

Registered number: 12905017

STRABAG UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

STRABAG UK LIMITED

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STRABAG UK LIMITED

COMPANY INFORMATION

Directors	A J Dixon S Wild
Registered number	12905017
Registered office	The Tower - 3rd Floor 65 Buckingham Gate London SW1E 6AS
Independent auditor	PKF Littlejohn LLP Statutory auditor 15 Westferry Circus Canary Wharf London E14 4HD

STRABAG UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors present their strategic report for STRABAG UK Limited (the "Company") for the year ended 31 December 2025, outlining our context in the wider STRABAG Group and as the centre of support for wider Group activity in the UK, the Company strategy, governance, the approach to managing risk and uncertainty, performance, and prospects.

We are STRABAG - Global and Local

The Company is a wholly owned subsidiary of STRABAG AG, which itself is a subsidiary of STRABAG SE, headquartered in Austria and listed on the Vienna stock exchange.

STRABAG SE is one of the largest construction companies in Europe, with approximately 89,000 employees, an output volume of >€20bn and a forward order book of >€31bn, with an EBIT Margin of at least 6.5% in 2025. The outlook for 2026 is similarly strong. We use our financial strength to lead the future of construction through the development and application of innovations and technology to improve efficiency across the built environment to deliver value for our clients and stakeholders.

STRABAG provides a broad range of construction services through a fully integrated vertical supply chain across the entire process of creating and managing built assets. We are innovators, technologists, problem solvers and risk managers. Our vision is to lead the global construction industry productivity challenge and to achieve carbon neutrality by 2040.

The Group's strategy and business model guides the direction of the wider STRABAG activity and of the Company in the UK. The UK activity supports the Group with stability through market diversification and provides important growth opportunity because the demand for STRABAG's capabilities is predicted to be strong across the long-term.

The UK operates as a 'core country' in the STRABAG group and from 1 January 2025 became one of the fourteen operating Divisions that make up the entire Group. This highly significant recognition underlines the Group's long-term commitment to grow the Company to become one of the UK's market leaders, emulating STRABAG's position in its other core countries.

The Company operates as the leadership, operational and administrative centre for all STRABAG activity in the UK, providing staff and management for other UK entities of the group including STRABAG AG UK Branch's existing megaprojects. The Central Services (BRVZ, Health Safety & Wellbeing, Management Systems and Zentrale Technik) established within the Company provide all service functions to support all STRABAG operations and employees in the UK, e.g. with BRVZ for Finance, Accounting, Personnel & Payroll Administration, People and Culture and Information Technology.

Financial Summary

During the year the Company continued to invest resources in bidding for major UK infrastructure and built environment projects, continued delivery of concrete tunnel sections and continued with the delivery of existing contracts. New projects also commenced, most notably, a design and build contract for the Haweswater Aqueduct Resilience Programme (HARP) to replace six major aging tunnel sections over 100km pipeline, securing drinking water for >2.5m people in North-West England. STRABAG's investment arm participates in this PPP style project at equity level, which is also supported by the Company.

The profit for the year after taxation amounted to £6,068k (2024: £1,759k).

KPIs

The Revenue of the Company for the year ending 31 December 2025 was £189.2m (2024: £196.9m).

The Directors are committed to the climate-neutral target of the group and therefore consider the Carbon Intensity ratio to be a KPI of the Company. In 2025 the intensity ratio (TCO_{2e}/£m revenue) was 7.64 (2024: 14.78).

STRABAG UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Group context and guiding strategy

The ultimate parent of the Company, STRABAG SE, is a European-based technology group for construction services, a leader in innovation and financial strength.

Our activities span all areas of the construction industry and cover the entire construction value chain. We create added value for our clients by taking an end-to-end view of construction over the entire life cycle – from planning and design to construction, operation and facility management to redevelopment or demolition. In all our work, we accept responsibility for people and the environment: We are shaping the future of construction and are making significant investments in our portfolio of more than 250 innovation and >400 sustainability projects.

In proving value to shareholders, we take a responsible role in society to operate with the highest standards of ethics and morals. The vision and strategy for the group are guided by: Work on Progress – Climate Neutrality by 2040.

We recognise that few industries have a greater responsibility to find solutions for climate-neutral, socially responsible and sustainable business practices than the construction industry, which is responsible for 38% of global carbon emissions. In line with our Sustainability Strategy and Group 2030 strategy, there is a concerted focus on decarbonisation of our business activities and structures, the active participation in shaping the energy transition and the transition to a circular economy that protects and enhances biodiversity. In tandem, we ensure our economic stability through innovation, efficiency and responsible investments.

Our overall decarbonisation targets are defined by the science-based reduction pathway in accordance with the Science Based Targets Initiative (SBTi), which comprises Group-wide reduction targets for Scopes 1, 2 and 3 emissions. We have developed areas of action, reduction roadmaps, and have committed to reducing Scope 1 and 2 emissions by 42% and Scope 3 emissions by 25% by 2030 (near-term goal) and ultimately achieve our 2040 climate neutrality ambitions as a long term goal, which is more stretching than the UK Net Zero requirements. We disclose emissions through the Carbon Disclosure Project (CDP), adhere to the EU Taxonomy reporting obligations, CSRD and CSDDD.

From a UK perspective, we have developed and published our carbon reduction plan (aligning to PPN06/21) in 2025. A UK specific strategy and roadmap focusing on increasing circularity, resource efficiency, enhancing biodiversity and reducing our business carbon footprint, which we monitor progressively in line with ISO14064 and the Toitū Carbon Reduce programme.

With the transition to a circular economy, the STRABAG Group is pursuing three strategic goals in the area of the environment: reducing the consumption of primary raw materials, waste and preserving resources to the highest possible quality. To this end, cycles are reduced, slowed down and closed. From a UK business perspective, we have actively invested in R&D associated with reuse of excavated material and specific waste streams to create novel construction materials, actively integrate circularity and resource efficiency considerations in our design and construction methodologies and through 2025 have ensured that over 99% of our waste was beneficially used.

From a general ESG perspective, we report in line with the Global Reporting index, are accredited and certified by Sustainalytics and Ecovadis. While from an energy and efficiency perspective, our business is certified to ISO50001, actively assesses energy use and integrates reduction measures within our work processes.

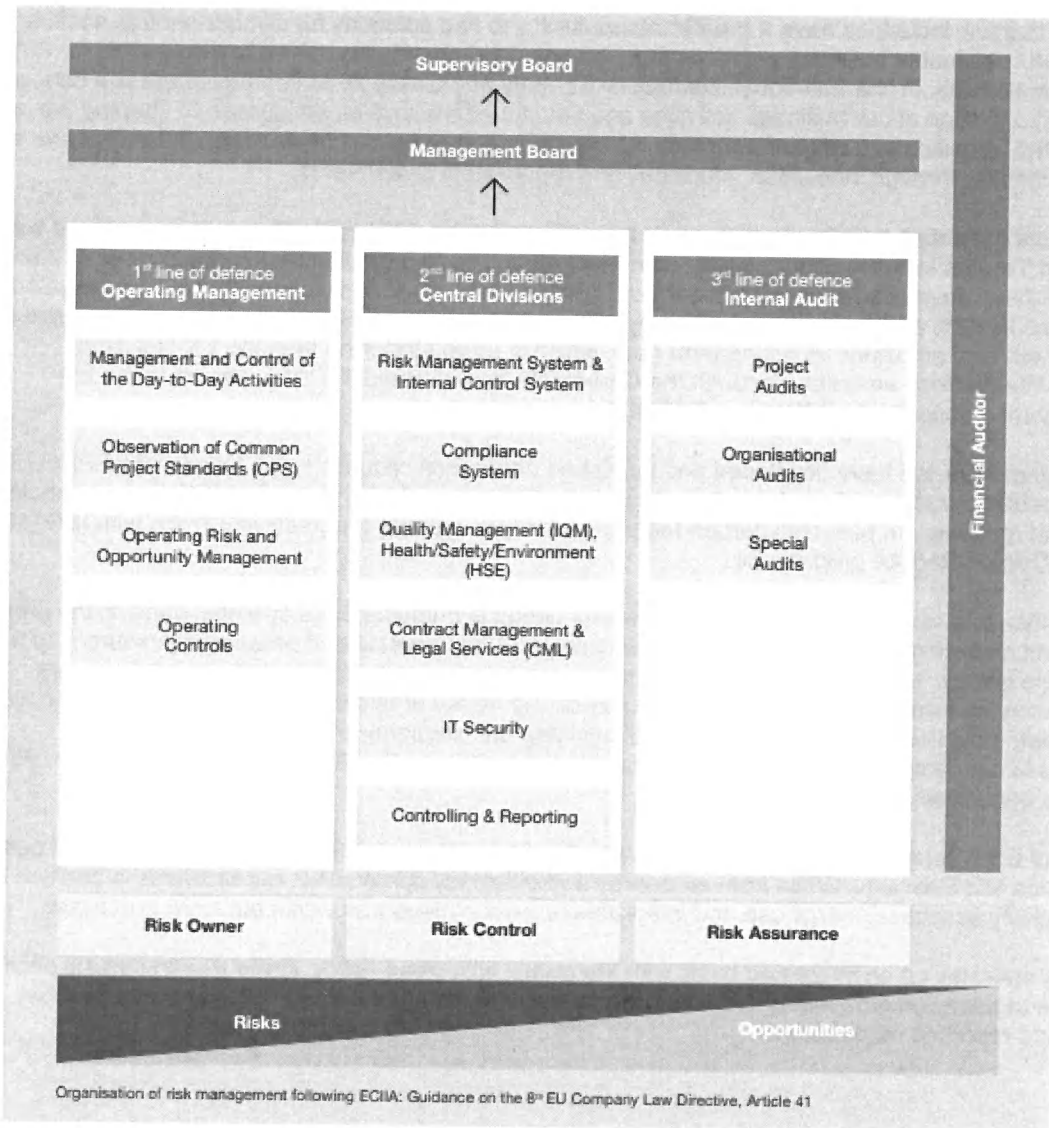
The Company operates on an integrated basis with the group, with close policy, strategic and cultural alignment. We participate regularly on group-wide initiatives, share learning, and fully comply with the group's robust governance and reporting requirements.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Principal risks and uncertainties

