and liabilities

Figures in thousand Euro	Notes	31/3/2024	31/3/2023
Equity			
Share capital		7,705	7,705
Capital reserves		58,269	58,269
Revaluation reserves		11,758	9,271
Revenue reserves		705,344	632,588
	(16)	**783,076**	**707,833**
Non-current liabilities			
Provisions	(17)	24,315	27,135
Financial liabilities	(18)	237,050	118,618
Trade payables	(18)	32,065	31,351
Other liabilities	(18)	21,015	20,519
Deferred taxes	(15)	23,440	27,571
		337,885	**225,194**
Current liabilities			
Provisions	(17)	161,348	195,969
Financial liabilities	(18)	38,160	39,351
Trade payables	(18)	535,220	564,016
Other liabilities	(18)	157,046	173,757
		891,774	**973,093**
		2,012,735	**1,906,120**

Financial year 2023/24

Consolidated cash flow statement

Figures in thousand Euro	2023/24	2022/23
Earnings after tax	113,696	111,091
Deferred taxes	-2,894	-13,358
Non-cash effective results from associates	-625	64
Non-cash effective results from changes in scope of consolidation	110	5
Other non-cash effective results	82	0
Depreciation/reversals of write-downs	114,800	103,025
Changes in non-current provisions	-2,951	-1,923
Gains/losses on disposal of non-current assets	-2,897	-2,123
Consolidated cash flow from results	**219,321**	**196,781**
Changes to the items:		
Inventories	9,230	-30,332
Trade receivables, contract assets and project consortiums	114,496	-48,409
Intra-group receivables and receivables from other non-current investees and investors	-1,355	1,501
Other receivables and assets	15,458	6,315
Current provisions	-31,397	35,851
Trade payables, contract liabilities and project consortiums	-23,229	-24,141
Intra-group liabilities and liabilities to other non-current investees and investors	-5,747	4,992
Other liabilities	-7,028	12,779
Consolidated cash flow from operating activities	**289,749**	**155,337**

Figures in thousand Euro	Notes	2023/24	2022/23
Purchase of intangible assets and property, plant and equipment		-130,219	-105,363
Purchase of financial assets		-21,901	-80,940
Inflows from disposals of intangible assets and property, plant and equipment		7,400	29,488
Inflows from the disposal of financial assets		21,105	28,472
Changes in scope of consolidation		9,719	-590
Consolidated cash flow from investing activities		**-113,896**	**-128,933**
Raising of promissory note loans		129,675	0
Changes in liabilities to banks		-4,123	-1,629
Changes in lease liabilities		-40,148	-30,278
Changes in group financing		-357	-965
Distributions		-35,000	-40,000
Consolidated cash flow from financing activities		**50,047**	**-72,872**
Consolidated cash flow from operating activities		289,749	155,337
Consolidated cash flow from investing activities		-113,896	-128,933
Consolidated cash flow from financing activities		50,047	-72,872
Net change in liquid funds		**225,900**	**-46,468**
Liquid funds at the beginning of the period		339,467	387,940
Currency translation adjustment relating to liquid funds		-2,348	-2,005
Liquid funds at the end of the period	**(19)**	**563,019**	**339,467**

1 April 2022 to 31 March 2024

Development of equity

Figures in thousand Euro	Share capital	Capital reserves
As of 1 April 2022	**7,705**	**58,269**
Earnings after tax	0	0
Differences arising from currency translation	0	0
Changes in investments in associates	0	0
Changes in revaluation reserves of land	0	0
Changes from the fair value measurement of securities	0	0
Changes in actuarial gains and losses	0	0
Deferred taxes on neutral changes in equity	0	0
Total comprehensive income	**0**	**0**
Distributions	0	0
As of 31 March 2023 = As of 1 April 2023	**7,705**	**58,269**
Earnings after tax	0	0
Differences arising from currency translation	0	0
Changes in investments in associates	0	0
Changes in revaluation reserves of land	0	0
Changes from the fair value measurement of securities	0	0
Changes in actuarial gains and losses	0	0
Deferred taxes on neutral changes in equity	0	0
Total comprehensive income	**0**	**0**
Distributions	0	0
As of 31 March 2024	**7,705**	**58,269**

Revaluation reserves	Revenue reserves	Currency translation	Group equity
9,838	**567,417**	**-9,066**	**634,163**
0	111,091	0	111,091
-129	0	1,052	923
0	1,672	0	1,672
964	0	0	964
-1,315	0	0	-1,315
0	548	0	548
-87	-126	0	-213
-567	**113,185**	**1,052**	**113,670**
0	-40,000	0	-40,000
9,271	**640,602**	**-8,014**	**707,833**
0	113,696	0	113,696
-224	0	-4,842	-5,066
0	-992	0	-992
1,362	0	0	1,362
1,464	0	0	1,464
0	-126	0	-126
-115	20	0	-95
2,487	**112,598**	**-4,842**	**110,243**
0	-35,000	0	-35,000
11,758	**718,200**	**-12,856**	**783,076**

Financial year 2023/24

Notes

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 2024 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
Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules	1/1/2023	1/1/2023
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	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
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
IFRS 17 Insurance Contracts including Amendments to IFRS 17	1/1/2023	1/1/2023

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 2024, 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 2023:

Standards / interpretations	Application date IASB	Application date EU
Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback	1/1/2024	1/1/2024
Amendments to IAS 1 – Classification of Liabilities as current and non-current and non-current Liabilities with Covenants	1/1/2024	1/1/2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	1/1/2024	1/1/2024
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1/1/2025	na
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	1/1/2026	na
IFRS 18 Presentation and Disclosure in Financial Statements	1/1/2027	na
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1/1/2027	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 2024.

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.

11 affiliated companies (previous year: 14) 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 2024.

In the 2023/24 financial year, the basis of consolidation developed as follows:

	Full consolidation	Equity measurement
As at 1 April 2023	62	3
of which foreign companies	32	2
Deconsolidations	-2	0
As at 31 March 2024	**60**	**3**
of which foreign companies	31	2

Due to the contractual structure and extensive co-determination rights, SWIETELSKY exercises a controlling influence over a special fund and the fund has therefore been classified as a structured entity and fully consolidated since the 2022/23 financial year. At the balance sheet date, there were no significant risks in connection with the structured entity beyond the general investment risk.

Disposals from scope of consolidation

Deconsolidation	
Baumeister Karl Sedlmayer Gesellschaft mit beschränkter Haftung	merger
Vydrovka Office Center s.r.o	sale

Baumeister Karl Sedlmayer Gesellschaft mit beschränkter Haftung was merged with Swietelsky AG.

In the financial year, 100% of the shares in Vydrovka Office Center s.r.o. were sold; the closing took place on 19 March 2024. The assets and liabilities disposed of are allocated to the selling price as follows:

Figures in thousand Euro	
Non-current assets	9,522
Current assets	55
Non-current liabilities	0
Current liabilities	0
Deconsolidation gain recognised in profit or loss	558
Consideration received (selling price)	**10,134**
Decreased means of payment	-415
Net cash inflow from deconsolidation	**9,719**

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 -5,066 (previous year: kEUR 923) 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.

Accounting and valuation methods

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 8% to 12%.

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

Property, plant and equipment:	
Buildings	10 – 50 years
Technical equipment and machinery	2 – 20 years
Other equipment, operating and office equipment	2 – 20 years

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 and interest rates 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.

Impacts of the Ukraine crisis and conflict in the Middle East

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 addition, the armed conflict in the Middle East increases the risk of unforeseeable influences on the economic environment, especially on the procurement of operating materials.

There were no significant effects on the Group's net assets and financial position in the current reporting period. The restrictions on the availability of materials and energy caused by the disputes, including the associated price increases, have lost considerable momentum. SWIETELSKY is constantly monitoring the situation and is adhering to mitigating measures.

It remains difficult to assess the extent to which the ongoing conflicts in Ukraine and the Middle East, including their impact on the overall economic situation, will affect the forecasts for performance and earnings and whether further economic risks will materialise.

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 are working to fulfil this responsibility: in terms of preserving our environment, achieving climate targets (including the climate targets of the EU taxonomy), being open to technological progress and caring for the people who are directly or indirectly affected by our activities.

The sustainability report, which can be downloaded from www.swietelsky.com, is intended to create transparency, document our efforts to date and at the same time provide a working basis for further endeavours. The next edition will be available at the end of the calendar year, for the first time for a one-year reporting period and for the last time outside of the annual report.

We have developed the standardisation for our own actions in the form of targets and measures, which have been illustrated for the first time in the form of our sustainability strategy – also available for download at www.swietelsky.com.

Notes on the items

Consolidated income statement

(1) Revenue

Revenue 2023/24

Figures in thousand Euro	Austria	Germany	Hungary	Czech Republic	Other countries	Group
Road construction	197,163	169,518	79,269	164,088	65,906	675,943
Railway construction	191,254	166,421	27,542	78,515	306,543	770,276
Building construction	694,052	43,497	56,435	94,654	25,814	914,452
Civil engineering	434,691	97,679	15,282	43,426	56,094	647,172
Tunnel construction	212,191	0	0	0	0	212,191
Revenue	**1,729,351**	**477,115**	**178,528**	**380,683**	**454,357**	**3,220,034**
over time	1,689,981	476,582	157,368	378,557	447,052	3,149,540
at a point in time	39,370	533	21,160	2,126	7,305	70,494

Revenue 2022/23

Figures in thousand Euro	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
Revenue	**1,858,175**	**351,568**	**262,655**	**411,970**	**413,940**	**3,298,308**
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

Revenues of kEUR 3,220,034 (previous year: kEUR 3,298,308) 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 3,149,540 (previous year: kEUR 3,222,021).

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 Euro	2023/24	2022/23
Profits from the sale of tangible fixed assets	3,323	2,349
Insurance refunds	2,903	5,299
Subsidies, bonus	2,598	3,028
Currency translation gains	2,368	3,190
Others under EUR 1 mio each	6,379	2,857
	17,571	**16,723**

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 Euro	2023/24	2022/23
Cost of materials	-745,568	-820,752
Cost of purchased services	-1,242,643	-1,298,008
	-1,988,211	**-2,118,760**

(4) Employee benefits expenses

Figures in thousand Euro	2023/24	2022/23
Wages	-373,794	-357,534
Salaries	-312,576	-285,248
Expenses for severance payments and payments into employee welfare funds	-15,631	-14,978
Post-employment benefit costs	-2,126	-1,956
Expenses for mandatory social security contributions and income-based contributions and compulsory contributions	-165,284	-155,417
Voluntary social security expenses	-12,957	-9,690
	-882,368	**-824,823**

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 12,633 (previous year: kEUR 12,141).

In the financial year, government grants of kEUR 1,038 (previous year: kEUR 1,174), mainly quarantine payments, were netted against employee benefits expenses through profit or loss.

The average number of employees is as follows:

2023/24	2022/23
Average number of employees	Average number of employees
11,910	12,035
7,645 Blue-collar workers	7,828 Blue-collar workers
4,265 White-collar workers	4,207 White-collar workers

(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), impairments of kEUR 5,158 were recorded (previous year: kEUR 0).

(6) Other operating expenses

Figures in thousand Euro	2023/24	2022/23
Maintenance and service	-25,017	-22,094
Insurance expenses	-22,403	-21,754
Travel expenses	-17,091	-16,952
Rentals and leases	-17,070	-14,210
Vehicle expenses, fleet	-12,312	-11,640
Cases of damage	-12,042	-9,085
Fees and charges	-10,492	-11,806
Advertising, public relations	-10,145	-9,772
Legal and tax advice, audits	-9,087	-8,067
Projects, planning, monitoring	-7,961	-9,407
Currency translation losses	-3,578	-2,501
Operating taxes	-3,167	-3,922
Other provisions	3,399	-15,416
Others under EUR 8 mio each	-33,210	-29,330
	-180,176	**-185,956**

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 398 (previous year: kEUR 393), of which kEUR 347 (previous year: kEUR 327) results from the audit of the consolidated financial statements (including the financial statements of various affiliated companies) and kEUR 51 (previous year: kEUR 66) results from other services.

