

# Supervisory board report

2024

# Supervisory board report



Mag. Kerstin Gelbmann

## Dear shareholders, associates and friends of STRABAG SE!

The year 2024 presented a mixed picture regarding the end markets. While the infrastructure sector performed strongly across geographical borders, residential construction, especially in Austria, was impacted negatively by the higher interest rates and the stricter lending guidelines in comparison to the rest of Europe. Nevertheless, STRABAG SE continued to perform well in this environment, creating a solid foundation for the coming financial year.

The Supervisory Board was always kept informed of significant steps and plans for the implementation of the current Group Strategy 2030. These follow the goal of further strengthening the position in key growth markets and making STRABAG SE even more resilient overall.

The capital measures unanimously approved by the 19<sup>th</sup> Annual General Meeting to reduce the stake held by MKAO “Rasperia Trading Limited” to 24.1% were subsequently implemented and have been legally effective since September 2024. The Supervisory Board will continue to support measures that serve to reduce disadvantages and risks for the company in connection with its sanctioned shareholder MKAO “Rasperia Trading Limited”.

## Open exchange of information and opinion in the Supervisory Board meetings

In the 2024 financial year, the Supervisory Board duly fulfilled the responsibilities assigned to it by law, by the Articles of Association, by the Austrian Code of Corporate Governance (ÖCGK) and by the Rules of Procedure. It fulfilled its supervisory duty primarily during the regular board and committee meetings. An exchange of information also took place between the Management Board and the Supervisory Board, in particular with the Chairwoman of the Supervisory Board, outside of the regular board and committee meetings.

During the Supervisory Board meetings, the Management Board regularly and extensively informed the Supervisory Board as to the market situation, the business development and the company’s situation.

Open discussions in each session further enhanced the extensive exchange of information and opinions. As a result, the Supervisory Board was constantly informed about STRABAG's strategic direction, its cash flows and financial performance, the personnel situation, the investment and project development plans, and large-scale projects, and it had a complete overview of the business development. The Supervisory Board monitored and questioned the corporate planning and its foundations and also analysed unplanned developments together with the Management Board. The Supervisory Board also examined in detail with the Management Board's Group and sustainability strategy.

The Management Board always obtained consent from the Supervisory Board for important business transactions.

The members of the Supervisory Board were duly represented at the respective board and committee meetings. All members of the Supervisory Board act and make decisions independently as stipulated by the Austrian Code of Corporate Governance.

## **Key activities of the Supervisory Board and the committees in 2024**

The following agenda items of the meetings of the Supervisory Board and its committees are particularly noteworthy:

### **Supervisory board (plenary meeting)**

The Supervisory Board held five meetings in the 2024 financial year. The Supervisory Board advised the Management Board in its management function, reviewed and monitored the management agendas and dealt with measures requiring approval.

The Supervisory Board dealt in detail with the annual financial statements, the management report, the consolidated corporate governance report, the consolidated non-financial report (sustainability report), the consolidated report on payments to governments, the consolidated financial statements, and the Group management report of STRABAG SE for 2023.

On 23 April 2024, the Supervisory Board acknowledged completion of the annual financial statements for 2023 and passed a resolution on the appropriation of net income.

Also discussed and approved were the report of the Supervisory Board to the Annual General Meeting as well as the agenda and proposed resolutions for the 20<sup>th</sup> Annual General Meeting. The Supervisory Board also approved the remuneration report for the Management Board and Supervisory Board for the 2023 financial year and the remuneration policy for the Management Board and Supervisory Board.

The draft resolution for the (first-time) appointment of PwC Wirtschaftsprüfung GmbH, Vienna, as auditor of the financial statements and of the consolidated financial statements for the 2024 financial year was made on 14 July 2023 in accordance with the final recommendation of the Audit Committee. The draft resolution was subsequently amended on 23 April 2024 to include the appointment of PwC Wirtschaftsprüfung GmbH, Vienna, as auditor of the consolidated sustainability report for the 2024 financial year, if required.