The Company adopts the Group’s approach to the identification and management of business risk. We encounter many different risks and opportunities during our business activities. These risks are systematically identified and assessed using a proactive risk management system and managed in a consistent and goal-oriented manner through a risk management policy. This risk management policy is an integral part of the management system and describes a set of fixed principles and responsibilities for risk management and how to deal with the material risk categories.

To ensure a responsible and proactive approach to risks and opportunities, we have integrated a risk management system (RMS) with an internal control system (ICS) in our management system based on the internationally recognised Enterprise Risk Management Framework. The organisation and responsibilities for the risk management are determined according to the three lines of defence, so that clear roles and responsibilities for risk management exist.



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

- External risks
- Operating and technical risks

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

- Financial risks
- Business Compliance and Ethical risks
- Health Safety Wellbeing and Environmental risks
- People and Culture risks
- IT risks

External Risks

The construction industry is subject to cyclical fluctuations affected by the UK's economic health and the support for investment, public and private, the competitive situation, the conditions on the capital markets and technological changes in construction, all create uncertainty risk. These risks are continually observed and monitored by our management and operating units and reviewed regularly and compared to our medium-term plans. Changes because of this volatility lead to adjustments in our organisation and focus on our range of services.

For long-term contracts we manage inflationary risks through contract mechanisms that provide for variable consideration through indexation linked prices. We also ensure our contracts provide protections against 'force majeure' events, industrial unrest, changes in legislation, etc, so generally risks that cannot be adequately controlled or insured against are excluded.

Operating and technical risks

These risks primarily include the complex risks associated with project selection and execution along with the technical risks that need to be assessed for each project. An integral part of the project risk management system is the Group's Common Project Standards (CPS), which provides a framework for standards and processes for effective delivery of projects and services in the form of an 'operating manual'. CPS comprise clearly defined criteria for the evaluation of new projects, a standardised process for the preparation and submission of bids, and integrated internal control systems.

Business transactions requiring approval are reviewed and approved in accordance with the internal rules of procedure, through a Code of Procedure, which identifies the management level authorised to approve such transactions.

The group has central divisions for equipment, materials, design and systems and innovations, all of whom participate as a matter of process in the governance framework and can be called upon when expertise is required.

All Group companies and staff are required to operate within the Group Management System, which combines the governance and controls framework for all activity. This System is communicated through a Management Manual together with the related Policies and Directives:

- Policies
- Code of Procedure
- Ethics-Business Compliance System
- Compliance Guidelines
- Common Project Standards
- Group Directives

The Company operates within this Group Management System and is subject to internal audit against it. Where necessary, perhaps through legislation, market practice or local context we have supplemented Group Policies with UK specific Policies.

Financial risks

Compliance with internal commercial guidelines is ensured by the Company's use of a central accounting and controlling department, which are also responsible for internal reporting and the periodic planning process. This reporting highlights any deviations against financial projections and identifies possible reporting anomalies. Risks from possible instances of manipulation (acceptance of advantages, fraud, deception, or other infringements of the law) are monitored by the internal audit department.

Business Compliance, Fraud risk and Ethical risks

Given the risk of corruption and anti-competitive behaviour in the construction industry, the Group has

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

implemented a set of tools that have proven effective in combating these risks.

The rules for proper business behaviour are conveyed by the STRABAG Ethics Business Compliance System. These have corporate-wide validity. The STRABAG business compliance model is based on the Business Compliance Management System (BCMS) along with supplementary management directives, the Code of Conduct and the personnel structure defined for enforcement, consisting of the Chief Compliance Officer, the Corporate Business Compliance Officers and the Regional Business Compliance Officers as well as the internal ombudspersons and the external ombudsman. Mandatory training for all staff in the operation of the BCMS is expected.

Health Safety Wellbeing and Environmental risks

To control the risks related to employee safety and health, STRABAG has developed and implemented a health and safety management system certified to ISO45001. During 2025, a holistic review and update of process took place to ensure a more integrated and data driven approach, utilising feedback from people throughout the organisation and supporting continual improvement.

Specially appointed officers and representatives ensure that the standards are followed, and management leads clearly to develop an identifiable culture that minimises harm and maximises wellbeing. This approach also forms part of the evaluation of subcontractors and suppliers.

The rollout of our BETTER TOGETHER cultural programme commenced in 2025, with a series of management workshops focused on the principles of Human and Organisational Performance (underpinned by the importance of trust). This programme is central to STRABAG's ambition to strengthen behaviours and culture across our projects, ensuring clear individual HSW accountability and empowering everyone to speak up and act on HSW matters.

We hold Health, Safety, and Wellbeing Leadership Days, where senior leaders attend our projects to engage on management commitments to HSW, and the expectations of all those working for or with STRABAG. This tied in with the launch our new collective commitments and critical controls. Our critical controls were established based on what are the basic behaviours we expect around our top risks.

Health, Safety, and Wellbeing remain a core focus at STRABAG as we move into 2026 and beyond. The progress we made in 2025, from strengthening our management systems and leadership engagement, to embedding a culture of trust, learning, and workforce involvement, provides a strong and consistent foundation for the future. We are encouraged by the positive cultural indicators and improvement in assurance, but we are equally clear that we must learn from every incident, address our highest-risk activities, and continually raise our standards. By maintaining our focus on proactive risk management, visible leadership, mental and physical wellbeing, and empowering our people to do the right thing, we will continue to create safer, healthier workplaces and ensure that everyone who works with us goes home safe and well every day.

People and Culture Risks

The ability to attract, retain and develop the skills of our people, so that we have an engaged and motivated team, through which to achieve our objectives is fundamental to our survival and our success. Through an authentic leadership culture of caring for the wellbeing and development of all our employees we are creating a competitive advantage to generate opportunities and reduce risk. We are achieving this through policies and practice of fairness and inclusion, a culture of openness and transparency, high standards and initiatives to provide new skills for all those that wish to grow with us. We communicate to a regular calendar with our staff and seek feedback which we action. Recruiting bottlenecks and skilled labour shortages, fluctuation, and employee relations risks, are countered with a central People and Culture team. People risks are reduced to a large extent through the recruitment of qualified specialists and leaders, performance-based remuneration under compliance with employment legislation, and early succession planning. Additionally, systematic potential management is in place to ensure the development and career planning of company employees. Complementary initiatives to promote employee health, improve employment conditions and raise employee satisfaction further contribute to the company's appeal and prestige.

IT risks

With the increasing threat posed by weak cyber-security, different measures are being implemented in the form of multistep security and anti-virus concepts, user access rights, password-controlled access, expedient data backups and independent power supply.

STRABAG UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

The Group is also working together with professional specialty service providers to ensure an efficient defence against cybercrime and is constantly reviewing its security concepts. By issuing IT usage guidelines and regularly informing on the necessity of risk awareness when working with information and communication technologies, we aim to ensure the security, availability, performance, and compliance of the IT systems.

We also have in place business continuity plans, that include disaster recovery measures.