(7) Share of results of associates

Figures in thousand Euro	2023/24	2022/23
Income from associated companies	5,125	3,436
Profit from project consortiums	39,832	32,415
Losses from project consortiums	-11,116	-2,277
	33,841	**33,574**

(8) Net income from investments

Figures in thousand Euro	2023/24	2022/23
Income from non-current equity investments	3,387	4,143
Losses from non-current equity investments	-20	-193
	3,367	**3,950**

(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 Euro	2023/24	2022/23
Actual taxes	-39,429	-48,121
Deferred taxes	2,988	13,312
	-36,441	**-34,809**

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

Figures in thousand Euro	2023/24	2022/23
Changes from the fair value measurement of securities	-34	0
Changes in actuarial gains and losses	20	-126
Changes in revaluation reserves of land	-81	-87
	-95	**-213**

The causes of the difference between the Austrian group tax rate of 23.75% (previous year: 24.75%) and the recognised group tax rate are as follows:

Figures in thousand Euro	2023/24	2022/23
Earnings before tax	**150,137**	**145,900**
Theoretical tax expenditure of 23.75% (previous year: 24.75%)	-35,658	-36,110
Differences to foreign tax rates	2,871	4,181
Tax-neutral expenses and income	-4,927	-4,106
Changes in tax rates	202	-775
Tax-free investment income / equity measurement of associated companies	1,882	1,723
Changes to estimates of deferred taxes	-57	-264
Aperiodic effects and other non-temporary differences	-754	542
Recognised income tax expense	**-36,441**	**-34,809**

From the 2024/25 financial year on, the regulations regarding the global minimum taxation (“Pillar II”) are mandatory for SWIETELSKY. SWIETELSKY assumes that there will be an additional tax burden in a few countries (e.g. in the core market Hungary) and that the impact on the group tax rate will be immaterial. For the current financial year 2023/24, there will be no tax expense or tax income in accordance with the Austrian Minimum Taxation Act or foreign minimum tax laws, as the regulations are not yet applicable.

Notes on the items

Consolidated balance sheet

(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 Euro	31/3/2024	31/3/2023
Swietelsky Vasuttechnika Kft.	0	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.	0	700
Swietelsky Baugesellschaft m.b.H.	565	565
	3,966	**9,124**

The comparison of the carrying amounts with the recoverable amounts of the cash-generating units as part of the annual impairment test resulted in an impairment requirement of kEUR 5,158 (previous year: kEUR 0).

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 13,489 (previous year: kEUR 12,376) on the balance sheet date. The carrying amount that would result from measurement at amortised cost is kEUR 228,413 (previous year: kEUR 229,369). The property, plant and equipment were revalued based on the independent appraisal of:

DI Erich Weismann	from 14/2/2022	for Austria
BERMARK Szakértő Kft	from 28/3/2024	for Hungary
SC LOUISIANA SRL	from 31/3/2024	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 Euro	2023/24	2022/23
Interest expenses for lease liabilities	4,771	2,478
Redemption of lease liabilities	40,148	30,278
Short-term lease expenses	17,070	14,210
Total lease payments	**61,989**	**46,966**

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 Euro	2023/24	2022/23
Revenue	117,714	116,590
Earnings after tax	10,251	6,926
Other income	-1,985	9,285
Total comprehensive income	8,266	16,211

Figures in thousand Euro	31/3/2024	31/3/2023
Non-current assets	86,284	95,495
Current assets	31,965	29,949
Non-current liabilities	-55,988	-61,958
Current liabilities	-30,430	-30,921
Net assets	31,831	32,565

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 2023/24 financial year.

Project consortium	(short)	Share in %
Arge ATCOST 21	ATCOST	15.00
Arge SKW Kühtai	SKW	62.00
Arge Tunnel Fröschnitzgraben	ATF	50.00
Arge U2xU5	U2xU5	33.33
Arge Schneewittchen	Schneewittchen	50.00

100% of the financial information has been disclosed.

Figures in thousand Euro	Revenue	Non-current assets	Current assets	thereof cash and cash equivalents	Non-current liabilities	Current liabilities
ATCOST	179,768	0	322,837	12,749	0	322,837
SKW	117,261	61,680	429,883	4,216	0	491,563
ATF	116,591	16,470	77,862	3,417	0	94,332
U2xU5	71,056	5,939	17,954	2,671	0	23,893
Schneewittchen	35,015	37	77,227	15,898	0	77,264

In the financial year 2023/24, results from joint ventures in the amount of kEUR 15,154 from the above-mentioned joint ventures are reported in the 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 Fröschnitzgraben	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 Euro	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.

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

Figures in thousand Euro	31/3/2024	31/3/2023
Services rendered	111,202	173,081
Services received	1,822	19,817
Receivables as of 31 March	48,008	60,150
Liabilities as of 31 March	22,844	26,069

(12) Inventories

Figures in thousand Euro	31/3/2024	31/3/2023
Raw materials, consumables and supplies	50,383	63,439
Land for development and construction projects	120,805	117,203
Finished products and goods	1,369	2,318
	172,557	**182,960**

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 Euro	31/3/2024			31/3/2023		
Trade receivables	**Total**	**of which current**	**of which non-current**	**Total**	**of which current**	**of which non-current**
Contract assets	2,376,228	2,376,228	0	2,461,895	2,461,895	0
Advances received	-2,122,452	-2,122,452	0	-2,146,765	-2,146,765	0
	253,776	**253,776**	**0**	**315,130**	**315,130**	**0**
Other trade receivables	144,648	142,814	1,834	191,225	188,425	2,800
Receivables from project consortia	48,008	48,008	0	60,150	60,150	0
	446,432	**444,598**	**1,834**	**566,505**	**563,705**	**2,800**
of which financial assets	192,656	190,822	1,834	251,375	248,575	2,800
of which non-financial assets	253,776	253,776	0	315,130	315,130	0

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 2023/24, revenue was recognised in the amount of kEUR 81,620 (previous year: kEUR 97,033) that had been contained under contract liabilities at the beginning of the financial year.

As at 31 March 2024, there are unsatisfied performance obligations (order backlog) in the amount of kEUR 3,105,257 (previous year: kEUR 2,963,940). The recognition of revenue from these performance obligations is expected with kEUR 2,183,776 (previous year: kEUR 2,260,601) in the following financial year and with kEUR 921,481 (previous year: kEUR 703,339) in the next eight (previous year: 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 Euro	31/3/2024			31/3/2023		
Other receivables and assets	**Total**	**of which current**	**of which non-current**	**Total**	**of which current**	**of which non-current**
Receivables from affiliated companies	2,043	2,043	0	313	313	0
Receivables from associated companies	4,145	205	3,940	4,145	205	3,940
Receivables from other non-current investees and investors	12,549	7,993	4,556	12,671	9,106	3,565
Other receivables and prepaid expenses	44,771	40,497	4,274	52,032	47,866	4,166
	63,508	**50,738**	**12,770**	**69,161**	**57,490**	**11,671**
of which financial assets	39,478	26,708	12,770	49,363	37,692	11,671
of which non-financial assets	24,030	24,030	0	19,798	19,798	0

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

Figures in thousand Euro	2023/24	2022/23
As of 1 April	43,140	39,246
Currency translation	-170	35
Changes to the basis of consolidtion	-6	0
Addition/utilisation/release	-284	3,859
As of 31 March	**42,680**	**43,140**

Figures in thousand Euro	31/3/2024	31/3/2023
Trade receivables before valuation allowance	489,112	609,645
Valuation allowances	-42,680	-43,140
Carrying amount on 31 March	**446,432**	**566,505**

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 Euro	31/3/2024	31/3/2023
Securities	3,694	13,460
Cash-in-hand, bank balances	563,019	339,467
	566,713	**352,927**

(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 652 (previous year: kEUR 533) 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 Euro	31/3/2024		31/3/2023	
	Assets	Liabilities	Assets	Liabilities
Non-current assets	1,084	29,650	560	30,625
Current assets	1,062	13,489	1,090	17,050
	2,146	**43,139**	**1,650**	**47,675**
Non-current liabilities	24,173	0	25,150	0
Current liabilities	14,781	9,658	15,842	9,237
Tax losses carried forward	70	0	62	0
Deferred tax assets and liabilities	**41,170**	**52,797**	**42,704**	**56,912**
Offsetting of deferred tax assets and liabilities with the same tax authority	-29,357	-29,357	-29,341	-29,341
Deferred taxes offset	**11,813**	**23,440**	**13,363**	**27,571**

(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 Euro	2023/24	of which Securities	of which Land	2022/23	of which Securities	of which Land
As of 1 April	9,271	-1,315	10,586	9,838	0	9,838
Differences arising from currency translation	-224	0	-224	-129	0	-129
Changes in revaluation reserves	2,826	1,464	1,362	-351	-1,315	964
Deferred taxes on neutral changes in equity	-115	-34	-81	-87	0	-87
As of 31 March	**11,758**	**115**	**11,643**	**9,271**	**-1,315**	**10,586**

(17) Provisions

Figures in thousand Euro	Balance as of 1/4/2023	Currency translation	Additions	Reversal	Utilisation	Balance as of 31/3/2024
Provision for:						
Severance payments	26,700	0	2,760	0	5,459	24,001
Pensions	142	0	23	0	3	162
Other	293	3	12	156	0	152
Non-current provisions	**27,135**	**3**	**2,795**	**156**	**5,462**	**24,315**
Taxes	36,866	-80	10,994	731	3,486	43,563
Other:						
Construction-related	104,896	-2,764	39,479	21,605	37,783	82,223
Other	54,207	-3	9,822	630	27,834	35,562
Current provisions	**195,969**	**-2,847**	**60,295**	**22,966**	**69,103**	**161,348**
Total	**223,104**	**-2,844**	**63,090**	**23,122**	**74,565**	**185,663**

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

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

Figures in thousand Euro	2023/24	2022/23
Present value of the defined benefit obligation (DBO) on 1 April	26,700	29,156
Service cost	1,756	2,469
Interest expense	1,035	560
Severance payments	-5,605	-4,989
Actuarial gains and losses	115	-496
Present value of the defined benefit obligation (DBO) on 31 March	**24,001**	**26,700**

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 3.57% (previous year: 4.00%) and a salary-related promise of salary increase of 3.75% (previous year: 4.50%) was used as the basis. In the financial year 2023/24, as in the previous year, all actuarial gains and 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: 10 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%	+10.10%	-8.80%
Salary increase	-0.50%	+0.50%	-4.60%	+4.80%

The development of provisions for pensions is shown below:

Figures in thousand Euro	2023/24	2022/23
Present value of the defined benefit obligation (DBO) on 1 April	142	189
Service cost	7	8
Interest expense	6	4
Pension payments	-4	-6
Actuarial gains and losses	11	-53
Present value of the defined benefit obligation (DBO) on 31 March	**162**	**142**

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 3.66% (previous year: 4.09%) and an increase in the pension commitment of 1.00% (previous year: 1.00%) was used as the basis. In the 2023/24 financial year, as in the previous year, all actuarial gains and 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: 15 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	
Interest rate	-1.00%	+1.00%	+15.50%	-12.70%
Pension increase	-0.25%	+0.25%	-2.60%	+2.70%

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 past 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. Due to the fine decision of the Cartel Court, which became legally binding on 3 October 2023, the fine was paid in the amount of this provision on 12 October 2023. In addition, provisions were recognised 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, 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

Figures in thousand Euro	31/3/2024			31/3/2023		
Financial liabilities	Total	of which current	of which non-current	Total	of which current	of which non-current
Promissory note loans	129,757	0	129,757	0	0	0
Liabilities to banks	13,176	3,236	9,940	17,320	3,691	13,629
Lease liabilities	132,277	34,924	97,353	140,649	35,660	104,989
	275,210	**38,160**	**237,050**	**157,969**	**39,351**	**118,618**

In the reporting period, promissory note loans with an issue volume of kEUR 130,000 were concluded. Terms of 3 years and 5 years were agreed, each with fixed and variable interest rates.