In several meetings, the Supervisory Board dealt with the current financial situation, the short- and medium-term planning, and the investment plan of the company. Discussions also took place on the strategic orientation of the company, in particular with regard to the Group's sustainability and digitalisation strategies.

The Supervisory Board continued to deal with the Austrian cartel case in the 2024 financial year and took note of the report as to the precautions to be taken to combat corruption in the company as well as on occupational safety. The Supervisory Board approved several projects requiring approval and also dealt with selected (large-scale) projects in detail.

The Supervisory Board also dealt with the actions of MKAO “Rasperia Trading Limited” and (partially) Thomas Bull against the resolutions of the Extraordinary General Meeting held on 5 May 2022, the 18<sup>th</sup> Annual General Meeting of 24 June 2022 and the 19<sup>th</sup> Annual General Meeting of 16 June 2023 which dealt intensively with the capital measures to reduce the shareholding of MKAO “Rasperia Trading Limited”. In the second half of 2024, the Supervisory Board was informed of the suit for damages filed by MKAO “Rasperia Trading Limited” against STRABAG SE, its Austrian core shareholders and AO Raiffeisenbank, Moscow. The board also received information about the action brought by the Austrian parties to the 2007 syndicate agreement against MKAO “Rasperia Trading Limited” before an arbitration court in Amsterdam, which was to determine that their right of first refusal continued to apply and that the transfer of shares in MKAO “Rasperia Trading Limited” from MKAO Valtoura Holdings Limited to Iliadis JSC constituted a change of control, meaning that MKAO “Rasperia Trading Limited” was obliged to offer its STRABAG shares to the Austrian parties to the 2007 syndication agreement or to transfer these resolutions to the Annual General Meeting accordingly.

The self-evaluation of the Supervisory Board was carried out in the last meeting of 2024 with the support of an external lawyer.

### **Audit Committee**

The Audit Committee met for three sessions in 2024 and in the spring of 2024 performed its duties with regard to the audit of the annual financial statements, the consolidated financial statements, the management reports and the consolidated corporate governance report, each for the 2023 financial year. It also prepared the draft resolution on the appropriation of net income. The committee had already submitted the draft resolution for the designation by the Annual General Meeting of PwC Wirtschaftsprüfung GmbH, Vienna, as auditor of the financial statements and of the consolidated financial statements for the 2024 financial year to the Supervisory Board in 2023.

The Audit Committee also reported to the Supervisory Board on the results of the financial audit for the 2023 financial year in accordance with Sec 92 Para 4a (4) lit e) of the Austrian Stock Corporation Act (AktG) and presented the degree to which the financial audit contributed to the reliability of the financial reporting and the role played by the Audit Committee in the process. There were no objections to the audit by the financial auditor and all questions of the Audit Committee could be answered satisfactorily.

In another meeting, the Audit Committee dealt with the report from the internal audit department. The committee also adopted a resolution on the audit approach of the financial statements as at 31 December 2024 and took note of the IFRS Management Board reporting.

In accordance with C-Rule 18 of the Austrian Code of Corporate Governance, the internal audit department reported to the Audit Committee on the auditing plan and on any material findings. The Audit Committee also monitored the accounting procedures (including Group accounting) and the financial audit and convinced itself of the effectiveness of the internal control system, the risk management system and the audit system. The Audit Committee also reviewed and monitored the independence of the auditor of the financial statements (and of the consolidated financial statements), especially as regards the additional services provided to the audited company.

Due to the EU’s directive on corporate sustainability reporting (CSRD) adopted in December 2022, an external limited assurance audit was expected to be required for the sustainability reporting for the 2024 financial year. At its meeting on 23 April 2024, the Audit Committee therefore recommended to the Supervisory Board that PwC Wirtschaftsprüfungs GmbH, Vienna, be proposed to the Annual General Meeting as the auditor for sustainability reporting.