Strategy and Prospects

Demand in the UK construction industry through 2025 did not provide the level of growth that we had anticipated at the start of the year. Tenders and awards from preferred bidder status experienced deferment due to client uncertainty caused by higher interest rates and economic volatility. However, the sentiment for 2026 and beyond provides a generally more positive expectation of growth because the factors of advancing technology, aged built environment assets, the energy transition, the government's growth agenda, supported by policy changes are showing signs that momentum is building and confidence is growing. This creates a stronger demand for the services offered by the Company. Nevertheless, we are prepared for the possibility of geo-political volatility continuing to create uncertainty and restrained capital spending in our targeted client group.

The ongoing conflict between the United States and Iran has created significant geopolitical and macroeconomic uncertainty, particularly due to disruptions in the Strait of Hormuz, through which approximately 25% of global oil trade and 20% of global LNG shipments pass. These disruptions have contributed to sharp increases in global energy prices placing upward pressure on UK inflation and cost levels across energy-intensive sectors. The Office for Budget Responsibility has warned that elevated energy costs linked to the conflict could increase UK inflation by up to one percentage point, with the wider economic slowdown contributing to a revised UK GDP growth forecast of 1.1% for 2026. These factors have direct implications for the UK construction industry, because many clients defer decision making until sufficient economic stability returns. Also rising fuel, materials, and logistics costs—alongside supply chain delays affecting steel, cement, glass and other imported inputs—are expected to increase delivery costs and introduce greater uncertainty into tendering and pricing models, exacerbating the consequences further.

For the Company, which delivers infrastructure and building works across multiple sectors, such pressures may tighten margins on existing fixed price or long-term contracts. Notwithstanding these broader economic risks, the Company notes that two of its largest current projects—the HARP project and the Hartlepool Project, provide for price indexation. This contractual structure ensures that any adverse economic impacts, including inflationary pressures on salaries, services, or materials, do not diminish earnings of the Company on these projects, thereby providing an additional layer of protection and stability during a period of heightened economic volatility. Furthermore, all funding requirements of companies within the Group are met centrally, ensuring that the Company is not directly exposed to volatility in external interest rates or financing markets. Public infrastructure demand across the UK also remains resilient, and the Group's vertically integrated supply chain model, together with its strategic focus on innovation, automation, and carbon-efficient delivery, continues to support the Company's ability to operate effectively within a challenging and rapidly evolving economic environment.

As was the case in 2024, during 2025, we continued to invest in tendering for the delivery of infrastructure and building projects and services in the UK. We have grown our capability and capacity organically by recruiting key individuals in the year and through our Learning & Development function to raise the skills of our people by investing significantly in their learning and development. We have also actively scouted potential acquisition targets to broaden our capability and market sectors to deliver for clients and stakeholders. We pursue obtaining this in-house capability because it follows the Group's model of assured delivery and value through a strong vertically integrated supply chain. The Group's financial strength and growth agenda for the UK supports this expansion, which we expect to see more of in 2026 and beyond.

It should be further noted that due to the Company being the leadership and administrative centre for all STRABAG activity in the UK, which in 2025 generated Revenue of >£600m, the financial results of the Company reflect the cost and revenue attributable to the leadership, administration activities and projects of the Company. The Revenue generated from STRABAG's UK mega projects for HS2 and Anglo American are not part of the Company's accounts. Future work in the UK is now targeted principally through the Company.

STRABAG UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

STRABAG's position in the UK market continues to offer our targeted clients differentiated solutions. This is because we can provide improved delivery assurance through technical depth earned from experience of self-delivery across the whole value chain. Self-delivery means we prefer to employ and develop our skilled workers directly, we own and maintain the equipment (and develop it), we control the materials, we have the specialist suppliers in-house, we carry out the design and we operate and manage assets – this is what makes STRABAG different, the depth of knowledge of the entire value chain is held in our people and processes and it is deep in our culture to understand and control the detail and manage risk more effectively. When we do partner with the supply chain, we deeply value their contribution and always seek to have relationships of trust and respect through knowledge of our respective needs.

STRABAG's global leadership in improving productivity in the construction sector through deploying technology and innovation plays a substantial part in the future of the Company. The group provides expertise through a dedicated STRABAG Innovations and Digitalisation department, focussing on standardisation, digitalisation and automation.

The Group's financial strength (Investment rating BBB+ stable) supports the Company to continue its accelerated path to becoming a key player in the UK market.

Production levels at our automated and fully commissioned concrete products factory in Hartlepool met the demand requirements placed on it and by Q3 began to consistently deliver production levels well above baseline. The factory, which occupies a former oil-rig assembly unit on the docks of Hartlepool comprises state-of-the-art robotic equipment to automate manufacturing for the construction sector. The factory currently has two supply orders for concrete tunnel segments to be used on the new HS2 railway and will be used to provide segments for the HARP Project. The location was chosen because it is adjacent to a dock facility and adjacent to a rail head that we have brought back to life. This location allows us to deliver our products without using the road network.

In addition to the current UK capability for the design and build of infrastructure projects we have made significant steps towards establishing our building unit in the West Midlands which now has a good order book and is successfully delivering projects.

S172 Statement

The Directors consider that, during the year, they have acted to promote the long-term success of the Company and to operate with respect and responsibility for our shareholder and for wider society.

As required by section 172(1) (a) to (f) of the Companies Act 2006 we have considered the interests of the wide range of stakeholders we affect, which includes our employees, our customers, shareholders, supply chain partners, banks, lenders, sureties and insurers, joint venture partners and the UK Government are all key stakeholders for the Company. We also consider our responsibility includes supporting the advancement of the construction industry, so we constantly innovate and lead in the development of initiatives to reduce waste and improve productivity.

a) The likely consequences of any decision in the long term:

The Company is committed to achieving carbon neutrality by 2040 and launched the 'Work on Progress' initiative to support this (see: Group Context and SECR in the Strategic Report).

The main objective of the Company is to establish itself as a key player in the UK infrastructure and built environment sector (further reading: Group Context and Strategy and Prospects in the Strategic Report).

In pursuit of this objective and guided by the strategic priorities of the Group:

1. Sustainable Profit Growth with a Reliable Dividend;
2. Embed Resourcefulness and Recyclability;
3. Deploy Construction Life Cycle Technology;
4. Continually search for Innovation and use our Digitalisation skill;
5. Flexible Business Model supported by consistent Strong Risk Management;
6. Financial Strength as a Competitive Advantage – do not use suppliers' cash, invest in assets for efficiency, minimise borrowing cost, present strength to clients and the supply chain.

STRABAG UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

We use these to as a guide to invest in long term production assets and pursue long-term positions on frameworks (e.g. 6-10 years) and to be competitive on mega infrastructure programmes and to create repeat business reliability for key clients who have longer term strategic needs from their design and construction partners.

b) The interests of the Company's employees:

The Directors seek to achieve strong employee engagement, which is a pillar of our vision, to be an employer of choice by putting 'People First'. We have invested substantially in providing and encouraging learning and development opportunities for all our staff so they have the skills for the future and to optimise their growth within the Company. The communication with our staff is through multiple channels, including weekly, monthly and quarterly newsletters and group magazines. We hold a monthly briefing for all staff and our leadership culture is to be visible and available and always transparently responding to questions that arise (further reading: People and Culture risks in the Strategic Report and Engagement with employees and employment of disabled persons in the Directors Report)

c) The need to foster the Company's business relationships with suppliers, customers and other stakeholders:

Ensuring that we foster excellent stakeholder relationships is a core capability of the Company, not least because it is impossible to function successfully in the construction sector without such an approach, but because it is a core value to respect the interests of our neighbours and supply chain partners.

The Company operates weekly payment runs to ensure suppliers and subcontractors are paid within terms and local suppliers and subcontractors are used as much as is practicable.

Delivery of construction contracts is managed closely with our clients at every step of delivery in line with the Company "Common Projects Standards" directive and other Company policies and directives. The Company is subject to internal audit to ensure compliance with these (further reading: Operating and technical risks in the Strategic Report).

d) The impact of the Company's operations on the community and the environment:

Through the opening of our new segment production facility in Hartlepool and the ongoing delivery of a contract in the Scottish Highlands, the Company has created over 100 new skilled local jobs and has taken on apprentices from the local communities in which we operate.

In opening the new segment production facility, the Company re-established a disused rail link to provide direct access to the UK rail network. This enables the Company to make deliveries by rail freight instead of by lorry meaning 56,000 lorry journeys will have been avoided from UK roads.

