

20th Annual General Meeting
of
STRABAG SE
on 14 June 2024

Report of the Management Board of STRABAG SE on the authorisation to exclude the shareholders' proportionate selling rights (reverse exclusion of subscription rights) when acquiring own shares and on the authorisation of the Management Board to exclude the shareholders' buyback rights (subscription rights) when selling own shares (agenda item 10 – authorisations of the Management Board regarding the purchase and sale of own shares)

Pursuant to Section 65 (1b) of the Austrian Stock Corporation Act (AktG) in conjunction with Section 170 (2) AktG and Section 153 (4) sentence 2 AktG, the members of the Management Board submit the following report of the Management Board of STRABAG SE (the "**company**"), with its registered office in Villach, to the 20th Annual General Meeting of STRABAG SE on 14 June 2024.

1. Authorisation

At the 20th Annual General Meeting of STRABAG SE, the following resolution on agenda item 10 is to be proposed:

- (1) The authorisation of the Management Board granted at the 18th Annual General Meeting on 24 June 2022 to acquire own shares shall be cancelled to the extent not utilised and the Management Board shall be authorised, pursuant to Section 65 (1) no. 8 as well as subsections 1a and 1b AktG, to acquire no-par value bearer or registered shares of the company on the stock exchange, by public tender or in any other manner to the extent of up to 10% of the share capital during a period of 30 months from the date of this resolution at a minimum price of EUR 1.00 per share (= calculated value of one share in proportion to the share capital) and a maximum price of no more than EUR 43.00 per share. The purpose of the acquisition may not be to trade with own shares. This authorisation may be exercised in full or in part or in several partial amounts, and in pursuit of one or several purposes by the company, by a subsidiary (Section 189a no. 7 of the Austrian Commercial Code (UGB)) or by third parties acting on behalf of the company. The authorisation may be exercised once or several times. The authorisation shall be exercised by the Management Board in such a way that the proportion of the share capital associated with the

shares acquired by the company on the basis of this authorisation or otherwise may not exceed 10% of the share capital at any time.

An acquisition may be decided by the Management Board; the Supervisory Board must be subsequently informed of this decision.

- (2) The Management Board shall be authorised, with regard to the acquisition of no-par value bearer or registered shares of the company in accordance with resolution item 1, to exclude the shareholders' proportionate selling rights that may accompany such an acquisition (reverse exclusion of subscription rights). An acquisition with exclusion of the proportionate selling rights (reverse exclusion of subscription rights) is subject to the prior approval of the Supervisory Board.
- (3) The authorisation of the Management Board granted at the 18th Annual General Meeting on 24 June 2022 to withdraw own shares shall be cancelled to the extent not utilised and the Management Board shall be authorised to withdraw, with the approval of the Supervisory Board, all or part of the own shares acquired by the company without a further resolution by the General Meeting.
- (4) The authorisation of the Management Board granted at the 18th Annual General Meeting on 24 June 2022 to sell own shares shall be cancelled to the extent not utilised and the Management Board shall be authorised, for a period of five years from this resolution, to sell or assign its own shares, with approval by the Supervisory Board, pursuant to Section 65 (1b) AktG in a manner other than on the stock market or through public tender, to the exclusion of the shareholders' buyback rights (subscription rights), and to determine the conditions of sale. This authorisation may be exercised once or several times, in full or in part or in several partial amounts, and in pursuit of one or several purposes by the company, by a subsidiary (Section 189a no. 7 (UGB)) or by third parties acting on behalf of the company.

With regard to the possibility (authorisation) of acquiring own shares with an exclusion of the shareholders' proportionate selling rights (reverse exclusion of subscription rights), as well as the sale of own shares in a manner other than on the stock market or through public tender with exclusion of the shareholders' buyback rights (subscription rights), the Management Board submits a written report pursuant to Section 65 (1b) AktG in conjunction with Section 170 (2) AktG and Section 153 (4) sentence 2 AktG, explaining the reason for the exclusion of the purchase rights (exclusion of subscription rights) or, applying the aforementioned reporting obligations *mutatis mutandis*, explaining the reason for any exclusion of the shareholders' proportionate selling rights (reverse exclusion of subscription rights) in the case of the buyback of the company's own shares.