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

Figures in thousand Euro	31/3/2024			31/3/2023		
Trade payables	Total	of which current	of which non-current	Total	of which current	of which non-current
Contract liabilities	-557,583	-557,583	0	-566,595	-566,595	0
Advances received	713,477	713,477	0	675,319	675,319	0
	155,894	155,894	0	108,724	108,724	0
Other trade payables	388,547	356,482	32,065	460,574	429,223	31,351
Liabilities to project consortia	22,844	22,844	0	26,069	26,069	0
	567,285	**535,220**	**32,065**	**595,367**	**564,016**	**31,351**
of which financial liabilities	411,391	379,326	32,065	486,643	455,292	31,351
of which non-financial liabilities	155,894	155,894	0	108,724	108,724	0
Other liabilities						
Liabilities to affiliated companies	0	0	0	993	993	0
Liabilities to associated companies	1,022	1,022	0	5,557	5,557	0
Liabilities from other non-current investees and investors	708	708	0	1,013	1,013	0
Other liabilities	176,331	155,316	21,015	186,713	166,194	20,519
	178,061	**157,046**	**21,015**	**194,276**	**173,757**	**20,519**
of which taxes	15,552	15,552	0	23,021	23,021	0
of which social security	11,976	11,976	0	11,670	11,670	0
of which personnel-related liabilities	128,995	112,590	16,405	127,557	113,255	14,302
of which financial liabilities	18,393	15,912	2,481	24,038	20,672	3,366
of which non-financial liabilities	159,668	141,134	18,534	170,238	153,085	17,153

Notes on the cash flow statement

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 Euro	31/3/2024	31/3/2023
Liquid funds (Cash-in-hand, bank balances)	563,019	339,467
Other Securities	3,694	13,460
Cash and cash equivalents	**566,713**	**352,927**

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

Figures in thousand Euro	2023/24	2022/23
Interest paid	7,176	3,304
Interest received	21,481	5,361
Tax paid	33,494	33,430

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 Euro	Category to IFRS 9	Carrying amount 31/3/2024	Carrying amount 31/3/2023
Assets not measured at fair value			
Other financial assets	AC	17,020	17,104
Loans	AC	5,226	5,546
Trade receivables	AC	192,656	251,375
Other financial receivables	AC	39,478	49,363
Cash-in-hand, bank balances	AC	563,019	339,467
Assets measured at fair value			
Securities	FVOCI	35,253	36,610
Securities	FVPL	28,995	32,963
Total financial assets		**881,647**	**732,428**

Liabilities

Figures in thousand Euro	Category to IFRS 9	Carrying amount 31/3/2024	Carrying amount 31/3/2023
Liabilities not measured at fair value			
Financial liabilities: Promissory note loans	AC	129,757	0
Financial liabilities: Other	AC	145,453	157,969
Trade payables	AC	411,391	486,643
Other financial liabilities	AC	18,393	23,865
Liabilities measured at fair value			
Derivatives	FVPL	0	173
Total financial obligations		**704,994**	**668,650**

	AC	112,405	-5,622
	FVPL	28,995	32,790
	FVOCI	35,253	36,610

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 Euro	AC	FVOCI	FLAC	FVPL	Total
2023/24					
Interest and similar income/expenses	23,916	0	-12,255	642	12,303
Impairment losses and reversal of impairment losses	454	0	0	0	454
Fair value measurement	0	1,464	0	2,808	4,272
Results from disposal	0	0	0	-155	-155
Net result	**24,370**	**1,464**	**-12,255**	**3,295**	**16,874**
2022/23	**AC**	**FVOCI**	**FLAC**	**FVPL**	**Total**
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
Net result	**2,407**	**0**	**-3,777**	**907**	**-463**

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 Euro	Carrying amount 31/3/2024	Average interest rate *) 2023/24	Carrying amount 31/3/2023	Average interest rate*) 2022/23
variable interest				
EUR	416,819	3.27%	199,406	0.86%
HUF	60,533	0.12%	67,087	0.19%
RON	8,330	0.00%	21,327	2.79%
CZK	37,393	4.16%	18,944	3.83%
GBP	11,018	0.00%	7,971	0.59%
PLN	25,990	0.57%	18,724	0.44%
DKK	1,665	1.81%	2,252	0.00%
Other	1,271	0.53%	3,756	0.05%
	563,019		**339,467**	

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

Liabilities to banks

Figures in thousand Euro	Carrying amount 31/3/2024	Average interest rate 2023/24	Carrying amount 31/3/2023	Average interest rate 2022/23
variable interest				
AUD	5,219	2.96%	2,461	3.70%
Other	67	3.98%	167	1.01%
	5,286		**2,628**	
fixed interest				
GBP	7,531	1.86%	8,372	1.86%
CZK	359	6.21%	473	6.21%
AUD	0	0.00%	4,922	2.60%
EUR	0	0.00%	925	3.78%
	7,890		**14,692**	
	13,176		**17,320**	

If the market interest rate on 31 March 2024 were 50 basis points higher, the earnings after tax and equity would have been kEUR 2,126 (previous year: kEUR 1,267) 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. 23.75% is used as the tax rate (previous year: 24,75%).

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.

Performance of the major group currencies

		Closing rate		Average rate of exchange	
Currency		31/3/2024 1 Euro =	31/3/2023 1 Euro =	2023/24 1 Euro =	2022/23 1 Euro =
Australian dollar	AUD	1.6607	1.6254	1.6537	1.5274
Swiss franc	CHF	0.9766	0.9982	0.9607	0.9938
Czech crown	CZK	25.3050	23.5120	24.3698	24.2979
Danish crown	DKK	7.4580	7.4486	7.4541	7.4405
British pound	GBP	0.8551	0.8791	0.8630	0.8645
Hungarian forint	HUF	395.2600	380.3000	382.6442	396.9033
Norwegian crown	NOK	11.6990	11.3660	11.5716	10.4126
Polish zloty	PLN	4.3123	4.6790	4.4319	4.7030
Romanian leu	RON	4.9735	4.9491	4.9626	4.9296
Swedish crown	SEK	11.5250	11.2710	11.5086	10.8477

A 10% appreciation or devaluation of the Euro on 31 March 2024 would have resulted in a change in earnings after tax and equity of kEUR 1,663 (previous year: kEUR 2,236).

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. 23.75% is used as the tax rate (previous year: 24,75%).

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.

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 253,776 (previous year: kEUR 315,130) and receivables from project consortia amounting to kEUR 48,008 (previous year: kEUR 60,150) 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 144,648 (previous year: kEUR 191,225), 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 185,279 (previous year: kEUR 128,394) on 31 March 2024. Additionally, a derived credit risk of kEUR 4,643 (previous year: kEUR 3,828) resulting from the liabilities for associated companies and other investments assumed through payment guarantees.

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 promissory note loans and 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 Euro	Carrying amount 31/3/2024	Cashflows 1/4/2024 – 31/3/2025	Cashflows 1/4/2025 – 31/3/2029	Cashflows from 1/4/2029
Promissory note loans	129,757	6,243	146,289	0
Liabilities to banks	13,176	3,236	8,260	2,197
Lease liabilities	132,277	37,249	82,531	26,268
Trade payables	567,285	535,220	32,065	0
Other financial liabilities	18,393	15,912	2,481	0
	860,888	**597,860**	**271,626**	**28,465**

Figures in thousand Euro	Carrying amount 31/3/2023	Cashflows 1/4/2023 – 31/3/2024	Cashflows 1/4/2024 – 31/3/2028	Cashflows 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
	777,374	**628,095**	**122,926**	**48,327**

Interest payments were calculated based on the most recently fixed interest rates on or before 31 March 2024 and 31 March 2023. 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, promissory note loans, liabilities to banks and lease liabilities leases 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 Euro	31/3/2024	Carrying amount	Fair Value	Level 1	Level 2	Level 3
Assets						
Securities		64,248	64,248	63,997	251	0

Figures in thousand Euro	31/3/2023	Carrying amount	Fair Value	Level 1	Level 2	Level 3
Assets						
Securities		69,573	69,573	69,312	261	0
Liabilities						
Derivatives		173	173	173	0	0

The derivatives recognised in the previous year 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. Apart from the following fixed-interest liabilities, financial liabilities 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.

Fixed interest financial liabilities:

Figures in thousand Euro	31/3/2024	Carrying amount	Fair Value	Level 1	Level 2	Level 3
Liabilities						
Promissory note loans		61,885	62,644	0	0	62,644
Liabilities to banks		7,890	6,338	0	0	6,338

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 39% (previous year: 37%).

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.

Other disclosures

(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	Road construction	Road construction	Road construction	Road construction
Railway construction	Railway construction	Railway construction	Railway construction	Railway construction
Building construction	Building construction	Building construction	Building construction	Building construction
Civil engineering	Civil engineering	Civil engineering	Civil engineering	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 2023/24

Figures in thousand Euro	Austria	Germany	Hungary	Czech Republic	Other countries	Consoli-dation	Group
Construction output	**2,019,104**	**478,577**	**179,869**	**380,327**	**459,968**	**0**	**3,517,845**
Reconciliation with IFRS financial statements							**-297,811**
Revenue	**1,933,637**	**493,614**	**189,916**	**385,909**	**467,132**	**-250,174**	**3,220,034**
Segment result	**96,489**	**7,811**	**17,271**	**16,010**	**26,552**	**0**	**164,133**
Included in the segment result:							
Interest income	23,959	883	7,292	1,682	1,482		
Interest expense	-14,968	-1,473	-291	-1,261	-1,763		
Depreciation and amortisation	-50,056	-11,349	-3,705	-7,112	-8,175		
Share of results of associates	25,918	2,363	0	0	416		
Reconciliation with IFRS financial statements							**-13,996**
Earnings before tax (EBT)	**146,036**	**14,669**	**16,160**	**13,705**	**30,269**	**-70,702**	**150,137**
Investments	**131,307**	**23,014**	**11,649**	**22,032**	**11,518**	**-1,432**	**198,088**
Order backlog	**1,522,856**	**321,867**	**158,420**	**367,343**	**734,771**	**0**	**3,105,257**

Segment information 2022/23

Figures in thousand Euro	Austria	Germany	Hungary	Czech Republic	Other countries	Consoli-dation	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**
Included in the segment result:							
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**

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 Euro	2023/24	2022/23
Other non-current equity investments, project consortia	-292,759	-270,459
IFRS measurements	-5,052	-7,031
Reconciliation	**-297,811**	**-277,490**

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

Figures in thousand Euro	2023/24	2022/23
Investment income	-6,398	-5,652
IFRS measurements	-7,598	-952
Reconciliation	**-13,996**	**-6,604**

(22) Disclosures on related parties

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

Dr. Daniela Huemer (member of the Supervisory Board) is a partner of the office HASLINGER/NAGELE RECHTSANWÄLTE GMBH which renders consultancy services for the group at standard market rates.

	Services rendered		Receivables	
Figures in thousand Euro	**2023/24**	**2022/23**	**31/3/2024**	**31/3/2023**
Thumersbacher Geräteverleih GmbH	172	858	21	0
Harald Gindl, MBA	870	92	0	0
Other	118	170	0	0

	Services received		Liabilities	
Figures in thousand Euro	**2023/24**	**2022/23**	**31/3/2024**	**31/3/2023**
HASLINGER/NAGELE RECHTSANWÄLTE GMBH	86	146	0	0
Other	104	16	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
Harald Gindl, MBA
Dipl.-Ing. Klaus Bleckenwegner
Peter Gal
August Weichselbaumer

Supervisory Board

Adolf Scheuchenpflug, Chairman (since 1/4/2024; before Vice-chairman)
Dr. Günther Grassner, Vice-chairman (since 1/4/2024; before Chairman)
Ing. Franz Rohr
Dr. Stefan Ebner
Dr. Daniela Huemer
DI Johannes Dotter (since 28/8/2023)
Mag. Karl Schlögl (until 28/8/2023)
Andrea Steinkellner
Manuel Madurski
Mag. (FH) Andrea Bauer

Salary expenses include the total remuneration of the Management Board, short-term benefits, in the amount of kEUR 9,572 (previous year: kEUR 10,685). The severance payments, post-employment benefits, for Management Board members amount to kEUR 1,290 (previous year: kEUR 1,480). Remuneration of kEUR 743 (previous year: kEUR 629) 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 2024 will take place on 24 July 2024.

