

REPORT OF THE SUPERVISORY BOARD
ON THE FINANCIAL YEAR 2023

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Activity of the Supervisory Board

In 2023, the Supervisory Board performed its duties as required by law and the Articles of Association. The Board was regularly informed about the business development and the situation of the Company and Group companies as well as significant business transactions at five Supervisory Board meetings and by means of several oral and written reports by the Executive Board. In addition, the Supervisory Board was informed semi-annually about cyber security and other compliance-related topics.



The communication between the Supervisory Board and the Executive Board also focused on the strategic orientation and further development of the Group. The Supervisory Board was presented core projects pursued

as part of implementing the Strategy 2030 and other important measures of the Group. In the course of these presentations, the Supervisory Board actively discussed the financial and non-financial impact of inorganic growth opportunities and the impact of various new rules and regulations in connection with the transformation of the energy sector and associated opportunities and risks.

Update on the composition of the Supervisory Board and Executive Board

The 2023 Annual General Meeting was held physically. At the 2023 Annual General Meeting, Sonja Zimmermann was confirmed for a further five-year term of office and subsequently elected member of the Audit Committee and the Nomination and Remuneration Committee. As a result, both the Supervisory Board and the Executive Board remained unchanged in the financial year 2023.

At the end of 2023, Gerald Grohmann retired well-deserved after 22 years of service as the Group's Chief Executive Officer. We thank Gerald again for his immense contribution to the successful development of the Company over the years and wish him all the best for the future.

Effective 1 January 2024, Klaus Mader was appointed Chief Executive Officer (CEO) and Campbell MacPherson Chief Operating Officer (COO) of the Company. Both have been successfully with the company for many years, and together they will ensure continuity in our core business while pushing boundaries and expanding into new areas.

Activities of Committees

As in previous years, the Supervisory Board of SBO had an Audit Committee and a Nomination and Remuneration Committee in 2023 in place. In addition, SBO has a Sustainability Committee in place, the duties of which are fulfilled by the entire Supervisory Board.

At two meetings in 2023, the Nomination and Remuneration Committee dealt with matters of remuneration, including, but not limited to, the changes in the Executive Board at year end, and the report on the remuneration of the members of the Supervisory Board and the Executive Board pursuant to Section 78c in conjunction with Section 98a of the Austrian Stock Corporation Act (AktG) (remuneration report). The remuneration report was adopted by the 2023 Annual General Meeting.

The Audit Committee held two meetings in the financial year 2023 to discuss the Company's financial reporting (consolidated financial statements and annual financial statements) and performed the tasks incumbent on it pursuant to Section 92 (4a) of the Austrian Stock Corporation Act (AktG). Representatives of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as the auditor of the company's annual financial statements and consolidated financial statements, attended the meeting of the Audit Committee, which dealt with the preparation of the adoption of the 2022 annual and consolidated financial statements, the management report including the non-financial statement, and the corporate governance report. Furthermore, the auditing process was reported on.

During the financial year 2022, the Audit Committee had conducted a selection procedure in accordance with Article 16 of Regulation (EU) No. 537/2014 (statutory audit regulation) for financial and non-financial audit services, the latter of which will be applicable in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) starting with the financial year 2024, and submitted a reasoned recommendation for the appointment of auditors to the Supervisory Board at its meeting on 23 November 2022. The 2023 Annual General Meeting followed the recommendation and appointed KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as auditor for the 2023 annual and consolidated financial statements.

On 21 November 2023, the Audit Committee held a meeting with representatives of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft to discuss in detail the planning of the audit of the 2023 annual and consolidated financial statements. The Supervisory Board was kept informed of the results of the meetings of the Audit Committee on an ongoing basis.

Annual Financial Statements Consolidated Financial Statements

The annual financial statements as of 31 December 2023 and the management report were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

The audit revealed that the annual financial statements comply with the legal requirements, give a true and fair view of the Company's assets and financial position as of 31 December 2023 and of the earnings situation of the Company for the financial year from 1 January 2023 to 31 December 2023. The management report has been prepared according to the applicable legal requirements, contains accurate information pursuant to Section 243a Austrian Commercial Code (UGB) and is consistent with the annual financial statements. The Corporate Governance Report required pursuant to Section 243c Austrian Commercial Code (UGB) has been prepared in accordance with the provisions of Section 251 (3) Austrian Commercial Code (UGB).

The consolidated financial statements as of 31 December 2023, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) to be applied in the EU, and the consolidated management report were also audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

The audit revealed that the consolidated financial statements comply with the legal requirements, give a true and fair view of the Group's assets and financial position as of 31 December 2023 and of the earnings situation and the cash flows of the Group for the financial year 2023. The consolidated management report has been prepared according to the applicable legal requirements, contains accurate information pursuant to

Section 267 (3a) Austrian Commercial Code (UGB) and is consistent with the consolidated financial statements. The consolidated non-financial statement required pursuant to Section 267a Austrian Commercial Code (UGB) and the consolidated Corporate Governance Report required pursuant to Section 267b Austrian Commercial Code (UGB) have been prepared.

As the audits did not give rise to any objections, the auditors issued unqualified audit opinions both for the annual financial statements 2023 and the consolidated financial statements 2023.

Approval and appropriation of net profit

At its meeting of 19 March 2024 and after discussion and review by the Audit Committee, the Supervisory Board reviewed the submitted annual financial statements as of 31 December 2023 and the management report as well as the consolidated financial statements as of 31 December 2023 and the consolidated management report including the consolidated non-financial statement and the consolidated Corporate Governance Report.

The final results of these reviews did not give rise to any objections.

Therefore, the Supervisory Board approved the annual financial statements as of 31 December 2023, which have thus been adopted pursuant to Section 96 (4) Austrian Stock Corporation Act (AktG). In addition, the Supervisory Board consented at that meeting to the proposal submitted by the Executive Board regarding appropriation of the net profit reported in the annual financial statements of the Company as of 31 December 2023.

Appreciation to the Executive Board, employees and all stakeholders

On behalf of the entire Supervisory Board I would like to thank the Executive Board and all employees of the SBO Group for their strong commitment and extremely successful work in the financial year 2023. I would also like to give special thanks to all of SBO's shareholders as well as to all customers and partners for their continued trust.

Ternitz, 19 March 2024

For the Supervisory Board

A handwritten signature in black ink, appearing to read 'b. Zimmermann N.' with a period at the end.

Mag. Norbert Zimmermann

Chairman



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