The Management Board of the company may purchase own shares with an exclusion of the proportionate selling rights (reverse exclusion of subscription rights) and may sell own shares purchased by the company with an exclusion of the buyback rights (subscription rights) only with the approval of the Supervisory Board.

2. Exclusion of purchase rights (subscription rights) when selling or assigning own shares

2.1. Company interest

The market price of STRABAG SE shares may be below the book value of the equity. When the price level is low, it is to the shareholders' advantage for the company to acquire own shares to raise the intrinsic value of the individual shares and so increase the earnings per share. The Management Board believes that this measure will also help to attain a higher share price level. This is also positive for the possible use of own shares as acquisition currency, because a more attractive share price increases the willingness to accept own shares as acquisition currency.

Own shares may be sold with an exclusion of the buyback rights (subscription rights) if the sale of the shares represents consideration for the acquisition of companies, parts of companies, businesses, parts of businesses or equity interests in one or more companies as well as certain assets both in Austria and abroad.

The company should have the necessary flexibility to utilise own shares, even if to date since the last authorisation it has not been possible to use own shares as acquisition currency. The authorisation's intention is to enable the Management Board to respond quickly and flexibly to any opportunities that may arise.

The acquisition of companies, businesses or parts of businesses can be legally structured both as the purchase of certain assets (and liabilities) of a company, business or part of a business (known as an asset deal) and as the acquisition of shares in a company (known as a share deal). Both types of company or (partial) business acquisitions, namely asset deals and share deals, are hereinafter referred to as corporate acquisitions. It is also possible to use own shares as consideration for the acquisition of certain assets. The following explanations on corporate acquisitions apply *mutatis mutandis* for such instances.

During corporate acquisitions, consideration may take the form not only of money but also of shares in the acquiring company. This may be both in the interest of STRABAG as buyer or in the interest of the seller. There may also be cases in which, for strategic reasons, it becomes necessary and expedient for the seller of the company to acquire a stake in STRABAG or for the seller to demand an investment in the company in return. An advantage of using own shares may also be that this avoids the dilutive effect typical of an acquisition in exchange for newly created shares (e.g. from authorised capital).

The restrictions on the acquisition of own shares – to a total of 10% of the share capital of the company for nearly all cases pursuant to Section 65 AktG – prevent a buyer from acquiring a significant interest in STRABAG in this way. If the company acquired the own shares at an earlier date and the share price has risen since, the result of using own shares as consideration for a corporate acquisition is a savings for the company; this is because, when measuring the consideration for the corporate acquisition, the own shares offered as (part of the) consideration are usually accounted for at the current (average) share price or, at most, at the higher intrinsic value, but not at the lower historic cost of purchase.

The use of own shares as consideration for acquisition purposes is generally accepted as objective justification for the exclusion of the purchase rights (subscription rights). It also presupposes the exclusion of the shareholders' purchase rights, since the composition of the assets to be acquired (companies, parts of companies, equity interests or other assets)

cannot usually be provided by all shareholders. With a view to STRABAG's growth, STRABAG has an interest in facilitating corporate acquisitions using own shares as consideration with an exclusion of the purchase rights (subscription rights). Providing the consideration in own shares allows the company to act with the necessary speed and flexibility in such transactions.

The sale of own shares with an exclusion of purchase rights (subscription rights) is also regularly necessary during corporate acquisitions because sellers are often only prepared to transfer the companies, parts of companies, equity interests or other assets if they in turn receive a stake of equivalent value in the company. From STRABAG's point of view, it may also be necessary or expedient to integrate the seller into the Group as a shareholder for strategic or organisational reasons. With corporate acquisitions using own shares as consideration, sellers can only achieve the desired equity interest if they alone receive the own shares; this is because sellers want to achieve a (percentage) investment in STRABAG which corresponds to the proportional value of their company in relation to the company value of STRABAG and which grants them the corresponding voting rights (and thus participation rights) in the company.