The consideration given to the impact of the Company's operations on the environment and initiatives undertaken in the year are explored fully in the SECR section of the Directors Report.

e) The desirability of the Company maintaining a reputation for high standards of business conduct:

Given the risk of corruption and anti-competitive behaviour in the construction industry, the Company has implemented a set of tools that have proven effective in combating these risks. The rules for proper business behaviour are conveyed by the STRABAG Ethics Business Compliance System (BCMS) and the Directors have ensured that there is mandatory training for all staff in the operation of BCMS (further reading: Business Compliance and Ethical risks in the Strategic Report).

The Company has clear conflict resolution procedures for all stakeholders including escalation to senior management and Directors for amicable resolution of disputes and a whistleblowing platform is made available to all stakeholders of the Company, not just employees.

STRABAG UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

f) The need to act fairly as between members of the Company:

The Company is a wholly owned subsidiary of STRABAG AG and therefore has a single shareholder. The Directors have no considerations to address in relation to the need to act fairly between members of the Company.

This report was approved by the board and signed on its behalf.



**A J Dixon
Director**

Date: 1 April 2026

STRABAG UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors present their report and the financial statements for the year ended 31 December 2025.

Principal Activity

The Company's principal activity in 2025 was to tender for and deliver construction projects, related services and design and manufacturing connected with the UK's infrastructure and built environment. The Company acts as a financial and administrative service centre and a provider of staff and labour for all Group entities trading in the UK.

Results and dividends

The profit for the year, after taxation, amounted to £6,068k (2024 - £1,759k).

The Directors proposed dividends in the year of £Nil (2024: £Nil) per ordinary share.

Directors

The Directors who served during the year were:

A J Dixon
S Wild

Political Contributions

During the year the company made no political contributions (2024: £Nil).

Engagement with employees

The Company seeks to achieve strong employee engagement, which is a pillar of our vision, to be an employer of choice by putting 'People First'. We achieve this through several initiatives, but principally by ensuring we have an open and transparent, two-way communication channel with all of our employees.

We have a dedicated communications team to support with this as well as People and Culture discussion and listening groups. Our employees receive a weekly updated electronic newsletter, a monthly update from the Directors and further regular contact from our senior leadership to inform on strategic updates and important news, as well as celebrating successes. We have internal websites that provide information and updates.

We also have a dedicated team focused exclusively on enhancing the health, safety and wellbeing of our employees, providing regular information and resources for all.

Engagement with Other Stakeholders

Ensuring that we foster excellent stakeholder relationships is a core capability of the Company, not least because it is impossible to function successfully in the construction sector without such an approach, but because it is a core value to respect the interests of our neighbours and supply chain partners.

Employment of Disabled Persons

The Company is committed to providing all employees and potential employees with equitable opportunities and to provide an environment that is fair and inclusive. We do not discriminate against anyone based on 'protected characteristics (age, disability, gender reassignment, sex, sexual orientation, marriage & civil partnership, pregnancy & maternity, race, religion, or belief).

The Company values and celebrates the diverse nature of our people. All employees have a duty to act in accordance with this policy and to always treat people with respect and dignity. The Company will not tolerate any discriminatory practices or behaviour.

STRABAG UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Qualifying third-party indemnity provisions

Qualifying third party indemnity provision was in place for the benefit of all directors of the Company.

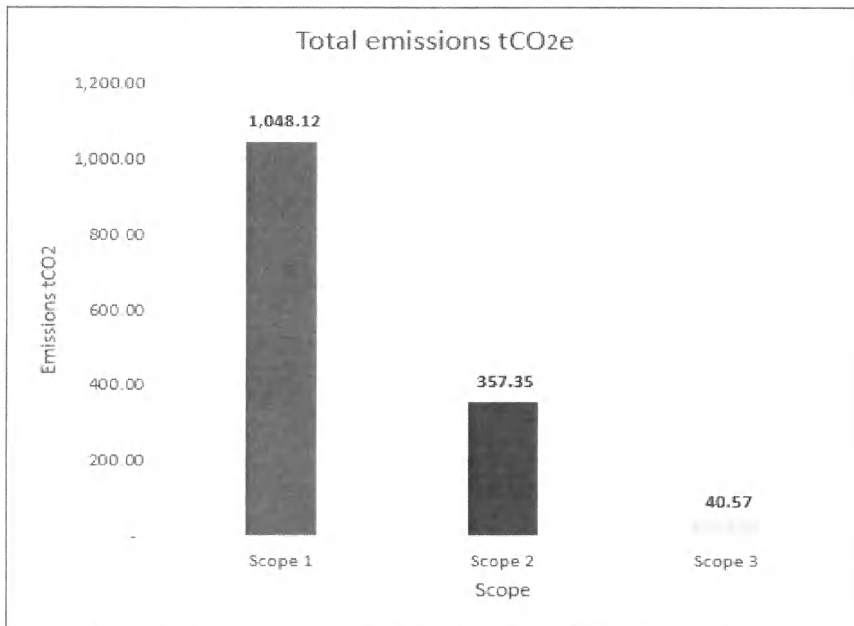
Streamlined energy and carbon reporting (SECR)

Summary

This report summarises the 2025 energy usage, associated emissions, energy efficiency actions and energy performance under the Streamlined Energy and Carbon Reporting (SECR) requirements, as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. It also outlines the organisation boundaries and methodology utilised for the calculations in this report.

The total equivalent carbon emissions resulting from activities within the defined scope of this Energy and Carbon report is 1,446.03 tCO₂e, while the emission intensity is 7.64 tCO₂e/£m revenue.

Figure 1: Overall carbon emissions by Scope



Data inventory and methodology

The inventory is an accurate quantification of the carbon emissions that can be attributed to the operations within the declared boundary and scope for the reporting period (2025). This has been prepared in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2015) and ISO 14064-1:2018 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals. .

The Company has assessed data associated with all the projects and business units under its influence and in line with SECR requirements. Extrapolations and estimations were made where activity data of the inventory was lacking. Unless otherwise stated, all emission values in this report are given in tCO₂e.

Data collation to include requirements for the different emission scopes.

- Scope 1 emissions – Emissions from combustion of gas and fuel utilised for operations such as fuel used in construction plant/equipment and transportation using the company vehicle fleets.
- Scope 2 emissions – Emissions from purchased and used electricity in daily business operations.

STRABAG UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

- Scope 3 emissions – Emissions from business travel in employee-owned vehicles for work purposes.

Reporting Methodology

In this SECR reporting year (2025) we compare our carbon emissions for the previous reporting year 2024, and current year 2025. A comparison summary is included in Table 3. The data for both years has been compiled using consistent methodologies to ensure accuracy and comparability. Emissions were calculated using respective standardised GHG conversion factors published by UK Government.

Emissions Intensity

This report uses carbon emissions per unit of revenue (tCO₂e/£m) as a suitable intensity factor to benchmark performance.

Emissions Results

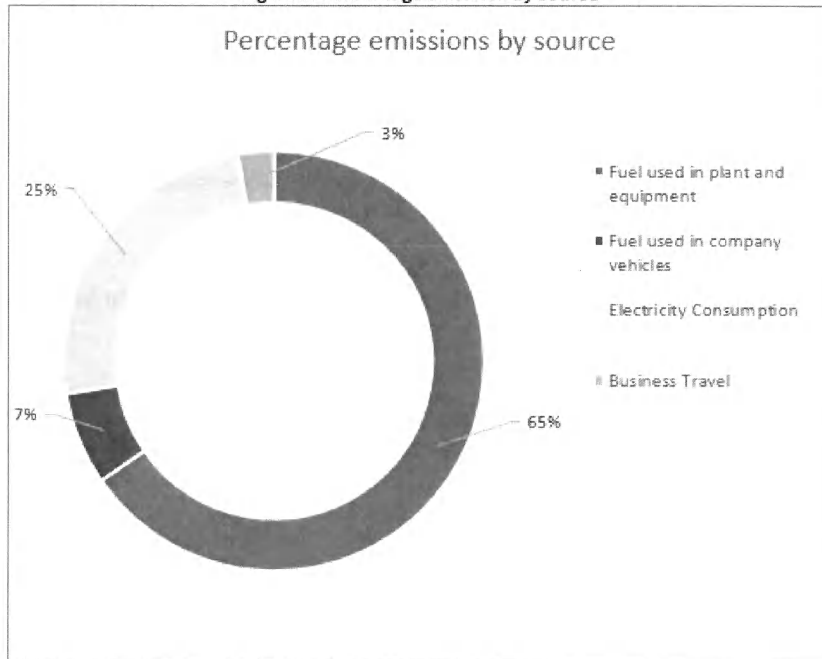
Table 1 outlines the total energy consumption and associated emissions below show the energy consumption and associated emissions for the reporting period while Figure 2 illustrates the breakdown in graphical form, rounded to the nearest whole number.

