English convenience translation. German original shall prevail.

Report on Item 7 of the
Agenda

19th Annual General Meeting
of
STRABAG SE
on 16 June 2023

Report of the Management Board of STRABAG SE pursuant to Section 2 Para 5 of the Austrian Capital Adjustment Act on the planned increase of the share capital from company funds

A capital increase from company funds pursuant to Section 1 et seq. of the Austrian Capital Adjustment Act (Kapitalberichtigungsgesetz, "**KapBG**") is to be proposed for resolution at the Annual General Meeting of STRABAG SE ("**Company**") with registered seat in Villach on 16 June 2023. In accordance with Section 2 Para 5 KapBG, the Management Board submits the following report to the General Meeting.

Pursuant to Section 2 Para 5 KapBG, the report shall contain the proposals for the capital increase from company funds (capital adjustment) and shall set out the material circumstances that are decisive for the proposals.

In addition to the capital adjustment, the following measures are proposed for resolution under this agenda item:

(i) an ordinary reduction of the share capital of the Company for the purpose of allocation to non-committed reserves,

(ii) an ordinary reduction of the share capital of the Company for the purpose of distribution to the shareholders in cash or, at the option of each shareholder, in new shares of the Company, and

(iii) a non-cash increase of the share capital of the Company through the issue of new shares to those shareholders opting for a distribution in the form of new shares.

For this reason, the Management Board's report shall also refer to these measures – the reduction of the share capital for the purpose of allocation to non-committed reserves, the reduction of the share capital for the purpose of distribution to shareholders, and the non-cash increase of the share capital – proposed for resolution.

A. Initial situation

1. Shareholder structure of the Company

At the time of reporting, the share capital of the Company amounts to EUR 102,600,000.00 and is divided into 102,599,997 bearer shares and three registered shares (Nos 1, 2 and 3). The proportionate amount of share capital per share is EUR 1.00.

The holders of registered shares No 1 and No 2 are entitled under the Articles of Association to appoint one member each to the Supervisory Board in accordance with Section 88 Para 1 of the Austrian Stock Corporation Act (Aktiengesetz, or "AktG"). These two registered shares therefore have restricted transferability in accordance with the Company's Articles of Association. Registered share No 3 has no special rights.

The Company currently holds 2,779,006 shares as treasury shares, representing approximately 2.71% of the current share capital of the Company.

1.1 Core shareholder group

According to the shareholding notification pursuant to Section 130 et seq. of the Austrian Stock Exchange Act (Börsegesetz, "BörseG") from 3 January 2023 issued by the members of the core shareholder group, the members of the core shareholder group hold a total of 59,281,132 shares in the Company, representing approximately 57.78% of the current share capital of the Company. Klemens Peter Haselsteiner is the holder of registered share No 1.

The core shareholder group consists of Haselsteiner Familien-Privatstiftung, Hans Peter Haselsteiner, Klemens Peter Haselsteiner, UNIQA Beteiligungs-Holding GmbH, UNIQA Österreich Versicherungen AG, UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H., UNIQA Insurance Group AG, RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung and BLR-Baubeteiligungs GmbH.

1.2 MKAO Rasperia Trading Limited

According to the shareholding notification pursuant to Section 130 et seq. BörseG from 23 December 2022 issued by Oleg Deripaska, 28,500,001 shares in the Company, representing approximately 27.78% of the current share capital of the Company, are held by MKAO Rasperia Trading Limited. MKAO Rasperia Trading Limited is the holder of registered share No 2.

These 28,500,001 shares (including registered share No 2) are frozen as a result of the inclusion of Oleg Deripaska, who controls MKAO Rasperia Trading Limited, in the list of natural or legal persons, entities or bodies in Annex I, No 929, of Council Regulation (EU) No 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine in accordance with Art 2 (1) of Council Regulation (EU) No 269/2014 ("**EU Sanctions Regulation**").