The exclusion of purchase rights (subscription rights) is proportionate because there exists a regular special interest on the part of STRABAG to acquire the respective company, part of a company, equity interests or other assets. The interests of the existing shareholders are also secured by the fact that corporate acquisitions involve a proportionate granting of shares – as a rule, after conclusion of a company valuation. The value of the company, part of a company, equity interest or of the other assets to be contributed is compared to the value of STRABAG and the seller receives own shares from the company in this proportion. The existing shareholders participate in the profits of the acquired company or part of a company, equity interest or other assets, which, as a rule, should increase as a result of synergies with STRABAG.

The placement of own shares with an exclusion of purchase rights (subscription rights) can also serve to expand or stabilise the shareholder structure of the company. This concerns an expansion of the free float of the company as well as an anchoring of the shareholder base of the company with institutional investors (in particular financial and/or strategic investors). For strategic reasons, it may also be expedient for the business activities of the company to acquire investors as shareholders, in particular investors who, through their know-how, their business connections and/or their investment capital, can open up new business fields for the company and/or consolidate the company's market position.

It is in the interest of the company to quickly cover a strengthening of the capital structure, for example to take advantage of potential growth opportunities, or a financing need of the company by selling own shares by way of placing larger blocks of shares. A corresponding capital or financing need may arise in connection with a corporate acquisition or to cover a refinancing need of the company or one of its subsidiaries, for example to repay a bond, loan or other financing instrument. In these cases, in particular, it may be necessary or expedient to place shares in the company quickly. Due to the amount of the required financing and/or the narrow time frame within which the financing requirement must be met, taking into account the general and specific market and share price development, the trading volumes available on the stock exchange and the statutory volume restrictions for share sale programmes on the stock exchange, it may be the case that the financing requirement cannot be met or cannot be met in the required time by a sale of own shares on the stock exchange or by a public tender to the shareholders.

The proposed Management Board authorisation to also exclude the general purchase option (subscription right) when selling own shares makes it possible to quickly and flexibly take advantage of opportunities that may arise for the sale of blocks of own shares at an appropriate price. This is of particular importance for the company in order to take advantage of market opportunities quickly and flexibly.

This may also help to avoid potential disadvantages for the company, including but not limited to negative price changes due to selling pressure on the stock exchange, during a sales programme or offer period with negative effects on the success or the costs of the capital measure (especially in volatile markets), avoidance of a speculation risk (“short selling”) against the share during the sales programme or offer period as well as hedging of certain sales proceeds, especially in a difficult stock market environment (exclusion of placement risk). Especially in an uncertain and volatile market environment with regard to macroeconomic factors, market conditions may result in disadvantageous price risks for the company.

The authorisation to exclude purchase rights (exclusion of subscription rights) will in particular enable the company to take advantage of an accelerated bookbuilding procedure and thus also reduce the placement risk. The procedure has been tried and tested on the (international) capital market. In an accelerated bookbuilding procedure, the company can evaluate the market’s price expectations precisely and more quickly during a short offering period and thus achieve an issue price that is as optimised as possible in accordance with current market conditions. The immediate allotment also eliminates market risk factors that would otherwise be taken into account by investors in the form of a discount. The procedure can also achieve a higher level of transaction security, because institutional investors with a placement involving a purchase right (subscription right) face uncertainty about the exercise of the subscription rights (subscription behaviour). This “clawback risk” entails disadvantages when placing with institutional investors. A (partial) exclusion of subscription rights in a placement reduces this clawback risk, as the (entire) allotment does not depend on the exercise of the subscription right (subscription behaviour), thus enabling a reduction of the investors’ price discounts.