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

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

Linz, 4 July 2024
Management Board

DI Dr. Peter Krammer
CEO

Harald Gindl, MBA
CFO

Dipl.-Ing. Klaus Bleckenwegner
COO International

Peter Gal
COO Railway construction

August Weichselbaumer
COO Austria

31 March 2024

Consolidated statement of changes in fixed assets

Historical costs

Figures in thousand Euro	As of 1/4/2023	Changes to the basis of consoli-dation	Currency translation	Reclassifi-cations	Additions	Disposals	As of 31/3/2024
I. Intangible assets:							
1. Software and licences	21,079	-1	-34	21	354	486	20,932
2. Goodwill	9,124	0	0	0	0	5,158	3,966
3. Prepayments	4	0	0	0	167	0	171
	30,207	**-1**	**-34**	**21**	**521**	**5,644**	**25,069**
II. Property, plant and equipment:							
1. Land, land rights and buildings, including buildings on third-party land (basic value kEUR 78,786; previous year: kEUR 75,489)	327,495	-1,527	-2,545	4,385	19,420	13,038	334,191
thereof Right of use Assets IFRS 16	64,768	0	-419	-887	13,926	12,214	65,174
2. Technical equipment and machinery	725,473	0	-4,528	2,526	61,349	31,204	753,615
thereof Right of use Assets IFRS 16	74,572	0	602	-7,019	1,579	3,631	66,104
3. Other equipment, operating and office equipment	193,902	0	-2,438	3,067	38,481	25,209	207,803
thereof Right of use Assets IFRS 16	77,231	0	-1,003	-858	23,975	18,337	81,009
4. Assets under construction	19,584	-8,703	-602	-9,999	51,291	40	51,531
	1,266,454	**-10,230**	**-10,113**	**-21**	**170,541**	**69,491**	**1,347,140**
thereof Right of use Assets IFRS 16	216,571	0	-820	-8,763	39,480	34,182	212,287
	1,296,661	**-10,231**	**-10,147**	**0**	**171,062**	**75,135**	**1,372,209**

Cumulative depreciation							Carrying amounts	
As of 1/4/2023	Changes to the basis of consolidation	Currency translation	Reclassifications	Additions	Disposals	As of 31/3/2024	As of 31/3/2024	As of 31/3/2023
17,879	-1	-30	0	2,415	489	19,774	1,158	3,199
0	0	0	0	5,158	5,158	0	3,966	9,124
0	0	0	0	0	0	0	171	4
17,879	**-1**	**-30**	**0**	**7,573**	**5,647**	**19,774**	**5,295**	**12,328**
85,750	0	-880	-49	13,702	6,234	92,289	241,902	241,745
19,133	0	-175	-118	7,551	5,723	20,668	44,505	45,635
455,059	0	-3,023	-2,685	67,525	28,267	488,608	265,007	270,413
17,913	0	262	-3,619	7,922	3,631	18,847	47,257	56,659
111,812	0	-1,348	2,734	28,672	23,330	118,540	89,263	82,090
37,208	0	-465	-286	17,845	17,285	37,017	43,992	40,023
0	0	0	0	36	36	0	51,531	19,584
652,621	**0**	**-5,251**	**0**	**109,935**	**57,867**	**699,437**	**647,702**	**613,831**
74,254	0	-378	-4,023	33,318	26,639	76,533	135,754	142,317
670,500	**-1**	**-5,281**	**0**	**117,508**	**63,514**	**719,211**	**652,997**	**626,159**

31 March 2023

Consolidated statement of changes in fixed assets

Historical costs

Figures in thousand Euro	As of 1/4/2022	Changes to the basis of consoli-dation	Currency translation	Reclassifi-cations	Additions	Disposals	As of 31/3/2023
I. Intangible assets:							
1. Software and licences	19,727	944	2	202	354	151	21,079
2. Goodwill	12,009	0	0	0	0	2,885	9,124
3. Prepayments	36	0	0	-54	22	0	4
	31,772	**944**	**2**	**148**	**377**	**3,036**	**30,207**
II. Property, plant and equipment:							
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
thereof Right of use Assets IFRS 16	60,618	0	-60	-5	8,883	4,668	64,768
2. Technical equipment and machinery	653,084	0	-2,821	4,170	91,067	20,027	725,473
thereof Right of use Assets IFRS 16	43,642	0	-805	3,019	32,259	3,542	74,572
3. Other equipment, operating and office equipment	159,238	38	737	17,016	30,330	13,457	193,902
thereof Right of use Assets IFRS 16	66,108	0	315	374	19,879	9,445	77,231
4. Assets under construction	38,922	0	496	-24,427	31,186	26,593	19,584
	1,165,521	**38**	**-1,320**	**-148**	**168,813**	**66,451**	**1,266,453**
thereof Right of use Assets IFRS 16	170,368	0	-550	3,387	61,021	17,655	216,571
	1,197,293	**982**	**-1,318**	**0**	**169,190**	**69,487**	**1,296,661**

Cumulative depreciation						Carrying amounts	
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
14,938	0	0	3,090	149	17,879	3,199	4,789
2,885	0	0	0	2,885	0	9,124	9,124
0	0	0	0	0	0	4	36
17,823	**0**	**0**	**3,090**	**3,034**	**17,879**	**12,328**	**13,949**
75,916	101	-3	13,372	3,635	85,750	241,745	238,361
14,997	-52	-63	7,105	2,853	19,133	45,635	45,621
418,983	-1,212	-8,366	63,134	17,481	455,059	270,413	234,100
13,561	-265	1,117	7,041	3,542	17,913	56,659	30,080
90,998	373	8,370	24,681	12,609	111,812	82,090	68,241
30,017	158	220	15,984	9,171	37,208	40,023	36,092
0	0	0	0	0	0	19,584	38,922
585,898	**-737**	**0**	**101,187**	**33,725**	**652,622**	**613,831**	**579,624**
58,575	-158	1,274	30,130	15,567	74,254	142,317	111,793
603,721	**-737**	**0**	**104,276**	**36,759**	**670,501**	**626,159**	**593,573**

31 March 2024

List of investments

Fully consolidated companies			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%
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 Fessl 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%

Fully consolidated companies			Currency	Registered Capital	Group Share
Swietelsky Liegenschaftsverwaltung Trumau GmbH	AT	Linz	kEUR	10	100%
Swietelsky Tunnelbau GmbH	AT	Salzburg	kEUR	35	100%
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%
RTS Rail Transport Service Germany GmbH	DE	München	kEUR	25	100%
Swietelsky Bahnsicherung Deutschland GmbH	DE	Schönhausen (Elbe)	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	Glumsø	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	Celldömölk	kHUF	6,000	100%
DS VASÚT Kft.	HU	Celldömölk	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	Celldömölk	kHUF	3,000	100%
Vasútgép Kft.	HU	Celldömölk	kHUF	3,000	100%

Fully consolidated companies			Currency	Registered Capital	Group Share
Swietelsky Rail Benelux B.V.	NL	JR Oisterwijk	kEUR	18	100%
Swietelsky Rail Norway AS	NO	Drammen	kNOK	800	100%
Swietelsky Rail Polska Sp. z o.o.	PL	Krakow	kPLN	50	100%
Swietelsky Sp. z o.o.	PL	Lublin	kPLN	880	100%
S.C. DRUMSERV SA	RO	Targu Mures	kRON	7,082	100%
Swietelsky Construct S.R.L. (former: Swietelsky Constructii Feroviare S.R.L.)	RO	Bucuresti	kRON	699	100%
Swietelsky Rail Sweden AB	SE	Stockholm	kSEK	25	100%
Swietelsky-Slovakia spol. s r.o.	SK	Bratislava	kEUR	89	100%

Associated companies			Currency	Registered Capital	Group Share
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%

Other non-current equity investments – not consolidated			Currency	Registered Capital	Group Share
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	Schlüßlberg	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%

Other non-current equity investments – not consolidated			Currency	Registered Capital	Group Share
Asphaltwerk Seibersdorf GmbH	AT	Linz	kEUR	35	40%
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	Neumarkt im Tauchental	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%

Other non-current equity investments – not consolidated			Currency	Registered Capital	Group Share
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H. & Co. KG	AT	Linz	kEUR	73	25%
HTB Bau AG	CH	Scuol	kCHF	100	100%
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 Beteiligungs-GmbH	DE	Achim	kEUR	26	49%
SWIETELSKY TRAVAUX FERROVIAIRES	FR	Metz	kEUR	5	100%
FSP (2004) LIMITED	GB	Blantyre	GBP	100	50%
BELVÁROS TETŐTÉR 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%
Swietelsky Rail Luxembourg S.àr.l. (in liquidation)	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%
Športfinal s.r.o	SK	Bratislava	kEUR	7	100%
Obaľovačka Martin, s.r.o.	SK	Bratislava	kEUR	50	50%

Financial year 2023/24

Consolidated management report

I. The global economy

The war in Ukraine, the high inflation rate and the tighter monetary policies of the major central banks resulted in a sluggish global economy. In 2022, economic growth in the industrialised nations had already decreased by half, and in 2023 it decreased almost by half again. However, there are geographic differences. Economic growth in the USA accelerated somewhat in 2023 as a result of strong domestic demand, reaching 2.5% according to the Austrian Central Bank. Countries like China (5.2%) and India (7.7%) also saw stable growth; the global economy without the eurozone thus grew by 3.5% in 2023. In the eurozone, in contrast, the economy only grew by 0.6%.

Growth was largely held back by Germany, where real GDP in 2023 largely stagnated, and by recessions in Ireland, Austria and Finland. Growth was also only moderate in the new EU member states. This economic sluggishness was reflected in the very slow growth of global trade flows in 2023. Following a 6.2% growth in 2022, global trade growth almost stagnated in 2023, at 0.4%.

Accordingly, the economy in the EUROCONSTRUCT countries only grew slightly in 2023, at 0.4%. The growth originates in the EC-15 states, with the southern countries Spain (2.5%) and Portugal (2.3%) driving it. Overall, the EC-4 states stagnated (0.0%). Total GDP of the EC-19 states in 2023 was EUR 20,057 billion, of which EUR 4,121 billion or 20% was in Germany, whose economy receded sightly by -0.3%.

In contrast to the economic development, EUROCONSTRUCT construction prices increased, albeit at different rates. The increase ranges from 1.5% (France) to 15.9% (Hungary). Austria saw a 5.1% increase. The increase in consumer prices in 2023 was even higher; in Austria it was clearly felt at 7.8%. Other countries also suffered significant increases: Sweden (8.6%), Great Britain (7.3%), Italy (6.0%) and Germany (5.9%). In the EC-4 states, consumer prices rose by more than 10%. Unemployment in the EUROCONSTRUCT countries remained unchanged from the previous year at 15 million. Compared to 2020, however, this is a decrease of over 2 million jobseekers (2020: 17.1 million, 2023: 15.0 million).

In 2023, the construction industry in the EUROCONSTRUCT countries slowed by some 1.4% to EUR 2,231 billion, just above the level of 2021 (EUR 2,205 billion). The largest decreases were seen in the Nordic countries of Finland (-12.4%), Sweden (-12.2%) and Denmark (-8.5%). The decline was also felt in large economies like Germany (-2.4%) and France (-3.1%). The construction industry only grew in a few countries, including Poland (3.9%), Spain (2.4%), Italy (2.1%) and Great Britain (1.5%).

Civil engineering, which is largely dependent on public funds, improved by 3.8% after stagnating the previous year. At EUR 470.1 billion, it accounts for some 21% of total construction output in the EUROCONSTRUCT countries. However, performance varied widely in the individual countries. Decreases in the Czech Republic (-4.3%) and Hungary (-3.2%) were compensated by increases of 15.8% in Italy and 11.6% in Slovakia.

Building construction, which accounts for a significantly higher share of total construction output in the EUROCONSTRUCT countries (EUR 1,761 billion; 79%) saw a much weaker growth of 2.6% (2022: 3.3%). Large economies like Germany (-2.8%), France (-3.8%) and Italy (-1.1%) also slowed down. The primary cause was the sharp decline in new apartment construction, -9.7% across all EUROCONSTRUCT countries. The only three countries in which residential construction did not slow down were Ireland (5.9%), Spain (1.3%) and Portugal (0.6%).

Markets

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

Austria

In 2023, the Austrian economy entered into a recession with a negative growth rate of -0.8%. The reasons included the stubbornly high inflation, the very weak external environment and the resulting poor economic mood. The strict tightening of monetary policy from mid-2022 onwards led to higher interest rates. This increased financing costs for private households, companies and governments. Consequently, demand for loans decreased, and so did the demand for items that are usually financed through loans, such as machines and buildings. Another reason for the drop in demand was the high energy prices. This reflected on the national industry, in particular on machine construction and construction.

The economic situation was also reflected in the labour market. In the industrial sector, the construction sector and some service sectors, employment again fell significantly in the 1st quarter of 2024 compared to the previous quarter. Only in quasi-public service sectors did employment again significantly rise. Employment numbers continued to increase while the number of open positions decreased. Year-on-year, unemployment rose from 4.8% in 2022 to 5.1% in 2023. In absolute numbers, 271,000 people were looking for a job in 2023.