As a legal consequence of Art 2 (1) EU Sanctions Regulation, no subscription rights will be entitled from these 28,500,001 shares held by MKAO Rasperia Trading Limited (including the registered share No 2) do not entitle the holder to any subscription rights and consequently do not allow the holder to exercise the option to receive a distribution in new shares cannot be exercised. The Company will not make a subscription offer for new shares in respect of the sanctioned 28,500,001 shares held by MKAO Rasperia Trading Limited. The distribution amount attributable to MKAO Rasperia Trading Limited will not be paid and will be retained by the Company in accordance with the sanctions restrictions.

2. Company interest

MKAO Rasperia Trading Limited's shareholding in the Company will be reduced to the extent that shareholders of the Company elect to receive the distribution from the capital reduction in the form of new shares and a non-cash capital increase is made in connection therewith, as the number of frozen shares in the Company held by the sanction affected MKAO Rasperia Trading Limited will remain the same but the number of issued shares in the Company will increase.

The measures are being taken in the interest of the Company to reduce MKAO Rasperia Trading Limited's frozen shareholding in the Company's share capital from currently around 27.8% to below 25%. The aim is to reduce the risks and disadvantages for the Company's business activities resulting from the sanctions (US, Canada, Australia, EU) against Oleg Deripaska, who controls MKAO Rasperia Trading Limited.

The reduction of MKAO Rasperia Trading Limited's frozen shareholding in the share capital of the Company in the interest of the Company can be achieved as the Company has received assurances from the members of the core shareholder group, who together hold a total of 59,281,132 shares in the Company (approximately 57.78% of the current share capital), that they will elect to receive a distribution from the capital reduction in the form of new shares.

B. Resolutions by the General Meeting

1. Capital increase from company funds and ordinary reduction of the share capital of the Company for the purpose of allocation to non-committed reserves

Based on the current share capital of the Company of EUR 102,600,000.00, the Annual General Meeting of the Company on 16 June 2023 shall resolve to increase the share capital from company funds by EUR 1,900,000,000.00 to EUR 2,002,600,000.00 through conversion of the corresponding portion of the committed capital reserves reported in the annual financial statements for the year ending 31 December 2022 pursuant to Section 1 et seq. KapBG in order to subsequently reduce the share capital thus increased in two steps, with the first step being an ordinary capital reduction of EUR 996,620,004.30 for the purpose of allocation to non-committed reserves.

The annual financial statements of the Company for the year ending 31 December 2022 were audited by the financial auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz. An unqualified audit certificate was issued. The annual financial statements for the year ending 31 December 2022 have been adopted and will be presented to the Annual General Meeting. The annual financial statements of the Company for the year ending 31 December 2022 show committed capital reserves of EUR 2,159,447,129.96. Disclosed reserves within the meaning of Section 2 Para 3 KapBG are not shown in the annual financial statements for the year ending 31 December 2022; the profit carried forward amounts to EUR 502,740,000.00. The annual financial statements for the year ending 31 December 2022 are taken as the basis for the capital adjustment.

The Management Board of the Company therefore proposes to increase the share capital of the Company from currently EUR 102,600,000.00 by EUR 1,900,000,000.00 to EUR 2,002,600,000.00 through conversion of the corresponding portion of the committed capital reserves reported in the annual financial statements for the year ending 31 December 2022 without the issue of new shares (capital adjustment pursuant to Section 1 et seq. KapBG). The intended capital increase from company funds shall, pursuant to Section 2 Para 1 KapBG, take effect retroactively to the beginning of the current financial year.

The Company has issued no-par value shares. In the course of the capital adjustment, the number of shares will not be changed. The increase of the share capital of the Company from company funds will be carried out without the issue of new shares in accordance with Section 4 Para 1 KapBG. Only the proportionate amount of the share capital per share will increase to approximately EUR 19.52 per share as a result of the capital adjustment.

The share capital shall not remain increased, but the Annual General Meeting of the Company shall resolve on the reduction of the share capital in two steps in accordance with the provisions on the ordinary capital reduction pursuant to Section 175 et seq. AktG.

The capital increase from company funds (capital adjustment) is required as a preliminary step to the "dissolution" of committed capital reserves, as company law does not provide for a resolution to dissolve or reduce committed capital reserves.