As the legal requirements for a mandatory audit of the consolidated sustainability report had not been implemented, a voluntary audit was commissioned from PwC Wirtschaftsprüfungs GmbH, Vienna. The fee for the audit was granted individual approval as a permissible non-audit service by the Audit Committee in December 2024.

## Presidential and Nomination Committee

The Presidential and Nomination Committee held no meetings in the 2024 financial year.

## Executive Committee

The Executive Committee met once in the 2024 financial year to discuss the remuneration policy for the Management Board.

## Appointment of new CEO

Following the untimely death of CEO Klemens Haselsteiner, the Presidential and Nomination Committee, the Executive Committee and the Supervisory Board in February 2025 discussed the selection of a successor to fill the position. Stefan Kratochwill was then appointed as a further member of the Management Board and as CEO of STRABAG SE for the period from 19 February 2025 to 31 December 2026, in line with the duration of the other Management Board mandates.

## Consolidated financial statements awarded unqualified audit opinion

PwC Wirtschaftsprüfung GmbH, Wien, audited the annual financial statements and the management report of STRABAG SE for the 2024 financial year. The findings of the audit did not give rise to any issues of concern and the financial auditor awarded an unqualified audit opinion.

The consolidated financial statements and the Group management report of STRABAG SE for the 2024 financial year were prepared by the Management Board under application of Sec 245a of the Austrian Commercial Code (UGB) in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) that were applicable at the end of the reporting period. These were reviewed by PwC Wirtschaftsprüfung GmbH, Wien and awarded an unqualified audit opinion.

The audit reports of the auditor of the financial statements and of the consolidated financial statements were presented to the Supervisory Board. In the presence of the financial auditor, the Audit Committee thereupon reviewed the 2024 annual financial statements and the management report including the proposal for the appropriation of net income and the consolidated corporate governance report as well as the additional report of the financial auditor to the Audit Committee as required by Article 11 of Regulation (EU) No. 537/2014, and prepared the approval of the annual financial statements as well as the acknowledgement of the 2024 consolidated financial statements and Group management report by the Supervisory Board. The Audit Committee also duly performed its obligations in accordance with Sec 92 Para 4a (4) lit e) of the Austrian Stock Corporation Act (AktG) and reported to the Supervisory Board on the result of the financial audit. The report presented the degree to which the financial audit contributed to the reliability of the financial reporting and the role played by the Audit Committee in the process.

The consolidated corporate governance report was audited externally by Mag. Christian Thaler (THALER.legal Rechtsanwälts GmbH), Vienna. This audit did not give rise to any issues of concern. This was taken note of by the Audit Committee and the Supervisory Board.

The Supervisory Board reviewed all documents as well as the report by the Audit Committee. In its meeting of 23 April 2025 the board declared its agreement with the 2024 annual financial statements and consolidated financial statements and approved – and so adopted – the 2024 annual financial statements. The Management Board and the Supervisory Board have agreed on an identical proposal for appropriation of net income. In accordance with the recommendation made by the Audit Committee, the Supervisory Board proposed appointing PwC Wirtschaftsprüfungs GmbH, Vienna, as auditor of the financial statements and of the consolidated financial statements for the 2025 financial year as well as auditor of the consolidated sustainability reporting for 2025, should this be required by law. Also presented at the meeting of 23 April 2025 were the consolidated report on payments to governments pursuant to Sec 267c of the Austrian Commercial Code (UGB) in connection with Sec 243d UGB and the consolidated non-financial statement pursuant to

Sec 267a UGB (sustainability reporting). The reports were reviewed by the Supervisory Board and taken note of without cause for complaint.

## **Word of thanks to the Management Board and all employees**

The Supervisory Board thanks the entire Management Board of STRABAG SE and all employees for their valuable contribution in the past financial year.

Chairwoman of the Supervisory Board of STRABAG SE,

A handwritten signature in black ink, appearing to read 'K. Gelbmann', with a stylized flourish at the end.

Mag. Kerstin Gelbmann  
Vienna, 23 April 2025