Table 1: Emission results by Scope

Emission source	Scope	Quantity (unit)	Total Emissions (tCO ₂ e)	Emissions by scope (tCO ₂ e)	% of Total emissions
Fuel used in plant and equipment	Scope 1 emissions	354,925.84 (L)	944.64	1,048.11	65.33%
Fuel used in company vehicles		39,008.19 (L)	103.47		7.15%
Electricity Consumption	Scope 2 emissions	2,018,801.49 (kWh)	357.35	357.35	24.71%
Fuel used in business travel for employee-owned vehicles	Scope 3 emissions	150,741.27 (Mi)	40.57	40.57	2.81%
Total:			1,446.03		100%

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Figure 2: Percentage emission by source



GHG Breakdown

A greenhouse gas (GHG) is any gas in the atmosphere which absorbs heat, and thereby keeps the planet’s atmosphere warmer than it otherwise would be. These are the gases, accepted as predominantly responsible for the greenhouse effect and consequent global climate change. The Kyoto Protocol is an international treaty for controlling the release of GHGs from human activities, and the GHGs controlled under the treaty are Carbon dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O), Hydrofluorocarbons (HFC), Perfluorocarbons (PFC), Sulphur hexafluoride (SF₆) and Nitrogen trifluoride (NF₃). These GHGs are often referred to as the “Kyoto gases”. Table 2 provides a breakdown of the breakdown of the GHGs considered for this reporting period.

Inventory Summary

The data shown in Table 2 below focuses on the current year 2025 while comparing to the previous year (2024), providing insight into changes in the Company GHG emissions between each reporting period. The Sizewell C Project became operational in August 2024, marking a new addition to the Company’s portfolio that year. The site is predominantly powered by diesel generators. Because the client maintains full operational control over the on-site electricity supply, these emissions are excluded from our Scope 2 reporting. The carbon emissions for the project are therefore limited to Scope 1 from diesel usage and Scope 3 from associated activities.

Table 2: Greenhouse Gas breakdown for STRABAG UK

GHGs	tCO ₂ e
Carbon Dioxide (CO ₂)	1,428.34
Methane (CH ₄)	1.99
Nitrous Oxide (N ₂ O)	15.70
Perfluorocarbons (PFCs)	0
Hydrofluorocarbons (HFCs)	0
Sulphur Hexafluoride (SF ₆)	0
Nitrogen Trifluoride (NF ₃)	0
Total:	1,446.03

In 2023, Scope 1 carbon emissions were calculated using a conversion factor of 2.51 kg CO₂e for an average biofuel blend. However, going forward, emissions were calculated using a factor of 2.66 kg CO₂e, reflecting the

STRABAG UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

use of 100% mineral diesel/petrol. This adjustment was made to ensure consistency between our data inventory sheet and the Achilles platform, which applies the 100% mineral diesel/petrol emission factor. This change aligns with updated government guidelines for emissions reporting. Also, the conversion factors used to convert fuel litres to kWh was updated to align with guidelines. Consequently, there is a significant change in figures when compared to the previous year due to revised calculation methods rather than an increase in fuel consumption.

Additional projects like HARP Project and Radlett SFRI commenced in the latter part of 2025 which is reflected in this report. Consistent with our other projects, the Radlett SFRI Project Scope 1 emissions include only the diesel directly purchased or consumed by STRABAG UK Ltd, excluding subcontractor usage.

The Solihull build office has been operational since 2023. Meter readings for 2025 were provided by the building management from January to August, however electricity readings for September to December was estimated based on previous readings due to unavailable data. This data has been incorporated into inventory summary below to ensure completeness and accuracy in reporting Scope 2 emissions for the 2025 reporting period. Additionally, a 70:30 allocation ratio has been applied to the London Head Office, as this proportion most accurately reflects the company's relative occupancy, operational usage, and benefit derived from the shared facilities².

Transport fuel data quality has improved this year, as we have transitioned from annual mileage estimates to actual consumption figures provided directly by our supplier. Finally, the significant reduction in our carbon intensity this year was driven by a combination of active sustainability initiatives and a temporary slowdown in production across some projects.

Table 3: GHG Emissions and energy use for 2024 and 2025

	Previous reporting year 01 January 2024 to 31 December 2024	Current reporting year 01 January 2025 to 31 December 2025
Emissions from activities for which the company own or control including combustion of fuel & operation of facilities tCO ₂ e (Scope 1)	2,122.71	1,048.11
Emissions from purchase of electricity, heat, steam and cooling purchased for own use tCO ₂ e (Scope 2, location-based)	774.96	357.35
Total gross Scope 1 & Scope 2 emissions tCO ₂ e	2,897.67	1,405.46
Total gross Scope 1 & Scope 2 emissions tCO ₂ e (all)	2,897.67	1,405.46
Energy consumption used to calculate above emissions (kWh)	3,943,160.65	6,086,482.88
Electricity (kWh) ²	3,742,876.07	2,018,801.49
Transport fuels (kWh)	12,093.07	385,278.10
Other energy sources (Scope 1 & 2) kWh	188,191.50	3,515,540.45
Transport fuels (Scope 3) kWh	39,922.60	166,862.84
Methodology	ISO14064 Part 1 2018 and Carbon Reduce	ISO14064 Part 1 2018 and Carbon Reduce
Emissions from other activities tCO ₂ e (Scope 3)	11.84	40.57
Total gross Scope 3 emissions tCO ₂ e	11.84	40.57
Total gross Scope 1, Scope 2 & Scope 3 emissions tCO ₂ e	2,909.51	1,446.03
Third Party verification Verified to ISO14064 Part 1 2018 and Carbon Reduce	Verified to ISO14064 Part 1 2018 and Carbon Reduce	

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Intensity ratio

An intensity ratio of tCO₂e per £ revenue is shown below, and the results are as follows.

Table 4: Emission Intensity

	Previous reporting year 01 January 2024 to 31 December 2024	Current reporting year 01 January 2025 to 31 December 2025
Total emissions (tCO ₂ e)	2,909.51	1446.03
Total revenue (£)	£196.9m	£189.2m
Intensity ratio (tCO ₂ e/£m revenue)	14.78	7.64

Energy Efficiency Action

The Company is committed to year-on-year improvements in respect to operational energy efficiency and carbon emission reduction. Energy efficiency improvement is systematically managed through the Company ISO50001:2018 certified Energy Management System (EnMS). Through the EnMS the Company has developed an energy policy, approach to energy planning, implementing targeted improvement actions, analysing data and governance in line with the Plan, Do, Check, Act continual improvement principle. Fundamentally one of the key clauses associated with ISO50001:2018 is associated with the need to achieve consistent improvement and demonstrate continuous energy performance enhancement (Clause 10), during 2024 the Company has reviewed its approach to significant energy use (SEU) data analysis, rebaselining (through application of linear regression logic) and tailoring improvement actions.

At a business level, to facilitate achievement of our goals, the Company has taken some actions through 2025:

- Carbon emissions data has been independently verified and certified under the Achilles Carbon Reduce Programme, aligned to the GHG Protocol Corporate Accounting and Reporting Standard (2015) and the international carbon reporting standard ISO 14064, Part 1:2018.
- Installation of onsite renewable electricity generation using a 12Kw turbine at Hartlepool manufacturing facility.
- Detailed design and procurement of solar panel array at Hartlepool manufacturing facility.
- Development of a GHG Scope 1 & Scope 2 emissions directive, setting minimum standards in respect to low carbon welfare, plant, equipment and energy.
- Mandating Lifecycle Assessment on all projects with a minimum target of 10% reduction on all build projects in comparison to baseline.

For completeness, at a project level, the Company has taken the following actions through 2025:

- Prioritised the replacement of conventional equipment with more energy efficient alternatives, focusing on hybrid and electric technologies. This has also included the purchase of 4 electric vehicles including 1 electric van.
- Transitioning to energy-efficient lighting systems has been a key focus to reduce electricity consumption across various sites. At the Hartlepool Segments Project, significant improvements have been made through:
 - Installation of LED lighting throughout the segment factory and office spaces.
 - Integration of daylight and passive infrared (PIR) sensors to optimise lighting usage, ensuring lights are only used when necessary.
 - Deployment of automatic timers to further minimise energy waste by switching off lights during non-operational hours.

STRABAG UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

- Further insulation of the curing ovens to minimise heat loss during segment production.
- Site energy use decreased following the completion of focused heating system enhancements. A key measure was ensuring systems were optimized and reduced during warmer periods to prevent unnecessary consumption

Disclosure of Information in the Strategic Report

For the financial overview of the Company, Key Performance Indicators, strategy and a review of the principal risks and uncertainties, please refer to the Strategic Report.