In a first step, an ordinary capital reduction of EUR 996,620,004.30 for the purpose of allocation to non-committed reserves shall be resolved, whereby the reduction of the share capital of the Company shall be effected by reducing the pro-rata amount of the share capital of the Company attributable to each no-par value share without reverse stock split.

The ordinary capital reduction is carried out for the purpose of allocating the funds from this capital reduction to non-committed reserves. The conversion of committed reserves into share capital (capital adjustment) and the subsequent capital reduction for allocation to non-committed reserves is intended to create the possibility of also being able to release these free reserves for distributions to the shareholders.

The proportionate amount of share capital per share was increased to approximately EUR 19.52 through the capital increase from company funds (capital adjustment). After registration of the capital reduction for allocation to non-committed reserves with the commercial register, the share capital of the Company will amount to EUR 1,005,979,995.70 and will be divided into 102,600,000 shares, with each no-par value share representing a pro-rata amount of the share capital of approximately EUR 9.80.

The capital adjustment must be filed for registration with the commercial register by the Management Board together with the Chairman of the Supervisory Board (or his deputy) no later than nine months after the reporting date of 31 December 2022 for the annual financial statements on which the capital adjustment is based, i.e. by 30 September 2023. The capital adjustment shall become effective upon registration with the commercial register. The capital reduction for allocation to non-committed reserves must also be filed for registration with the commercial register and shall become effective upon entry in the commercial register.

For this purpose, the General Meeting shall resolve that

(i) the capital increase from company funds shall, as the first step of the resolutions on the agenda item, be registered without delay for entry in the commercial register by the Management Board and the Chairman of the Supervisory Board or his deputy pursuant to Section 3 Para 1 KapBG in connection with Section 151 Para 1 AktG but only subject to the resolution of the ordinary reduction of the share capital of the Company for allocation to non-committed reserves of the Company (item (ii)).

(ii) the ordinary capital reduction for allocation to non-committed reserves of the Company shall, as the second step of the resolutions on this agenda item, be filed without delay for registration with the commercial register by the Management Board and the Chairman of the Supervisory Board or his deputy pursuant to Section 176 AktG but only subject to the resolution concerning the capital increase from the Company's own funds (item (i)).

According to Section 2 Para 3 KapBG, committed reserves may only be converted into share capital to the extent that they exceed one tenth of the share capital after conversion. The committed capital reserves remaining after implementation of the planned capital increase from company funds amount to EUR 259,447,129.96 and the legal reserves amount to EUR 72,672.83.

These reserves fulfil the legal requirements under Section 2 Para 3 KapBG.

Moreover, no asset reductions have occurred since the reporting date of 31 December 2022 for the annual financial statements on which the capital adjustment is based and up to the date of the preparation of this report that would prevent the capital increase from company funds within the meaning of Section 3 Para 1 KapBG.

2. Ordinary reduction of the share capital of the Company for the purpose of conditional distribution to the shareholders including the option to receive the distribution in new shares

In the next step, the Annual General Meeting shall resolve on an ordinary reduction of the share capital of the Company pursuant to Section 175 et seq. AktG by EUR 903,379,995.70 for the purpose of repaying the reduction amount to the shareholders of the Company.

The amount of the share capital after the (first) ordinary capital reduction for allocation to non-committed reserves (see Item 1) in the amount of EUR 1,005,979,995.70 shall be reduced by EUR 903,379,995.70 to EUR 102,600,000.00, also by reducing the pro-rata amount of the share capital of the Company attributable to each no-par value share without reverse stock split.

Following registration in the commercial register of the (second) ordinary capital reduction for the purpose of distribution to the shareholders, the share capital of the Company, based on the number of shares currently issued, will amount to EUR 102,600,000.00 and will be divided into 102,600,000 no-par value shares, with each no-par value share representing a pro-rata amount of the share capital of (in turn) EUR 1.00.