A (partial) exclusion of purchase rights (subscription rights) also gives the company the opportunity to approach, in advance, one or a selection of selected institutional investors or existing shareholders who would commit themselves to subscribe to a certain amount of shares (referred to as “anchor investor/s”). The promise of a fixed allotment to such investor or investors or a consideration/weighting in the allotment criteria regularly increases the issue price that can be realised by the company. Furthermore, the positive signal effect associated with the involvement of anchor investors or a fixed placement and takeover of shares with anchor investors can improve the transaction security for the company – including in the case of a public offering of own shares with purchase rights (subscription rights).

A sale of own shares with an exclusion of purchase rights (exclusion of subscription rights) can also be carried out significantly faster and more cost-efficiently, as a public tender offering requires a significantly longer lead time for the preparation and approval of an offering prospectus pursuant to Article 3 (1) of Regulation (EU) 2017/1129 (Prospectus Regulation). A placement with an exclusion of purchase rights (subscription rights) using a prospectus exemption avoids these disadvantages. A prospectus-exempt offering can also significantly reduce the company’s liability risks compared to a prospectus issue.

An exclusion of the shareholders' purchase rights (subscription rights) can also be advantageous in connection with a public offering of own shares or a capital increase and placement of new shares of the company if greenshoe options can be serviced with own shares. Overallotment options (greenshoe) can be used to react in the short term to rising or falling demand in a placement and/or to stabilise the share price. In the case of greenshoe options, additional securities are issued at the same conditions at which the own or new shares were already issued in the course of the placement. Such measures, which are common in securities issues, have the purpose of keeping the placement volume flexible and of stabilising the price development after the placement of the shares and are thus in the interest of the company. If the own shares are used to service an overallotment option (greenshoe), the selling price for the own shares essentially corresponds to the issue price of the shares issued in the course of the capital increase (issue).

For the sale of own shares, it may also be expedient to agree on options that entitle the company to sell shares of the company upon exercise (put options) or that oblige the company to sell shares of the company upon exercise (call options). The agreement of put or call options for own shares may be expedient and practical, in particular in order to be able to react flexibly to market situations at short notice, and may only be concluded with certain market participants, so that the shareholders' purchase rights must be excluded for a sale or other transfer of the own shares within the framework of these transactions.

2.2. Exclusion of shareholders' purchase rights is suitable and necessary

The authorisation for the Management Board to exclude shareholders' purchase rights (exclusion of subscription rights) is suitable and necessary for the stated purposes in the interest of the company. To the extent of usual trading volumes, shareholders are free to purchase shares on the market, so that it should be possible to compensate for a dilution of their shareholding quota by way of purchase on the market, even if the company uses/sells its own shares with the exclusion of purchase rights.

Given an appropriate sales price for the own shares, the sale and use of own shares does not generally entail any risk of dilution for the shareholders – comparable, for example, to a capital increase. Although the sale of own shares also changes the shareholder's shareholding quota, this only restores the quota that existed prior to the buyback of the own shares by the company and which has temporarily changed due to the restrictions of the rights from own shares for the company (Section 65 (5) AktG).

The consideration for the sale or use of own shares with the exclusion of shareholders' purchase rights (subscription rights) is generally determined depending on market conditions on the basis of (average) share prices and the price level of the shares; if necessary, this is also done on the basis of the market values of options determined using standard market calculation methods, in particular taking into account the exercise price and option premiums paid and/or received. If the price is determined on the basis of calculation and pricing methods customary in the market, the shareholders will in most cases suffer no – but certainly no disproportionate – disadvantage due to a dilution of the quota.

Even if the exclusion of the purchase option (subscription rights) leads to possible disadvantages for the shareholders, these are kept within narrow limits in view of the statutory maximum limit of 10% of the share capital for own shares held by the company. Weighing the interests of the company in the use or realisation of own shares and the interest of the shareholders in maintaining their shareholding quota, it is therefore concluded

that the authorisation to sell own shares with the exclusion of shareholders' purchase rights (subscription rights) is not disproportionate and is necessary and suitable for the reasons stated in order to achieve the objectives in the interest of the company and the shareholders.