Going Concern

These financial statements have been prepared on a going concern basis as the Directors have concluded that the Company will continue in operational existence and meet its liabilities for the foreseeable future.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

On 20 March 2026, the Company acquired 100% of the issued share capital of Monarch (Cambridge) Limited. Monarch (Cambridge) Limited is a holding company that owns the entire issued share capital of Crofton Engineering Limited. Further information regarding the acquisition is provided in Note 28 to the financial statements.

Auditor

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



A J Dixon
Director

Date: 1 April 2026

STRABAG UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRABAG UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRABAG UK LIMITED

Opinion

We have audited the financial statements of STRABAG UK Limited (the 'Company') for the year ended 31 December 2025, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

STRABAG UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRABAG UK LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 18, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRABAG UK LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and application of our experience in the sector.
- We determined the principal laws and regulations relevant to the Company in this regard to be those arising from Companies Act 2006, FRS 101 and relevant UK employment and tax legislations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and a review of legal correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to onerous contract provisions, IFRS 16 leases, long-term revenue contracts and stock valuation and we addressed this by challenging the assumptions and judgement made by management when auditing the significant accounting estimate.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

STRABAG UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRABAG UK LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Littlejohn LLP

Stuart Leat (Senior Statutory Auditor)

for and on behalf of
PKF Littlejohn LLP

Statutory auditor
15 Westferry Circus
Canary Wharf
London
E14 4HD

1 April 2026

STRABAG UK LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 £000	2024 £000
Turnover	5	189,238	196,896
Cost of sales		(171,358)	(198,753)
Gross profit/(loss)		17,880	(1,857)
Administrative expenses		(8,717)	(17,323)
Other operating expenses		(547)	(182)
Operating profit/(loss)	6	8,616	(19,362)
Other income	8	318	17,000
Interest receivable and similar income	12	579	385
Interest payable and similar expenses	13	(1,353)	(2,834)
Profit/(loss) before tax		8,160	(4,811)
Tax on profit/(loss)	14	(2,092)	6,570
Profit for the financial year		6,068	1,759

There was no other comprehensive income for 2025 (2024:£Nil).

The notes on pages 26 to 49 form part of these financial statements.

STRABAG UK LIMITED
REGISTERED NUMBER: 12905017

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025 £000	2024 £000
Fixed assets			
Property, plant and equipment	15	26,659	35,081
Right-of-use assets	16	4,437	5,082
		<u>31,096</u>	<u>40,163</u>
Current assets			
Stocks	17	4,289	3,858
Debtors: amounts falling due within one year	18	39,157	32,766
Cash and cash equivalents	19	9,658	20,893
		<u>53,104</u>	<u>57,517</u>
Creditors: amounts falling due within one year	20	(48,600)	(51,480)
		<u>4,504</u>	<u>6,037</u>
Net current assets			
		<u>4,504</u>	<u>6,037</u>
Total assets less current liabilities			
		<u>35,600</u>	<u>46,200</u>
Creditors: amounts falling due after more than one year	21	(23,375)	(24,102)
		<u>12,225</u>	<u>22,098</u>
Provisions for liabilities			
Deferred taxation	22	(4,424)	(6,027)
Other provisions	23	(75)	(14,413)
		<u>(4,499)</u>	<u>(20,440)</u>
Net assets			
		<u>7,726</u>	<u>1,658</u>
Capital and reserves			
Called up share capital	24	35	35
Profit and loss account		7,691	1,623
		<u>7,726</u>	<u>1,658</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A J Dixon
 Director
 Date: 1 April 2026

The notes on pages 26 to 49 form part of these financial statements.

STRABAG UK LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2024	35	(136)	(101)
Comprehensive income for the year			
Profit for the year	-	1,759	1,759
At 1 January 2025	35	1,623	1,658
Comprehensive income for the year			
Profit for the year	-	6,068	6,068
At 31 December 2025	35	7,691	7,726

The notes on pages 26 to 49 form part of these financial statements.

STRABAG UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is The Tower - 3rd Floor, 65 Buckingham Gate, London, England, SW1E 6AS.

The Company's principal activity in 2025 was to tender for and deliver construction projects, related services and design and manufacturing connected with the UK's infrastructure and built environment. The Company acts as a financial and administrative service centre and a provider of staff and labour for all Group entities trading in the UK.

2. Statement of Compliance

The individual financial statements of STRABAG UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 101, "Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 4).

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- IFRS 7, 'Financial instruments: Disclosures'
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flow);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 111 (cash flow statement information); and
 - 134 to 136 (capital management disclosures).
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

Basis of preparation of financial statements (continued)

- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

3.2 Going concern

Net profit for the year was £6,068k (2024: £1,759k) and the Company has net assets for the year ended 31 December 2025 of £7,726k (2024: £1,658k).

The Company is a wholly owned subsidiary of STRABAG AG, which itself is a subsidiary of the STRABAG SE group of companies which is listed on the Vienna stock exchange and one of the largest construction companies in Europe. The Board of STRABAG AG has approved the Company's business plan to achieve a long-term and sustainable presence in the UK on an on-going basis, with the intention of establishing the UK as a 'core country' in the Group's operations, so that it progressively offers the full range of services that STRABAG provides to other core countries in Europe and around the world.

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue trading for a period of at least 12 months from the date of these financial statements.

Based on the order book, which includes secured contracts extending beyond the next 12 months, and the Company's expected cash inflows from ongoing projects and the anticipated project pipeline, the Directors believe the Company has sufficient resources to meet its obligations as they fall due.

There are no material uncertainties that cast doubt on the ability of the company to operate as a going concern.

Accordingly the Directors are satisfied that the Company has adequate financial resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

3.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is pound sterling. Monetary amounts in these financial statements are rounded to the nearest £1,000.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss account, except where deferred in other comprehensive income from qualifying cash flow hedges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.4 Tangible fixed assets

Assets under construction relate to cost incurred in the improvement to leased property and construction of plant and machinery. When these assets are completed and are in the location and condition necessary for their intended use they are transferred to property, plant and equipment.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation is charged to the Statement of Comprehensive Income on a straight line basis, as follows:

Right of use assets	- 2 - 10 years
Construction in progress	- Not depreciated
Plant and machinery	- 3 - 15 years
Motor vehicles	- Over 6 years
Office equipment	- Over 3 years

3.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

3.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.7 Inventories

Inventory costs include cost of purchase and production and are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

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

3.8 Trade and other receivables

Trade and other debtors are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rate for the contract assets.

3.9 Impairment of financial assets and contract assets

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

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

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

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

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

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

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

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

During the year under report, there were no changes with regard to the impairment approaches and criteria that were applied.

3.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

3.11 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Profit and loss account represents accumulated comprehensive income or losses for the year and prior periods for the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.13 Loans

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as creditors: amounts falling due within one year unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period in which case they are classified as creditors: amounts falling due after more than one year.

3.14 Retentions

Retentions are typically a percentage of a construction contract, which are in accordance with the agreement with Clients or supplier/subcontractor held back and not paid until a later date. Retention receivables under trade receivables and retention payables under trade payables are recognised respectively.

After the retention period when the retention amount is to be paid, retention receivable and retention payable amounts are adjusted with cash receipt and payment accordingly.

3.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

3.16 Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services supplied, stated net of discounts and Value-Added Taxes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.16 Revenue (continued)

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement:

Revenues were generated from three activities:

1. Bau Rechen Und Verwaltungszentrum (BRVZ) Fees

The Company operates BRVZ to provide central services to STRABAG Group's UK operative units. The services include finance, accounting, tax, payroll, HR and expatriate administration. An agreed certain percentage on operatives' revenue is charged as BRVZ fees.

2. Recharge of Costs

The Company employs staff and labourers for all operative units of STRABAG in the UK. Salaries/wages and related cost are then re-charged to the relevant operative legal entity to recover its costs at no mark up.

3. Revenue from contracts with customers

Revenue from contracts with customers is recognised over time as required by IFRS 15 - Revenue from Contracts With Customers.

For construction contracts with customers, the construction projects are built on the customers' properties and the customers always control the assets that are created or enhanced.

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

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

The projects, where the construction is at early stages and not be able to reasonably measure its progress towards complete satisfaction of a performance obligation and expects to recover the costs incurred in satisfying the performance obligation, the revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.16 Revenue (continued)

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

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

With regard to impairment, see note 3.9 "Impairment of financial assets and contract assets".