The Austrian construction industry shrank by 4.2% in 2023, a much larger slowdown than the average for the EUROCONSTRUCT states (-1.4%). In absolute numbers, the overall construction output of EUR 55.5 billion for 2023 was comparatively low (2020: EUR 58.1 billion). Building construction, which accounts for a large share of the total volume, decreased by 5.4% with a total construction output of EUR 47 billion. Due to the financial situation, residential construction fell the most at -6.7%. This was due to the decrease in new apartment construction (-10.8%), which could not be compensated for by increases in the rehabilitation sector (3.1%). Other building construction also decreased (-3.4%). Here, too, increased construction costs and financing costs negatively influenced performance.

Civil engineering grew by 2.8%, with an overall performance of EUR 8.4 billion. The biggest growth drivers were capital expenditures in road construction (4.3%) and in energy infrastructure (4.3%). While capital expenditures in railway infrastructure are a major component for achieving Austria's climate targets, in the past year they only increased slightly (1.8%).

Overall, SWIETELSKY's performance in Austria decreased by EUR 86 billion, or 4%. Civil engineering (5.8%) and railway construction (11.9%) increased. Tunnel construction (-9.0%) and road construction (-9.9%) declined. Building construction, the business division with the largest volume, decreased by EUR 90.7 million (10.1%). At EUR 2,019.1 million, Austrian construction output made up 57.4% of the Group's overall construction output. At 40.1%, the share of building construction was somewhat below the previous year's level. The shares of road construction (10.5%) and tunnel construction (12.3%) also decreased slightly. The share of railway construction in total output increased to 11.1%, that of civil engineering increased from 22.8% to 25.1%.

Germany

In 2023, Germany's GDP was lower by 0.3% year-over-year. Despite slight decreases, prices remained high at all economic stages, stifling the economy. According to the German Federal Statistical Office, this was compounded by unfavourable financing conditions due to rising interest rates and a lower demand domestically and abroad. Real GDP in 2023 was only 0.7% higher than in 2019, the last year before the COVID-19 pandemic. However, the numbers varied in the individual economic sectors. The performance of the production sector decreased by 2% overall, especially as a result of much lower production in the energy supply. Most service sectors in contrast increased output and pulled the economy forward in 2023.

2023 was the third year in a row in which the German construction industry endured a decrease in construction output (2023: -2.4%, 2022: -1.8%, 2021: -0.4%). Nevertheless, the overall construction volume in Germany still represented over 22% of total construction output in the EUROCONSTRUCT countries.

Civil engineering lost some 0.2% with a construction output of EUR 93.3 billion, while building construction lost around 2.8% with a construction output of EUR 403.4 billion. The largest decrease was seen in new apartment construction (-6.9%), but other new construction also decreased by 3.1%. The rehabilitation sector was somewhat more stable but did not grow (residential rehabilitation: -1.7%; other rehabilitation: -0.6%).

In Germany, SWIETELSKY achieved a EUR 478.6 million construction output, an increase of 27.3%. The growth was mainly in the railway construction business division, where construction output increased from EUR 59.3 million to EUR 166.9 million. Building construction also increased (+19.6%), as did civil engineering (+6.9%). However, the business division with the largest volume, road construction (9.8%), saw a decrease.

Hungary

While the Hungarian economy grew by 4.6% in 2022 – mainly driven by private consumption and large investments – it slipped into a recession in 2023 (-0.9%). This continued the trend that started in the second half of 2022. The decline in real wages, the slowdown of the industrial outlook and the decline in public and private investments all contributed to the economic downturn. A portion of the currently EUR 22 billion from the European Union Cohesion Fund intended to harmonise socio-economic conditions in the period 2023 to 2027 are frozen. In December 2023, around EUR 10 billion from the funds were released. The economic downturn has also affected the support to the construction industry. The terms for supporting private homeownership by families were changed and publicly financed construction projects were pushed back.

In light of the unfavourable framework conditions, the Hungarian construction industry saw negative growth of -7.4% in 2023. Civil engineering, with an overall volume of EUR 6.8 billion, decreased by 3.2%. Building construction was affected more strongly, declining by 9.1% (total construction output in 2023: EUR 16.3 billion). The primary driver is residential construction, which shrank by 17.2%.

SWIETELSKY saw a decline in construction output of around 31.2% in Hungary. The decline affected almost all sectors, although with variations between them. Road construction was almost unchanged from the previous year, while civil engineering only declined by 8.7%. Railway construction lost around 37.1%, and building construction, which in the previous year represented the largest volume, saw output halved (-52.6%). Of the overall construction output of EUR 179.9 million, some 44.4% are due to road construction, around 31.6% to building construction, around 15.4% to railway construction and around 8.6% to the civil engineering sector.

Czech Republic

The Czech economy shrank by 0.3% in 2023, with positive foreign demand unable to compensate for weak consumer spending. The Czech Republic is thus the only EU state whose gross GDP has not yet reached pre-pandemic levels. Retail turnover declined by 4.1% in 2023, the sharpest decline since 2001. Private spending weakened because of the loss of real income in 2022 and 2023 and the high energy prices. With prices in the Czech Republic very high, many people are buying abroad. Since November 2023 the trend has turned, with spending increasing slightly again. Industrial output for 2023 was 0.4% below the previous year's. The main driver was the Czech automotive industry – the largest in the CEE. At 1.398 million vehicles (+14.8%), its output nearly reached pre-pandemic levels.

The Czech construction industry shrank by 2.6% in 2023. This was due to the higher interest rates (interest rates on loans for house purchases were at 5.8% on average in 2023) and to the sharp increase in the prices for materials, energy and construction services. Following an increase of 15.0% in 2022, construction prices increased again by 8.0% in 2023. Both building construction (-1.9%) and civil engineering (-4.3%) decreased. In civil engineering, the rehabilitation sector was particularly affected (-5.7%). Building construction varied: While residential construction – in particular new construction – again declined significantly (2023: -6.4%, 2022: -10.1%), the rest of the building construction sector grew by +3.1%.

In the Czech Republic, SWIETELSKY's construction output declined by 6.1%, with different developments across the sectors. The increase in building construction (17.6%) contrasted with declines in the other sectors. Road construction, the largest sector by volume, lost around 11.3%, railway construction around 14.5% and civil engineering 9.7%.

Other countries

SWIETELSKY also operates outside the core markets described above, either through project-specific branches or through subsidiaries. This includes subsidiaries in Australia, Denmark, Great Britain, Croatia, the Netherlands, Norway, Poland, Rumania, Sweden, Switzerland and Slovakia as well as Latvia. In these countries, SWIETELSKY generated around 13.1% of its total construction output (EUR 460 million), up by 7.4% from financial year 2022/23.

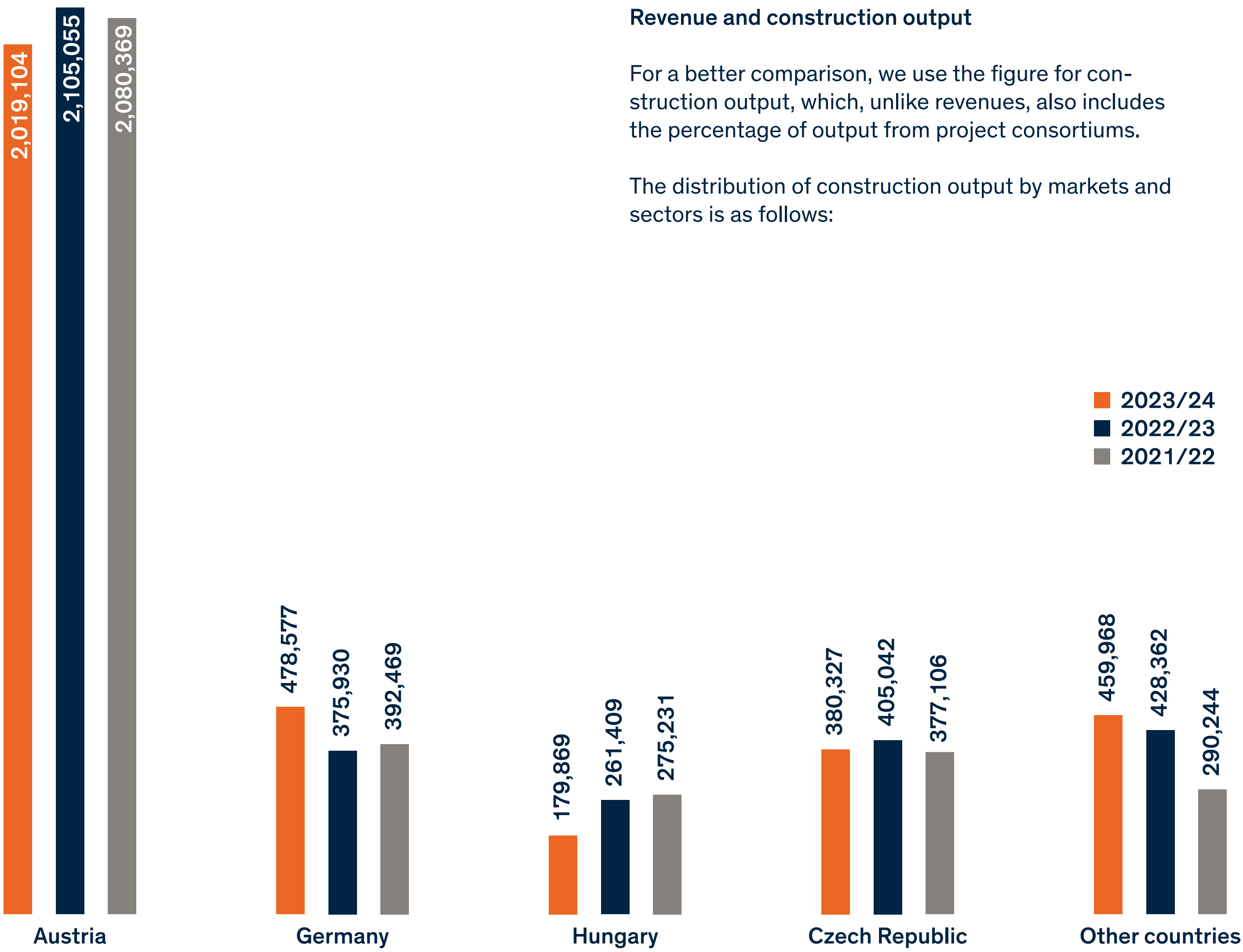
II. Group performance

Construction output by markets

Revenue and construction output

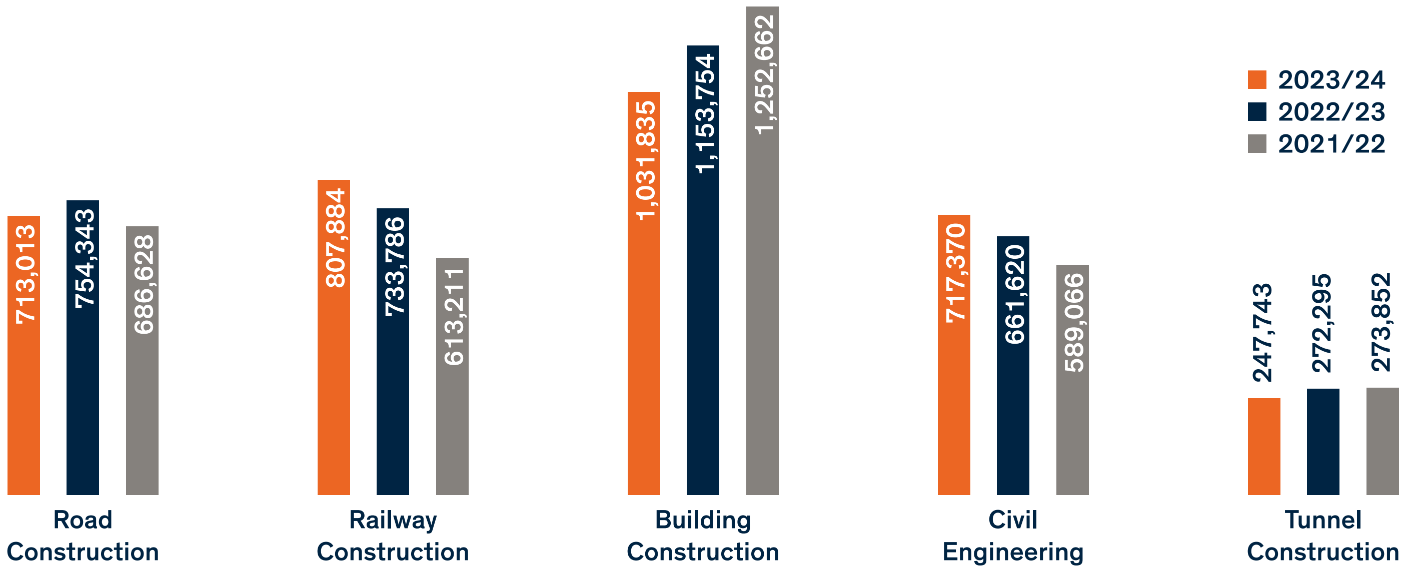
For a better comparison, we use the figure for construction output, which, unlike revenues, also includes the percentage of output from project consortiums.