2.3. Further reporting

When selling or using own shares with the exclusion of purchase rights (subscription rights), the Management Board must publish a report no later than two weeks before the Supervisory Board adopts the relevant resolution (which must approve the exclusion of the purchase rights (subscription rights)), in which, among other details, the selling price of the shares must be justified (Section 65 (1b) AktG in conjunction with Section 171 (1) AktG).

3. Exclusion of selling rights (reverse exclusion of subscription rights) when acquiring own shares

3.1. Company interest

The Management Board should be able to act quickly and flexibly in future corporate acquisitions. For this purpose, it may be necessary to have the needed acquisition currency available quickly to the required extent and therefore to acquire own shares with the exclusion of selling rights (reverse subscription rights). The rapid availability of acquisition currency in the form of own shares for the purposes set out in section 2 above constitutes the objective justification for the exclusion of the shareholders' proportionate selling rights (reverse exclusion of subscription rights).

The exclusion of the shareholders' selling rights in the event of a buyback of own shares by the company is in the interest of the company if the company intends, in the short or medium term, to use own shares in the interest of the company for the purposes set out in section 2 above, as well as for "investment purposes" or for a possible "management" of the capital structure of the company, in particular with regard to the ratio of equity and debt capital or in the event of a buyback for the withdrawal of own shares.

The acquisition of own shares with the exclusion of shareholders' selling rights is therefore in the interest of the company if, for example, due to the available time frame, the consideration of the general and special market and share price developments, the trading volumes available on the stock exchange or the statutory volume restrictions for share buyback programmes on the stock exchange, it is to be assumed that own shares cannot be acquired by the company within a necessary or foreseeable time or not at an appropriate price on the stock exchange or by means of a public tender.

The acquisition of own shares from one or more shareholders with the exclusion of selling rights of the other shareholders is also in the interest of the company if this can help stabilise the shareholder structure of the company.

When selling companies, parts of companies, equity interests, businesses or parts of businesses, as well as when selling certain assets, it may be advantageous for the company to be able to receive its own shares in part or in full as consideration. This makes it possible to combine a divestment (sale) of company assets with the buyback of own shares or blocks of shares at the same time. The possibility to receive shares as acquisition currency can create advantages for the company in the course of a sales transaction.

With regards to own shares, it is also in the interest of the company to agree on put options, which, if exercised, oblige the company to acquire shares in the company, or call options, which, if exercised, entitle the company to acquire shares in the company, or a combination thereof. This allows the company to use third parties not acting directly for the account of the company to buy back shares on the market. The use of put options for share buybacks can also be useful, for example, if the company intends to buy back its own shares when the share price is low. By using call options, the company can secure a certain price level for the buyback of shares. The agreement of options can also offer liquidity advantages, as corresponding liquidity only flows out when the option is exercised. These transactions can only be concluded practically and expediently with certain market participants, so that these transactions can only be carried out with the exclusion of shareholders' selling rights.

3.2. Exclusion of shareholders' selling rights is suitable and necessary

The authorisation for the Management Board to exclude the shareholders' selling rights for the acquisition of own shares for the stated purposes is suitable and necessary in the interest of the company.

The exclusion of the shareholders' option rights when the company buys back its own shares does not lead to a dilutive effect to the detriment of the shareholders and there is no risk of dilution of the shareholding quota. When determining acquisition prices depending on market conditions on the basis of (average) share prices and the price level of the shares as well as, if necessary, taking into account the intrinsic value of the share derived from the proportionate book value and the proportionate company value, and, if necessary, the market values of options determined on the basis of customary calculation methods, in particular taking into account the exercise price as well as option premiums paid and/or received, the shareholders do not suffer any (disproportionate) disadvantage as a result of the exclusion of their option when weighed against the interests of the company.

A weighing of the stated interests of the company for these buybacks of own shares and the interest of the shareholders of the company to sell shares to the company on the stock exchange in the context of a share buyback programme or to sell the shares to the company in a public tender shows that the authorisation to buy back own shares with the exclusion of shareholders' selling rights is not disproportionate and that it is necessary and suitable for the stated reasons in order to achieve the objectives in the interest of the company and the shareholders.

Vienna, May 2024

The Management Board