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

Claims and variation orders in connection with construction contracts involve any modification or change (actual construction progress) to the contractually agreed scope of work (agreed specifications). Due to the existing contractual agreements, these modifications to the work to be performed cannot be invoiced until the client approves the changes or agrees to their invoice ability. Modifications or changes to the work to be performed include agreed changes to the work to be performed as well as disputed claims for additional costs due to disruption or due to changes in the scope of work.

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

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

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

The estimate is based on qualitative and quantitative criteria. The large number of individual claims and variation orders in a construction project, the uncertainty over a long period of time, the individuality of the circumstances, the legal enforceability of the claim and the quality of the

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

3.16 Revenue (continued)

documentation are taken into account when estimating the variable consideration. The variable consideration is measured in such a way that there is no reversal of previously recognised revenue in subsequent periods.

The corresponding expense is recognised in profit or loss immediately when it is incurred. The consideration for revenue from project developments which, on the basis of the work performed by the reporting date, are realised over time, is recorded under contract assets. The contract asset represents the Group's right to considerations from project developments.

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

In these cases, the revenue is recognised pro rata based on the degree of completion of the work.

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

The notes on construction contracts with customers apply by analogy.

3.17 Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognised a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-terms leases (defined as leased within a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the terms of the lease unless another systematic basis is more representative of the time pattern in which the economic benefits from the lease asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any incentives.

The lease liability is included in 'Creditors' on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. Accounting policies (continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Fixed Assets' in the Statement of Financial Position.

The Company applied IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, IFRS 16 permits a lessee to not separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

3.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

Increases in provisions are generally charged as an expense to profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

4. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Economic Useful life of tangible assets

The annual depreciation charges to tangible assets are sensitive to the changes in the estimated economic useful lives and residual values of the assets. The useful economic lives and residual values are assessed annually. Any changes to the condition of the lives of assets because of enhancements, and economic utilisation's are reflected on the amended estimates when necessary.

Lease accounting

In determining the lease term, management considers all factors and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Onerous Provision

As at 31 December 2025, the directors have undertaken a review of all existing contracts with clients to assess whether any of them would suggest that they are to be loss making. In accordance with IAS 37, the onerous contract provision relating to the Supply of Tunnel Segments for the HS2 project has been reduced to £Nil (2024: £14,265k) whilst the onerous contract provision relating to a ground freezing trial project has also been reduced to £Nil (2024: £88k) due to the utilisation in the year.

Project forecasts are updated on a monthly basis throughout the year in line with the Group Common Project Standards framework and onerous contract provisions are re-assessed annually.

STRABAG UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

5. Turnover

An analysis of turnover by class of business is as follows:

	2025	<i>2024</i>
	£000	<i>£000</i>
Construction	100,475	<i>87,229</i>
Recharge of costs	87,652	<i>108,319</i>
BRVZ fees	1,111	<i>1,348</i>
	189,238	<i>196,896</i>

Analysis of turnover by country of destination:

	2025	<i>2024</i>
	£000	<i>£000</i>
United Kingdom	189,238	<i>196,896</i>
	189,238	<i>196,896</i>

The Company applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Assets and liabilities related to contracts with customers:

The Company has recognised the following assets and liabilities related to contracts with customers.

	2025	<i>2024</i>
	£000	<i>£000</i>
Contract assets		
At 1 January	5,223	<i>-</i>
Contract assets recognised in the year	5,591	<i>5,223</i>
Decrease due to amounts Invoiced in year	(5,223)	<i>-</i>
At 31 December	5,591	<i>5,223</i>

STRABAG UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

5. Turnover (continued)

	2025	2024
	£000	£000
Contract liabilities		
At 1 January	19,249	17,064
Increase due to cash received, excluding amounts recognised as revenue during the year	1,127	9,896
Decrease due to amounts recognised in revenue	(9,831)	(7,711)
At 31 December	10,545	19,249

Contract assets and contract liabilities are included within “debtors” and “creditors” respectively on the face of the balance sheet. They arise from projects such as manufacture and supply of segments and construction of an exploratory tunnel. The Company enters in to contract for these projects and it takes more than one year to complete. The contract assets comprise the right to payment from construction contracts with customers as well as from project developments for the work performed by the reporting date. If the advances received exceed the payment rights, presentation is made under contract liabilities.

Revenue recognised that was included in the contract liability balance at the beginning of the year is £9,831k (2024: £7,711k) and no impairment losses have been recognised in the year against the contract asset.

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2025	2024
	£000	£000
Loss on disposal of fixed assets	547	182
Depreciation of tangible fixed assets	9,848	12,611
Depreciation of right-of-use assets	803	776
Foreign exchange losses/(gains)	542	(53)
Defined contribution pension cost	4,868	3,902
Onerous contract provision	(14,353)	6,270
Dilapidation provision	15	15

7. Other expense

	2025	2024
	£000	£000
Loss on disposal of fixed assets	547	182
	547	182

STRABAG UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

8. Other income

	2025	<i>2024</i>
	£000	<i>£000</i>
Research and Development Expenditure Credit	318	-
Debt waiver	-	17,000
	<u><u>318</u></u>	<u><u>17,000</u></u>

In 2024, STRABAG AG, waived the repayment obligation for £17,000k for part of the inter company loan owed to it by the Company via STRABAG AG's UK Branch. Following the waiver the Company has an outstanding loan liability for the year ended 31 December 2025 of £19,526k (2024: £19,526k) owing to STRABAG AG UK Branch.

In 2025, the Company recognised a Research and Development Expenditure Credit (RDEC) of £318k (2024: £Nil). The credit has been recorded within other income in accordance with IAS 20.

9. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor and its associates:

	2025	<i>2024</i>
	£000	<i>£000</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	64	57
Fees payable to the Company's auditor and its associates in respect of:		
Accounts preparation services	-	6
	<u><u>-</u></u>	<u><u>6</u></u>

STRABAG UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

10. Employees

Staff costs were as follows:

	2025 £000	2024 £000
Wages and salaries	98,256	117,035
Social security costs	13,014	15,001
Cost of defined contribution scheme	4,868	3,902
	<u>116,138</u>	<u>135,938</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2025	2024
Construction services	931	1,187
Management	100	91
Administrative	121	148
	<u>1,152</u>	<u>1,426</u>

11. Directors' remuneration

The directors' remuneration attributable to the Company for the year was as follows:

	2025 £000	2024 £000
Remuneration	690	548
Company contributions to pension scheme	2	21
	<u>692</u>	<u>569</u>

In respect of the highest paid director:

	2025 £000	2024 £000
Remuneration	460	332
Company contributions to pension scheme	1	11
	<u>461</u>	<u>343</u>

STRABAG UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

12. Interest receivable and similar income

	2025	<i>2024</i>
	£000	<i>£000</i>
Interest income on short term deposits	579	<i>385</i>
	579	<i>385</i>

13. Interest payable and similar expenses

	2025	<i>2024</i>
	£000	<i>£000</i>
Interest payable to group undertakings	1,190	<i>2,652</i>
Interest on lease liabilities	163	<i>182</i>
	1,353	<i>2,834</i>

14. Taxation

	2025	<i>2024</i>
	£000	<i>£000</i>
Corporation tax		
Current tax on profits for the year	4,028	<i>(3,751)</i>
Adjustments in respect of previous periods	(333)	<i>(7,871)</i>
Total current tax	3,695	<i>(11,622)</i>
Deferred tax		
Deferred taxation for the current year	(2,015)	<i>(1,691)</i>
Adjustments in respect of prior periods	412	<i>6,743</i>
Total deferred tax	(1,603)	<i>5,052</i>
Total tax charge	2,092	<i>(6,570)</i>

STRABAG UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

14. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2024 - lower than) the standard rate of corporation tax in the UK of 25% (2024 - 25%). The differences are explained below:

	2025	2024
	£000	£000
Profit/(loss) on ordinary activities before tax	8,160	(4,811)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	2,040	(1,203)
Effects of:		
Expenses not deductible for tax purposes	52	(4,239)
Current tax prior year under provision	(333)	(7,871)
Deferred tax prior year under provision	412	6,743
Non-taxable income	(79)	-
Total tax charge for the year	2,092	(6,570)

The Company has £Nil (2024: £1,850k) tax losses that can be carried forward and offset against future taxable profits.

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

On 11 July 2023, Finance (No. 2) Act 2023 was enacted in the UK, introducing the OECD Pillar Two model rules including a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023.

For Pillar two tax purposes, the Company is part of a "UK tax group" which means the Company and other STRABAG group companies that have a taxable presence in the UK. The aggregated effective tax rate for Pillar two purposes for the UK tax group is more than 15%. Accordingly, under the Pillar two tax rules as enacted in the UK, the Company has no Pillar two tax payable for the year ended 31 December 2025.