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



Figures in thousand Euro	2023/24	%	2022/23	%	2021/22	%
By market:						
Austria	2,019,104	57	2,105,055	59	2,080,369	62
Germany	478,577	14	375,930	11	392,469	11
Hungary	179,869	5	261,409	7	275,231	8
Czech Republic	380,327	11	405,042	11	377,106	11
Other countries	459,968	13	428,362	12	290,244	8
Total	**3,517,845**	**100**	**3,575,798**	**100**	**3,415,419**	**100**

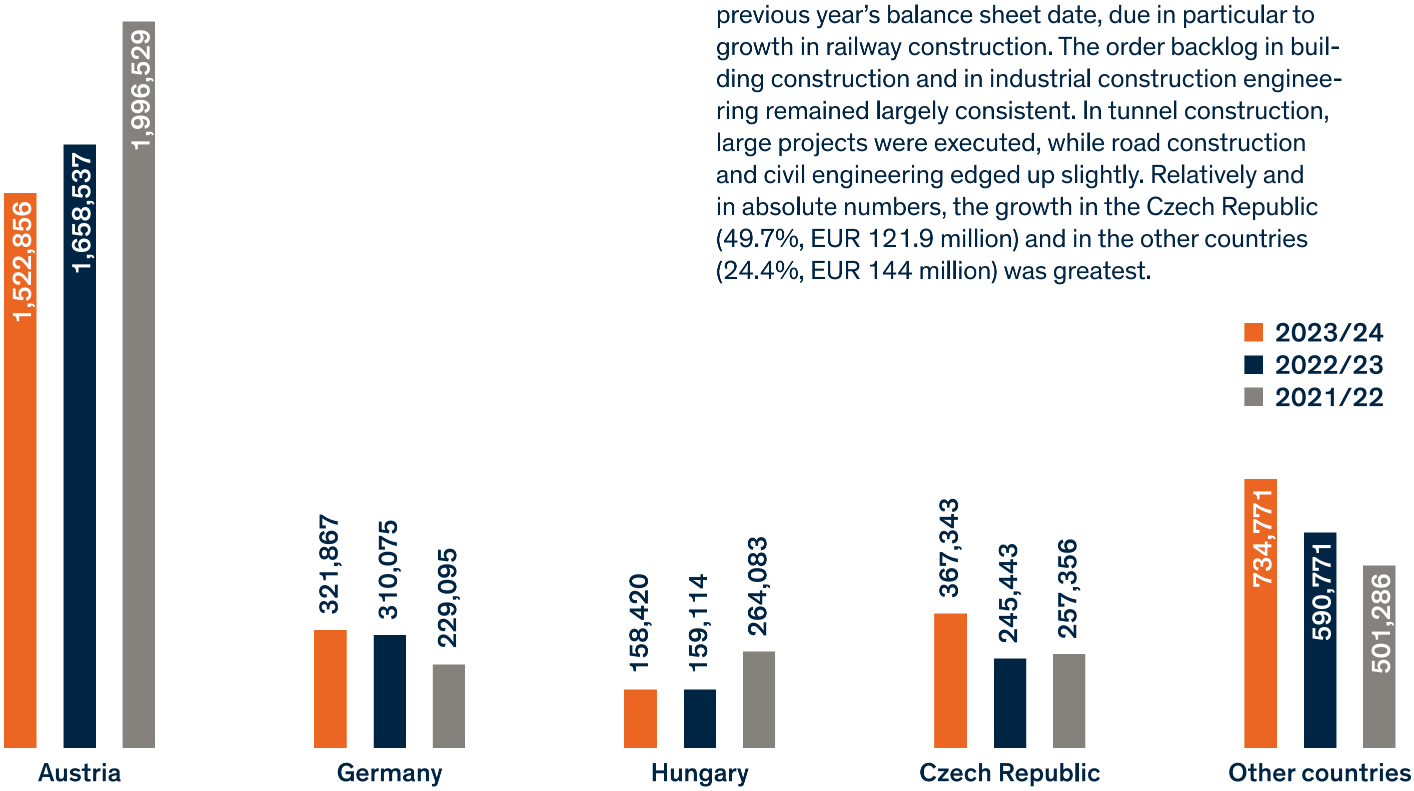
Construction output by sectors



Figures in thousand Euro	2023/24	%	2022/23	%	2021/22	%
By sector:						
Road construction	713,013	21	754,343	21	686,628	20
Railway construction	807,884	23	733,786	21	613,211	18
Building construction	1,031,835	29	1,153,754	32	1,252,662	37
Civil engineering	717,370	20	661,620	19	589,066	17
Tunnel construction	247,743	7	272,295	7	273,852	8
Gesamt	**3,517,845**	**100**	**3,575,798**	**100**	**3,415,419**	**100**

Analogous to construction output, the revenue reported in the IFRS financial statements was EUR 3,220.0 million, around EUR 78.3 million or 2.4% below the previous year's figures (construction output -1.6%). The development across the different divisions was heterogeneous, with growth in railway construction (EUR 74.1 million) and civil engineering (EUR 55.8 million) compensating for the decline in building construction (EUR -121.9 million), road construction (EUR -41.3 million) and tunnel construction (EUR -24.5 million). At EUR 11.8 million, the positive change in inventory from the erection of in-house projects was at the previous year's level, as were other operational revenues of EUR 17.6 million. Own work capitalised increased to EUR 16.8 million. Expenses for materials and other purchased production services decreased in line with output, by EUR 130.6 million. Despite the slight decrease in the number of employees, personnel expenses rose by EUR 57.6 million to EUR 882.4 million. Revenues from participations (including equity) remained at the previous year's level at EUR 37.2 million.

Order backlog by markets



Order backlog

The order backlog for the Group rose by 4.8% from the previous year's balance sheet date, due in particular to growth in railway construction. The order backlog in building construction and in industrial construction engineering remained largely consistent. In tunnel construction, large projects were executed, while road construction and civil engineering edged up slightly. Relatively and in absolute numbers, the growth in the Czech Republic (49.7%, EUR 121.9 million) and in the other countries (24.4%, EUR 144 million) was greatest.

Figures in thousand Euro	2023/24	%	2022/23	%	2021/22	%
By market:						
Austria	1,522,856	49	1,658,537	56	1,996,529	62
Germany	321,867	10	310,075	11	229,095	7
Hungary	158,420	5	159,114	5	264,083	8
Czech Republic	367,343	12	245,443	8	257,356	8
Other countries	734,771	24	590,771	20	501,286	15
Total	**3,105,257**	**100**	**2,963,940**	**100**	**3,248,349**	**100**

Earnings position

The 2023/24 financial year was strong overall and was able to build on the successful previous years. Earnings before interest, taxes, depreciation and amortisation (EBITDA) of EUR 252.7 million exceeded those in the previous year (2022/23: EUR 246.8 million, 2021/22: EUR 252.2 million). The contributions to earnings of all core markets were very satisfactory. At EUR 150.1 million, EBT was above the previous year's level due to the significant interest earnings. The tax burden rose in line with earnings from EUR 34.8 million to EUR 36.4 million; at 24.3%, the Group tax rate is at the previous year's level. Ultimately, earnings after taxes was EUR 113.7 million, higher than in the previous year (EUR 111.1 million).

Financial position

Figures in thousand Euro	2023/24	%	2022/23	%	2021/22	%
Non-current assets	778,129	39	749,038	39	655,908	37
Current assets	1,234,606	61	1,157,082	61	1,135,972	63
Assets	**2,012,735**	**100**	**1,906,120**	**100**	**1,791,880**	**100**
Equity	783,076	39	707,833	37	634,163	35
Non-current liabilities	337,885	17	225,194	12	230,076	13
Current liabilities	891,774	44	973,093	51	927,641	52
Equity and liabilities	**2,012,735**	**100**	**1,906,120**	**100**	**1,791,880**	**100**

Net Debt			
Financial liabilities	275,210	157,969	132,727
Provision for post employment benefits	24,315	26,988	29,474
Cash and cash equivalents	-566,713	-352,927	-407,730
Net debt	**-267,188**	**-167,970**	**-245,529**
Gearing	**-0.34**	**-0.24**	**-0.39**

Net debt = interest-bearing debt + non-current provisions – cash and cash equivalents

Gearing = net debt/equity

Capital expenditures in the financial year remained high. With a volume of EUR 171.1 million, a lot more was invested in intangible and tangible assets than in the multi-year average (2020/21: EUR 158.7 million; 2021/22: EUR 134.3 million; 2022/23: EUR 169.2 million). The total carrying amounts – taking into account the disposal of assets, scheduled depreciation and amortisation of goodwill – are at EUR 653 million, EUR 26.8 million higher than in the previous year (EUR 626.2 million) and represent around 32.4% of the balance sheet total on the assets side. Of the total capital expenditures, some EUR 131 million were for Austrian Group companies, EUR 22 million were CAPEX for the Czech Republic, EUR 23 million for Germany and EUR 11.7 million for Hungary. Some EUR 11.5 million were invested into the remaining markets.

Although EUR 35.0 million in dividends was distributed to the shareholders of Swietelsky AG, equity increased further to EUR 783.1 million due to the strong earnings. Given the relatively lower balance sheet growth, the equity ratio grew further to 38.9%. On the whole, the balance sheet total increased by EUR 106.6 million to EUR 2,012.7 million, with equity increasing by EUR 75.2 million and debt increasing by EUR 31.4 million. Liquidity significantly exceeded interest-bearing debt and long-term provisions.

Selected key figures and financial performance indicators

Figures in thousand Euro	2023/24	2022/23	2021/22
Construction output	3,517,845	3,575,798	3,415,419
Revenue	3,220,034	3,298,308	3,118,565
Order backlog	3,105,257	2,963,940	3,248,349
Staff (annual average)	11,910	12,035	11,991
Construction output/staff	295	297	285
Earnings before interest, taxes, depreciation and amortisation **(EBITDA)**	**252,689**	**246,745**	**252,159**
Earnings before interest and taxes **(EBIT)**	**135,181**	**142,469**	**149,368**
Interest income	11,661	2,524	-2,064
Earnings before tax **(EBT)**	**150,137**	**145,900**	**147,224**
Earnings after tax	113,696	111,091	108,155
Operating Cash flow	219,321	196,781	204,301
Cash flow/Construction output	**6.2%**	**5.5%**	**6.0%**
Return on sales **(ROS)**	**4.2%**	**4.3%**	**4.8%**
Return on equity **(ROE)**	**20.1%**	**21.7%**	**23.9%**
Return on investment **(ROI)**	**6.9%**	**7.7%**	**8.5%**
Total assets	2,012,735	1,906,120	1,791,880
Equity	783,076	707,833	634,163
Equity ratio	**38.9%**	**37.1%**	**35.4%**

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

III. Risk and opportunity 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 in the enterprise value. Opportunities that are identified 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 risk and opportunity management. Moreover, collaboration promotes mutual exchange of information so that together we can meet the requirements and goals that have been set.

In financial year 2023/24, the risk and opportunity management was revised from the ground up in order to better react to the dynamic changes in the economic environment. This redesign was modelled on ISO 31000:2018 Risk Management. This was based on a clear definition of risk units and associated responsibilities within the organisation. The central Enterprise Risk Management department coordinates the entire risk and opportunity management process and supports the operational units in identifying, assessing and controlling the main risks and opportunities for SWIETELSKY. A risk management software adapted to SWIETELSKY's needs furthermore promotes uniform collection of information and supports the generation of meaningful reports.

The Internal Audit function was also implemented as a Group position in financial year 2023/24. The task of the Internal Audit function is to provide independent and objective audit and consulting services. Through its systematic and target-oriented approach, the Internal Audit function assesses the structure and effectiveness of the internal control and risk management system as well as the implemented business processes and derives measures for improvement. It supports the Executive Board in achieving the company's goals and assists the Supervisory Board in its monitoring function.