Once this ordinary capital reduction becomes effective, shareholders are entitled to the distribution in the amount of EUR 9.05 per no-par value share entitled to distribution in accordance with the conditions determined by the Annual General Meeting.

The number of shares entitled to distribution corresponds to the number of issued shares of the Company, i.e. 102,600,000 no-par value shares less the 2,779,006 treasury shares held by the Company, which are not entitled to distribution in accordance with Section 65 Para 5 AktG. Consequently, 99,820,994 no-par value shares of the Company are entitled to distribution.

The distribution shall be made in cash or, at the option of each shareholder, in the form of new shares in the Company in accordance with the terms and conditions to be set out in the resolution.

The sanction affected MKAO Rasperia Trading Limited will not be entitled to the option of receiving the distribution in the form of new shares in respect of the 28,500,001 shares held.

For the purpose of issuing new shares to those shareholders who have elected to receive the distribution in the form of shares, the Annual General Meeting shall resolve to increase the share capital of the Company through a non-cash capital increase (see Item 3).

For the distribution entitlement and its payment, the resolution of the General Meeting shall provide for the conditions precedent that

(i) the legal payout requirements for the capital reduction amount pursuant to Section 178 Para 2 AktG are met; and

(ii) shareholders of the Company, in respect of shares entitled to distribution that together reach a proportion of the share capital of the Company of at least approximately 57.78%, have elected the payment of the distribution from the capital reduction in form of new shares of the Company (acceptance quota) and the contribution in kind for the ordinary non-cash capital increase for the issue of new shares is raised within the implementation period.

    The members of the core shareholder group, who hold shares amounting to approximately 57.78% of the Company's share capital, have assured the Company that they will choose a distribution in the form of new shares, so that if the Austrian core shareholders fulfil their contractual obligations the acceptance quota will be met as one of the conditions precedent for the distribution entitlement.

The resolution of the General Meeting shall also provide for the resolutory condition of the distribution entitlement if

(iii) implementation of the ordinary non-cash increase of the share capital has not been registered with the commercial register pursuant to Section 156 AktG by 31 March 2024 at the latest.

In the event that one of the conditions precedent ((i) and/or (ii)) does not occur, no distribution entitlement arises and no payment will be made in cash or in the form of new shares in the Company.

Similarly, if the resolutory condition ((iii)) occurs, the distribution entitlement lapses and therefore neither a distribution in cash nor a payment in the form of new shares is made.

In such cases, the alternative purpose of the capital reduction shall be to transfer the amount of the capital reduction to non-committed reserves of the Company.

The effectiveness of the resolution to reduce the ordinary share capital for the purpose of distribution to shareholders shall be conditional upon the resolution to increase the share capital of the Company against non-cash contributions (Item 3) and, accordingly, the continuance of the ordinary capital reduction shall be conditional upon the resolution on the increase of the share capital.

The Management Board and the Chairman of the Supervisory Board or his deputy are obliged to file the resolution on the (second) ordinary reduction of the share capital of the Company for registration with the commercial register without delay after the effectiveness of the resolution pursuant to Section 176 AktG. The reduction shall become effective upon registration with the commercial register.

3. Ordinary non-cash increase of the share capital of the Company

In order to make a distribution from the (second) ordinary capital reduction (Item 2 above) at the option of each shareholder in the form of new shares, the Annual General Meeting of the Company to be held on 16 June 2023 shall resolve on an ordinary non-cash increase of the share capital of the Company. The resolution of the General Meeting shall provide for a waiver of the corresponding distribution entitlements from the ordinary capital reduction as a form of raising the non-cash contribution for the ordinary capital increase.

The effectiveness of the resolution to increase the share capital of the Company against non-cash contributions shall be conditional upon the resolution to reduce the ordinary share capital for the purpose of distribution to shareholders (Item 2) and, accordingly, the continuance of the capital increase shall be conditional upon the resolution to reduce the ordinary share capital.

According to the proposed resolution, the share capital of the Company shall be increased by up to EUR 24,955,248.00 through the issue of up to 24,955,248 new no-par value bearer shares (ordinary shares), each with a pro-rata amount of the share capital of EUR 1.00.