Factors that may affect future tax charges

There were no factors that affect future tax charges.

STRABAG UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

15. Tangible fixed assets

	Plant and machinery £000	Motor vehicles £000	Office equipment £000	Constructio n in progress £000	Total £000
Cost					
At 1 January 2025	52,701	-	153	61	52,915
Additions	1,856	24	102	98	2,080
Disposals	(800)	-	(3)	-	(803)
Transfers between classes	61	-	-	(61)	-
At 31 December 2025	<u>53,818</u>	<u>24</u>	<u>252</u>	<u>98</u>	<u>54,192</u>
Depreciation					
At 1 January 2025	17,769	-	65	-	17,834
Charge for the year on owned assets	9,791	2	55	-	9,848
Disposals	(147)	-	(2)	-	(149)
At 31 December 2025	<u>27,413</u>	<u>2</u>	<u>118</u>	<u>-</u>	<u>27,533</u>
Net book value					
At 31 December 2025	<u><u>26,405</u></u>	<u><u>22</u></u>	<u><u>134</u></u>	<u><u>98</u></u>	<u><u>26,659</u></u>
At 31 December 2024	<u><u>34,932</u></u>	<u><u>-</u></u>	<u><u>88</u></u>	<u><u>61</u></u>	<u><u>35,081</u></u>

STRABAG UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

16. Leases

Company as a lessee

The Company has lease contracts for land and buildings used for operating activities. The amounts recognised in the financial statements in relation to the leases are as follows:

Amounts recognised in the Statement of Financial Position relating to leases:

	2025	<i>2024</i>
	£000	<i>£000</i>
Right-of-use assets:		
At 1 January	5,082	<i>5,370</i>
Additions	158	<i>488</i>
Depreciation	(803)	<i>(776)</i>
At 31 December	4,437	<i>5,082</i>

Lease liabilities are due as follows:

	2025	<i>2024</i>
	£000	<i>£000</i>
Current	851	<i>749</i>
Non-current	3,849	<i>4,576</i>
	4,700	<i>5,325</i>

Right-of-use assets are being depreciated over the length of the lease.

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2025	<i>2024</i>
	£000	<i>£000</i>
Interest expense on lease liabilities	163	<i>182</i>
Depreciation charge of right-of use assets	803	<i>776</i>

Total cash outflow for leases was £947k (2024: £903k).

STRABAG UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

17. Stocks

	2025	2024
	£000	£000
Raw materials	4,289	2,505
Finished goods	-	1,353
	<u>4,289</u>	<u>3,858</u>

18. Debtors: Amounts falling due within one year

	2025	2024
	£000	£000
Trade debtors	2,720	2,717
Amounts owed by group undertakings	28,096	17,686
Other debtors	1,116	104
Prepayments and accrued income	1,396	907
Tax recoverable	238	6,129
Contract assets	5,591	5,223
	<u>39,157</u>	<u>32,766</u>

Amounts owed by group undertakings are unsecured, repayable on demand and interest free except for balance due from cash pooling arrangement entered into with STRABAG BRVZ GmbH which charge interest at 3.50%. The interest rate may be adjusted quarterly in line with the borrowing rates for EUR in the STRABAG SE Group. Interest received during the year from this arrangement was £Nil (2024: £155).

19. Cash and cash equivalents

	2025	2024
	£000	£000
Cash on Hand and in banks	9,658	566
Short term deposits	-	20,327
	<u>9,658</u>	<u>20,893</u>

STRABAG UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

20. Creditors: Amounts falling due within one year

	2025 £000	2024 £000
Trade creditors	5,821	3,851
Amounts owed to group undertakings	7,697	8,446
Corporation tax	4,028	-
Other taxation and social security	6,943	11,943
Lease liabilities	851	749
Accruals and deferred income	12,715	7,242
Contract liabilities	10,545	19,249
	<u>48,600</u>	<u>51,480</u>

Amounts due to group undertakings are unsecured, repayable on demand and interest free except for balance due to cash pooling arrangement entered into with STRABAG BRVZ GmbH which charge interest at 2.45%. The interest rate may be adjusted quarterly in line with the borrowing rates for EUR in the STRABAG SE Group. Interest payable during the year from this arrangement was £251k (2024: £47k).

21. Creditors: Amounts falling due after more than one year

	2025 £000	2024 £000
Lease liabilities	3,849	4,576
Amounts owed to group undertakings	19,526	19,526
	<u>23,375</u>	<u>24,102</u>

Amounts owed to group undertakings include a loan with the parent company STRABAG AG. The loan currently bears interest at 4.4% (2024: 5.3%) and is payable quarterly in arrears. The interest rate may be adjusted quarterly in line with the borrowing interest rates for GBP in the STRABAG SE Group.

22. Deferred taxation

	2025 £000	2024 £000
At beginning of year	(6,027)	(975)
Credited/(charged) to profit or loss	1,603	(5,052)
At end of year	<u>(4,424)</u>	<u>(6,027)</u>

STRABAG UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

22. Deferred taxation (continued)

The deferred taxation liability is made up as follows:

	2025	2024
	£000	£000
Accelerated capital allowances	(4,530)	(6,556)
Tax losses carried forward	-	463
Pension	106	66
	<u>(4,424)</u>	<u>(6,027)</u>

23. Other provisions

	Onerous contract provision £000	Dilapidation provision £000	Total £000
At 1 January 2025	14,353	60	14,413
Charged to profit or loss	-	15	15
Utilised in year	(88)	-	(88)
Released in year	(14,265)	-	(14,265)
At 31 December 2025	<u>-</u>	<u>75</u>	<u>75</u>

A dilapidation provision of £75k (2024: £60k) has been included as at 31 December 2025 to take into account the restoration costs included as a financial obligation within a contract entered into during the year ended 31 December 2021.

As at 31 December 2025, the Directors have undertaken a review of all open contracts to assess whether any would suggest that they are to be loss making. As a result, the onerous contract provision relating to the Supply of Tunnel Segments for the HS2 project to provide precast concrete tunnel linings has been fully released in the year. The onerous contract provision relating to a ground freezing trial project of £88k in respect of a ground freezing trial was fully utilised in the year.

24. Share capital

	2025	2024
	£000	£000
Allotted, called up and fully paid		
35,000 (2024 - 35,000) Ordinary shares of £1.00 each	<u>35</u>	<u>35</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

STRABAG UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

25. Pension commitments

The Company operates a defined contribution pension plan. The assets of the plan are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £4,868k (2024: £3,902k). Contributions totalling £425k (2024: £495k) were payable to the fund at the balance sheet date.

26. Capital Commitments

At 31 December 2025 the Company had the following capital commitments:

	2025	<i>2024</i>
	£000	<i>£000</i>
Contracts for future capital expenditure not provided in the financial statements	49	<i>504</i>
	49	<i>504</i>

27. Related party transactions

The Company has taken advantage of the exemption available within FRS 101 not to disclose the specifics of related party transactions between subsidiaries which are wholly owned within the same parent group (STRABAG SE).

Amounts owed from related parties have been disclosed in note 18. Amounts owed to related parties have been disclosed in notes 20 and 21.

28. Post balance sheet events

On 20 March 2026, the Company acquired 100% of the issued share capital of Monarch (Cambridge) Limited, a holding company which owns the entire issued share capital of Crofton Engineering Limited. The acquired group specialises in the fabrication and installation of steel structures.

The total consideration for the acquisition is £6,315k and comprises £4,975k in cash as well as deferred consideration of £1,040k and contingent consideration of up to £300k, both payable 12 months post-completion (20 March 2027).

In accordance with IAS 10 this transaction represents a non-adjusting event as it occurred after the balance sheet date of 31 December 2025, therefore, no adjustment has been made to these financial statements.

The acquisition will result in the Company becoming a parent undertaking and consequently the Company expects to prepare consolidated financial statements for the year ending 31 December 2026.

At the date of approval of these financial statements the fair values of the identifiable assets and liabilities acquired have not yet been determined. It is not currently practicable to provide an estimate of the financial effect of the acquisition, including the net assets acquired or the contribution of the acquired group to the results of the Company for the year ending 31 December 2026.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

29. Ultimate controlling party

The Group into which the Company was consolidated at year end was STRABAG SE which is incorporated in Austria. Copies of financial statements may be obtained from Triglavstr. 9, 9500 Villach/Austria.

The Company's immediate parent undertaking is STRABAG AG, a company incorporated in Austria.

In the Directors' opinion, the Company's controlling party, is STRABAG SE. There is no one ultimate controlling individual.