Market risk

The situation in the capital markets and the political environment affect our growth. In the past financial year, a major risk for SWIETELSKY was the increased cost of financing for our customers in building construction. 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 in order to respond to the current economic and social conditions. 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 undergo an audit and a plausibility check for technical, commercial and legal risks throughout the tendering process up until the conclusion of the contract. Guidelines and procedures for auditing in compliance with ISO 9001 ensure uniform processes and the 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 can be attributed to our company, contractual penalties may be imposed.

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. Following due diligence for all pending litigation, appropriate financial provisions are established.

Human resource risk

Personnel risks arise from various situations. SWIETELSKY therefore counters these risks through a number of measures that follow the following goals: improvement of work-life balance; true appreciation; promotion of female careers, especially in technical areas; improving personnel development; transparent, fair and motivating remuneration strategy and incentives; health promotion in the workplace; optimisation of the quality of apprenticeship training and increasing the number of apprentices; increasing employee loyalty; maintaining the high standard for occupational health and safety/prevention. Digital solutions are being increasingly utilised to increase efficiency, to ensure quality and to comply with data protection standards.

Procurement risk

SWIETELSKY strives to cooperate with its partners on a long-term basis. In central procurement, framework contracts and framework price agreements are concluded with selected suppliers. Compared to the previous years, the situation in the procurement market has more or less returned to normal. The operative units can resort to a central procurement and price information portal. Through observation of the procurement market and constant monitoring processes, we attempt to minimise the risk of possible losses due to price increases in this area; primary measures (for example physical procurement and threshold agreements in construction contracts) are generally preferred to derivative instruments. In comparison to the previous years, the shortage of various building materials such as wood, construction steel, petroleum-based plastics and insulation materials is easing. Delivery delays are now the exception. For some construction materials, a decline in inflation because of lower demand and the decreasing energy costs are already having a positive impact. This does not apply to products such as cement and concrete, which are impacted due to carbon pricing. A variety of product groups is constantly monitored and integrated into a Group-wide central procurement process if necessary.

Financial risks

With its solid financial structure, forward-looking risk management and effective working capital management, the Group is well-equipped for the future.

Our solid financial structure rests on two central pillars: liquidity and risk minimisation. This creates the conditions for long-term independence and sustainable growth. A wide network of financing partners ensures that we have the necessary flexibility to take on future projects.

The Group treasury serves a central hub to control liquidity and financing across the Group. It assumes the following tasks: Proactive monitoring of the liquidity flows, acquisition of central financing and financing conditions, efficient monitoring of inter-Group liquidity and lines of credit, and consistent, conservative risk hedging. These measures ensure that all Group companies at all times have the necessary financial resources to finance their operations and growth.

Our liquidity is subject to sectoral cycles, particularly due to down payments by public-sector clients. These cycles are anticipated in a timely manner in our cautious liquidity planning and are countered by an efficient, active asset-liability management. This ensures that our balance sheet structure at all times has sufficient liquidity and flexibility.

In light of the changed market conditions with rising inflation and a changed interest rate, we actively adjusted our risk management. We rely on the following measures: strict observance of counterparty limits, controlled placement of credit in short-term money markets, and conservative and sustainable management of longer-term liquidity reserves.

The successful, largely oversubscribed debut bond issue at the start of the financial year is an important milestone for SWIETELSKY and assures our financial stability. The bond is marked by a balanced mix of fixed-rate and variable-rate tranches. The acquisition of new financing partners in the bond issue process also serves to mitigate risk.

IT risk

The digital transformation is part of our corporate strategy; it bears new opportunities, but also challenges. The safety and reliability of our IT infrastructure and processes is decisive for our success. The IT risk management we have implemented ensures that the major IT risks can be effectively identified and controlled.

We adhere to a holistic approach to IT risk management based on the following principles: we regularly identify and assess the IT risks that could impact our business goals, our data, our employees, our customers and our partners; we implement adequate controls and measures to reduce the IT risks, prevent or transfer them based on a cost-benefit analysis and industry standards; we continuously monitor and check the effectiveness of our IT risk management activities and adjust them to changing conditions and requirements; we promote a culture of IT risk awareness and responsibility at all levels of the organisation and train our employees accordingly; we report transparently and regularly on our IT risks and their management to the relevant stakeholders.

Following an IT risk analysis, we identified the following major IT risks that could significantly impact our business activities, our financial situation or our image: cyberattacks (the growing presence of artificial intelligence and the professionalisation of cyber criminality represent additional challenges); IT stoppages; risks inherent to IT projects (e.g. delays, quality deficiencies, function gaps or integration issues); non-observance of IT compliance (e.g. in relation to data protection, information security, IT governance, IT audit or IT outsourcing).

To minimise and overcome the above-named IT risks, the following measures – amongst others – were implemented: a cyber security concept (consisting of prevention, identification, reaction and restoration measures); the development of IT resilience and redundancy, including disaster recovery plans to prevent IT stoppages; the implementation of a standardised and structured IT project management process; a IT compliance management system including IT compliance audits, trainings, running updates to the IT policies and standards in the framework of the information security management system and others.

SWIETELSKY has a robust, effective information security management system (ISMS) that is ISO 27001 certified and that allows us to identify, assess, minimise and overcome the IT risks even in light of the rapid technological innovations while also seizing the opportunities provided by digital transformation.

Misconduct risk and compliance

Since its establishment, SWIETELSKY wishes 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 major factor for the company's success. Every single person is responsible for always behaving in a legal, fair and respectful manner and showing 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 as well as in many other countries where we operate. In addition, we have a comprehensible, multilingual illustrated brochure containing the rules of the Code of Conduct and a Group directive regarding competition law, anti-corruption, whistleblower system and conflicts of interest.

With the implemented Compliance Management System, certified pursuant to the ISO standards 37301 “Compliance Management System – Competition Law and 37001 Anti-corruption Management System – Anti-Corruption”, SWIETELSKY focuses primarily on internal communication and trainings. An e-training that every employee must regularly attend and pass was implemented. Additionally, all managers must regularly attend in-person trainings on compliance issues when instructed to do so. Furthermore, management’s violation of the universally known rules will be sanctioned rigorously and without exception, and all employees will be made aware of this, which contributes to the observance of the compliance rules.

The described measures and the Code of Conduct are meant to contribute to anchoring these values in the company and to raising awareness. The Executive Board continues to place great emphasis on this aspect and reaffirms its zero tolerance policy to misconduct. SWIETELSKY continuously improves this system, investing in the necessary resources. Compliance is a major aspect 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 design of SWIETELSKY's internal control system is oriented on the structure of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The COSO framework consists of five components that build on each other: control environment, risk assessment, control measures, information and communication, and monitoring.

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 the one hand at adherence to guidelines and regulations and on the other hand at creating advantageous framework conditions for specific control measures in key accounting procedures.

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

In addition to the observance of legal norms and the internal norms and processes of SWIETELSKY, the internal control system also comprises the assessment of the process-related risks. Its aim is the uniform mapping of business transactions, thereby supporting management by providing decision-relevant information. A founded risk assessment provides additional support. Relevant requirements for ensuring correctness of internal and external financial reporting are recorded in internal accounting and valuation regulations.

Control environment

Internal guidelines form the basis of the internal control system with regard to the financial reporting process. To this end, a consistent process for the uniform release of procedural instructions and guidelines was established to ensure a standardised structure of the documents. This process includes a multi-step verification procedure during which the documents are subjected to a uniform quality control. This procedure ensures the integrity and reliability of the documents and promotes clear understanding among all participants. Furthermore, responsibilities for the internal control system were adapted to the corporate structure in order to ensure a satisfactory controlling environment which meets requirements. The Internal Audit, as an independent Group function, additionally carries out scheduled and ad hoc inspections to ensure observance of applicable instructions and guidelines.

Risk assessment

Risks relating to the financial reporting process are raised and monitored by management. The focus here is on significant risks.

For the preparation of financial statements, regular estimates must be made; this bears an intrinsic risk that future growth will deviate from these estimates. This particularly affects the following issues and items on the consolidated 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 publicly available sources are relied on in order to avoid the risk of misjudgement.

Control activities

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 include reviews of interim results by management, 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 business divisions involved in the financial reporting process are appropriately equipped both in terms of expertise and personnel. Employees are carefully selected, have a sufficiently high educational background and receive ongoing further training.

As SWIETELSKY consists of many decentralised units, the internal control system is also 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 respective reporting level.

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 SWIETELSKY's market position.

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 concerned employees.

Regular discussions regarding financial reporting and the associated guidelines and regulations take place in various committees. As well as management, departmental managers and leading employees from the accounting department also sit on these committees.

The employees involved are continuously trained with regard to updates in national and international accounting, so that the risks of inadvertent misreporting can be recognised in time.

Monitoring

As part of its internal control system, SWIETELSKY has implemented monitoring activities that ensure continuous monitoring and assessment of the processes and their constant further development. In addition, the Internal Audit is integrated into the monitoring activities and carries out scheduled and ad hoc inspections.

V. Employees

In the past financial year, SWIETELSKY employed 11,910 employees on average (2022/23: 12,035). Of these, 7,645 were blue-collar workers, 4,265 were white-collar workers (2022/23: 7,828 blue-collar workers and 4,207 white-collar workers).

We view our employees as a key to the company's success. Entrepreneurial action has always been part of our corporate culture. An incentive payment model creates additional motivation and commitment.

Our corporate culture is carried by the values “people-orientated”, “solution-oriented” and “future-oriented”. We are convinced that treating our employees fairly and with respect has a positive effect on their overall satisfaction, expands productivity and greatly contributes to the future viability of the company.

SWIETELSKY supports the growth of the company with a modern human resources policy that is precisely aligned to the challenges of the modern labour market. This includes standardised employment processes, comprehensive internal and external training programmes, regular information provision to employees, a clearly communicated mission statement and promise as employer, a bonus and emolument model and many incentives.

Applicant management and employer branding

In 2024, as part of a recruitment marketing campaign, new measures were developed and published for our employer branding. Step by step, these measures will also be rolled out to other country markets of the company by the end of 2024.

Guidelines have been drawn up for onboarding in order to ensure that employees are integrated into the company swiftly and in a way that satisfies both sides. E-learning modules are a core component of the onboarding processes.

Personnel development

A well-developed training programme is a decisive factor in ensuring that the company is an attractive employer and in retaining skilled workers in the company. SWIETELSKY proactively offers standard training courses for specific occupational groups as well as individual needs assessment and development support through regular staff appraisals in order to avoid risks due to a lack of expertise. The broad range of training and development offerings in the central training programme will gradually be expanded from the home market in Austria to other country organisations and will be adapted to the respective regional markets. Existing personnel development programmes will be continuously expanded. Leadership development continues to be a focus of the training and development strategy at SWIETELSKY.

New talent promotion

With the demographic trends in mind, apprenticeship training continues to receive a great deal of attention in Austria, with the specific aim of counteracting the shortage of skilled workers by training our own staff.

The objective of SWIETELSKY is to support our operational units in their qualitative efforts to train apprentices and also to motivate apprentices to stay with the company after completing their training. The central HR unit Apprenticeship Development will continue to work in close cooperation with those responsible for apprenticeships at the branches and subsidiaries to optimise our apprenticeship training. We are pleased to report that the number of apprentices has grown consistently over the past years.

A special thanks to our employees

The Executive Board would like to thank all of our employees who, through their commitment and technical skills, contributed 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

SWIETELSKY has been developing its competency in the field of quality management for over 30 years. It was initially introduced due to external requirements regarding controlled processes. Derived corporate goals were securing competitiveness and introducing a control system to best fulfil the expectations of our clients for our services. It was decided to introduce an internationally recognised quality management system. Certification was a form of pre-qualification. The first step towards handling the increasingly complex execution of construction projects better was thus taken. An organisation that is oriented towards quality promotes and creates a culture with specific behaviours and attitudes. A high quality of execution was intended to gain and maintain the trust of our clients and business partners over the long term.

SWIETELSKY has developed and has now been working for several years 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 also ensure continuous improvement.

In the areas of environment as well as occupational health and safety, compliance with all applicable, binding obligations, i.e. statutory provisions, is anchored in our standards. That is why audits play such a central role, as they allow us to quickly implement target-oriented, effective adjustments. 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 subject of risks, weaknesses, improvements and strengths, as well as analysing the expectations and requirements of the stakeholders.