The extent of the capital increase is determined in such a way that it also includes those new shares that are proportionately attributable to the 28,500,001 shares of the Company held by MKAO Rasperia Trading Limited in accordance with the subscription ratio. However, these 28,500,001 shares held by MKAO Rasperia Trading Limited are frozen as a result of the sanctioning of Oleg Deripaska under the EU Sanctions Regulation. Consequently, MKAO Rasperia Trading Limited will not have the option to receive the capital reduction distribution in form of new shares for these shares. The Company will also not make an offer for new shares in respect of these sanctioned 28,500,001 shares.

Shareholders of the Company will be able to choose the payment of the distribution of the capital reduction (see Item 2 above) in new shares. The shareholders shall be granted the legal subscription rights in the form of an indirect subscription right (Section 153 Para 6 AktG). According to the proposed resolution, the subscription ratio shall be 1:4 (1 new share for 4 existing shares) ("**subscription ratio**") and the subscription price per new share shall be set at EUR 36.20 ("**subscription price**"). The contribution in kind to be made for the subscription of each new share will therefore comprise 4 distribution entitlements in the nominal amount of EUR 9.05 per share entitled to distribution.

The proposed subscription price and the subscription ratio are based on a business value of the Company with a valuation date of 16 June 2023 (date of the Annual General Meeting of the Company), from which a pro-rata business value per share of the Company of EUR 36.22 is derived as of 16 June 2023 ("**reference price**"), taking into account the distribution entitlement from the ordinary capital reduction for the purpose of the distribution of EUR 9.05. According to the proposed resolution, the subscription ratio is calculated as the ratio of the result of dividing the reference price by the nominal amount of a distribution entitlement (EUR 9.05) rounded down to two decimal places after the decimal point. The subscription price shall correspond to the subscription ratio multiplied by the nominal amount of a distribution entitlement (EUR 9.05).

The proposed subscription price has been determined on the basis of an appraisal of the Company's business value prepared by Deloitte Financial Advisory GmbH for the Company in accordance with the Professional Guidelines of the Expert Committee on Business Administration of the Institute for Business Economics, Tax Law and Organization of the Austrian Chamber of Public Accountants on the Valuation of Businesses (KFS/BW 1) from 26 March 2014.

A subscription offer by the Company to the shareholders to choose the distribution in the form of new shares shall be made following the Annual General Meeting and entry in the commercial register of the resolution of the Annual General Meeting concerning the capital increase (Section 151 AktG).

A six-month waiting period after registration of the capital reduction must be observed for a distribution from the capital reduction and thus also for an implementation of the capital increase for the issue of the new shares. According to the proposed resolution, an implementation of the share capital increase must be registered with the commercial register no later than 31 March 2024 (Section 156 AktG). If the capital increase fails or is delayed, there will be no distribution in cash to the shareholders from the capital reduction.

C. Further reports and additional documents

This Management Board report will be audited in relation to the capital increase from company funds (capital adjustment) by the financial auditor of the Company, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, in accordance with Section 2 Para 5 KapBG, and the audit report will be submitted to the General Meeting. A separate report will also be submitted by the Supervisory Board. These reports are published on the company's website and will be presented to the Annual General Meeting.

Together with the publication of a subscription offer to the shareholders, which is to take place after the Annual General Meeting and entry in the commercial register of the resolution on the non-cash capital increase (Section 151 AktG), the Company will publish a document (prospectus exemption document) on the Company's website pursuant to Article 1 (4) (h) and Article (5) (g) of the EU Prospectus Regulation (Regulation (EU) 2017/1129) in conjunction with Section 13 Para 6 of the Austrian Capital Market Act (Kapitalmarktgesetz, “KMG”) and Section 4 of the Austrian Ordinance on Minimum Contents, Publication and Language (Mindestinhalts-, Veröffentlichungs- und Sprachenverordnung 2019, “MVSV 2019”) regarding details of the distribution of the capital reduction amount in the form of shares.

Spittal/Drau, Vienna, May 2023

The Management Board