In 2023, SWIETELSKY and its organisational parts ensured the renewal of the certificates for the integrated management system with a positive external audit finding. The area of application covered by the main certificate was expanded within the organisation. The certificate includes branches and subsidiaries in Austria, Germany, Slovakia and some international railway construction locations. Moreover, SWIETELSKY has other currently certified, integrated management systems in the Czech Republic, Hungary and Croatia 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 manufacture of construction products by our operations occurs on the basis of a quality-assured production secured by external independent audits.

The opportunity to demonstrate certain qualifications, especially for references or pre-qualifications, will increase in importance in the future and gives us a competitive advantage. For an integrated management system to be well-received and implemented, some core principles are necessary. These include user-friendliness, comprehensibility, a functional purpose and simplicity. With this in mind, SWIETELSKY provides its employees with a supportive set of IMS instruments, which is also 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.

Mission statement and company policy

The mission statement is delivered by the Executive 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 equipment fleet that is also environmentally friendly in its use of resources.

Another company 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 Executive 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 are aimed at the preventive avoidance of accidents, risks to health, injuries and illnesses and integrate affected third parties, such as our clients, suppliers, subcontractors, etc. The processes are designed to be constantly improved and enable the participation of employees or their representatives. All our employees are therefore called upon to participate to the best of 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.

Achieving environmental improvements is a stated aim of all our organisational units, taking into consideration our clients and the legal requirements. Defined goals and environmental programmes, derived from the mission statement, serve to realise this in an economically viable manner. In order that relevant environmental aspects are considered, the Management Board has drafted goals and programmes that go beyond the legal requirements.

We view our suppliers and sub-contractors as competent partners. Our common goal is to maximise customer satisfaction. That requires that we consider qualitative, economic and environmental aspects when selecting our suppliers and subcontractors and that we evaluate their performance based on predefined 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-demanding 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 show that we value environmental protection and the circular economy.

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 and offices are constantly monitored with regard to 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 possibilities 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 insulation, the replacement of heating systems, the installation of solar panels and the optimisation of processes.

Our CapEx in the vehicle fleet and in new machines and equipment are also largely guided by energy use. We developed our own mobility policy to promote environmentally friendly solutions, thereby reducing our transport-related greenhouse gas emissions. The systematic substitution of machines and vehicles with the newest emission technology naturally also yields significant nitrogen oxide emission reductions. The fleets of cars and light commercial vehicles are continuously being 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.

The SWIETELSKY-Energy division brings 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 and energy 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 maintain biodiversity. Management therefore sees it as its task to constantly improve awareness for quality and the environment among the staff.

The publication of our third sustainability report in November 2023 and the sustainability strategy in June 2024 was a further step towards providing our stakeholders with information and data on the sustainability activities at SWIETELSKY. It can be viewed on our website any time. The fourth edition will be available at the end of the year. Our own ESG software systematically collects and evaluates the data, key figures and information on the environment and energy across the Group. In this way, the goals for saving energy and reducing CO_2 can be clearly defined and implemented.

VIII. Technology and innovation

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

In addition to specialised research and development projects, a majority of innovations occurs during ongoing construction projects whose schedule, geological or technical conditions require innovative solutions. Nearly every year, new technologies or innovative processes are further developed in civil engineering, tunnel construction, alpine construction and railway construction and innovative processes are applied and developed, improved and patented.

The rapid developments in the field of environmental friendliness of construction materials and excavation also require adaptations to our testing methods or the development of new ones in our accredited test and inspection centre. The organisation and evaluation of round robin and comparative tests plays a major part in this. Our knowledge in this area has been used by external construction material manufacturers in the form of studies and reports.

The insight gained from material tests assists the development of resource-preserving applications. We use the possibilities of digitisation to reduce non-value-creating activities to a minimum; this contributes significantly to our sustainability strategy.

By using the latest technologies, we reduce planning effort across divisions and also automatically generate the order and settlement quantities from the plan quantities, which we validate using Augmented Reality. The calculation and verification of quantities and the determination of mass for the final settlement are thus concluded in one work step.

Collaboration, transparency and communication are not just buzzwords; through our task-based working method, they are everyday reality. This significantly reduces the effort spent looking for information and checking the status of tasks. The successive use of real-time data professionalises our processes and plan data and ensures the data truthfulness required to use learning systems. We simultaneously increase process safety, the quality of our services and our observance of our clients' schedules.

IX. Outlook

Developments in the global economy continue to be marked by uncertainty due to the geopolitical tensions. These tensions have also impeded maritime traffic through the Suez Canal and so affected the global trade in goods. As was the case in the previous year, global trade is also affected by climate change; the low water levels in the Panama Canal – as the result of decreased rainfall in the region – continue to restrict traffic. As a result of these supply-side impediments, freight rates (costs) for deep-sea shipping have increased since the start of 2024. Despite these setbacks, the major survey-based early indicators have continued to improve. In April, the J. P. Morgan Global Composite PMI rose to the highest level for a year. For the fifth month in a row, it has signalled global economic growth, with the economic mood particularly high in the service sector.

The outlook also improved in the processing industry. In April, the dynamics of global production were the highest since August 2022. Production expanded across regions and sectors, with growth in the consumer goods, purchased materials and capital goods industries. According to the survey, India again witnessed the strongest expansion, followed by Greece, Indonesia, Russia and Brazil. Besides the growth in production, order backlogs also increased. According to the June forecast of the Austrian Central Bank, the global economy (without the eurozone) is expected to grow by 3.3% for 2024. The US will grow by 2.5%, as in the previous year, while growth in China (4.6%) and in India (7%) will slow somewhat. For the eurozone, in contrast, only a 0.9% growth is expected. Accordingly, the economies of the EUROCONSTRUCT countries will also only grow slightly in 2024 by 1.1%. Further growth of 1.7% is forecast for 2025.

The construction industry in the EC-19 states will slide deeper into recession in 2024 (-2.7%). While the EC-4 countries will grow by 1.2%, the construction industry in the EC-15 states will shrink by 3%. This is due to a further 4% overall drop in building construction (EC-4 countries: 0.5%; EC-15 countries: -4.3%). At 2.2%, the smaller civil engineering sector will continue to grow. The downward trend is not expected to end before 2025: Overall, an increase in construction output of 1.3% is expected, driven both by building construction (1%) and by civil engineering (2.7%).

For 2024, the Austrian Central Bank expects the economic situation in Austria to stabilise, but at 0.3% it will only see weak growth. Private consumption will recover on the back of strongly growing real wages, and exports will also contribute positively to economic growth. Gross capital expenditures in plants, however, will shrink again over the year. High financing costs and poor profit expectations have a dampening effect, particularly on interest rate-sensitive residential construction and on investments in equipment, which are sensitive to economic projections. For 2025 and 2026, the forecast for economic growth is 1.8% and 1.5%, respectively, driven by an improved external environment but mainly by a very strong growth in real consumption. The labour market continues to be crisis-resilient: While the unemployment rate is only expected to grow slightly in 2024 (5.5% according to the Austrian Institute for Economic Research (WIFO)), it will fall back to 5.2% by 2026.

The Austrian construction industry will likely further shrink in 2024; current figures assume a decrease of 4%. The trend should only turn in 2025 (1.1%) and 2026 (1.6%). It is expected that civil engineering, which developed positively over the past few years, will remain stable, if at a lower level (2024: 1.4%, 2025: 2.8%). It is expected to stagnate in 2026. The high-volume sector building construction will remain lodged in a deep recession through 2024 (-5%) and will only recover in 2025 (0.8%) and 2026 (1.9%). This is due to new construction, which will continue to decrease in 2024 (-7.3%), in particular new apartment construction (2024: -9.8%; 2025: -2%). Construction projects in the area of residential construction are increasingly more difficult to implement because of more restrictive lending, high construction costs and interest rates. The rehabilitation sector is forecast to grow in the period 2024–2026, both in residential construction and in other building construction.

On account of a solid order backlog in Austria, SWIETELSKY can compensate for the expected decline in building construction in other sectors, so that in the 2024/25 financial year, construction output will be at the level of the past financial year.

The German IFO institute expects a further slight decrease in German economic output for the first half of 2024. The economy will only noticeably recover in the second half of the financial year. The March forecast for growth of 0.2% has now been revised to 0.5% (EUROCONSTRUCT report from 11/06/2024). In 2025, the economy is expected to grow by 1.5%. The weak economy will slow down the labour market and continue to raise unemployment rates (2023: 5.7%, 2024: 5.8%). The rate is not expected to return to 5.5% before 2025. The inflation rate is also forecast to drop, from a 5.9% average in 2023 to 2% in 2024.

The German construction industry is not expected to recover in 2024. On the contrary: with a forecast decrease of 3%, the German construction industry will shrink for the fourth year in a row (2021: -0.4%, 2022: -1.8%, 2023: -2.4%). Civil engineering, which relies on public funds, will grow by 1.5% in 2024 and 2025, but this will not compensate for the sharp drop of 4.1% in building construction. This is due in particular to the continued weakness in new residential construction, with a decrease of 16% in 2024; this is also expected to continue into 2025 (-14%) and 2026 (-8%).

Other building construction will likely remain negative in 2024 (-1.6%), but it should start growing thereafter (2025: 0.9%, 2026: 0.6%).

Due to increased participation in infrastructure projects, SWIETELSKY currently expects to increase its construction output in Germany.

The Hungarian economy is forecast to again grow in 2024. With a forecast growth rate of 2.5%, Hungary again is above average for the EC-19 countries. For 2025 (4.0%) and 2026 (3.5%), stable growth is also expected. Unemployment is expected to increase further to 4.3% in 2024, before dropping back to the level of 2022 in 2025 (3.8%) and 2026 (3.6%).

The Hungarian construction industry on the other hand is not projected to recover as quickly. A further decrease of 4.0% is expected for 2024. Both building construction (-4.4%) and civil engineering (-3.0%) are still in recession. The construction industry is then forecast to grow in the following years, driven by publicly financed civil engineering (2025: 3%, 2026: 5.6%).

Following output drops in the two preceding financial years, SWIETELSKY expects a slight increase in construction output in Hungary for the current financial year.

For 2024, the Czech economy is projected to grow by 1.4%. This growth is mainly carried by private households. According to a forecast of the Ministry of Finance from April 2024, consumers will spend 2.7% more this year and 3.5% more the next. After two years of real wage losses, wage growth now exceeds inflation.

In the government's estimation, economic risks for the industry include the continued high energy prices and unstable supply chains. Inflation is also not yet fully under control. In January and February 2024, industrial production stagnated compared to the first months in 2023. The mining, textile and furniture and metal industries were particularly affected. In contrast, major economic sectors such as the automobile industry or food processing saw above-average growth, benefiting from the improved consumer mood.

The recovery of the Czech construction industry will still take some time. For the current financial year 2024, a slight decrease of 0.4% is forecast. Civil engineering will likely see growth of 1.1%, but this will not be enough to compensate for the decrease (-1%) in building construction, which has a higher volume. The Czech construction industry will then likely start growing again in 2025 (2.5%) and 2026 (6.1%). This will be driven in particular by the growth in residential construction (2025: 6%; 2026: 10%). Given the high level of public debt, in 2025 less funds will be available for public investments in civil engineering (-3.8%). Growth in civil engineering is not expected before 2026 (4.2%).

In the Czech Republic, SWIETELSKY forecasts output to increase above the previous years' level, with return on sales remaining more or less stable.

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.

SWIETELSKY projects that construction output in the current financial year will remain at the historically high level of the past two years. While high financing costs have slowed demand, especially for residential construction, SWIETELSKY continues to expect a satisfyingly stable demand for sustainable investments. The clear growth trend, particularly in the infrastructure sectors civil engineering and railway construction, will continue.

Thanks to the broad diversification across all construction sectors and to the focus on different client groups and markets, SWIETELSKY remains competitive. Together with our 12,000 committed employees, we will continue to achieve impressive output and earnings figures across the Group in the 2024/25 financial year.

Linz, 4 July 2024
The Management Board

DI Dr. Peter Krammer
CEO

Harald Gindl, MBA
CFO

Dipl.-Ing. Klaus Bleckenwegner
COO International

Peter Gal
COO Railway construction

August Weichselbaumer
COO Austria

Report on the Consolidated Financial Statements

Auditor's Report

Audit Opinion

We have audited the consolidated financial statements of Swietelsky AG, Linz, Austria, and its subsidiaries ("the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Income Statement, the Statement of total Comprehensive Income, 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 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 and for ensuring that they give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with International Financial Reporting Standards (IFRS). Furthermore, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with 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, 4 July 2024

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. This document has been qualified electronically signed and is only valid in this version. The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

SWIETELSKY