STRABAG
SOCIETAS EUROPAEA

Report on item 8
of the agenda

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

Report of the Management Board of STRABAG SE pursuant to Section 170 (2) in conjunction with Section 153 (4) of the Austrian Stock Corporation Act (AktG) on the authorisation to exclude subscription rights in connection with the authorisation of the Management Board to increase capital pursuant to Section 169 AktG against cash contributions and/or contributions in kind

1. Authorisation

At the 20th Annual General Meeting of STRABAG SE (the "**company**"), the following resolution on agenda item 8 is to be proposed:

"For a period of five years after entry of the corresponding amendment to the Articles of Association in the Commercial Register pursuant to Section 169 of the Austrian Stock Corporation Act (AktG), the Management Board is authorised, subject to the approval of the Supervisory Board, to increase the share capital by up to EUR 59,110,991.00 by issuing up to 59,110,991 new bearer shares in the company against cash contributions and/or contributions in kind, including in multiple tranches, and, by agreement with the Supervisory Board, to determine the issue price, which may not be less than the proportionate amount of the share capital, the issue terms and the further details of the implementation of the capital increase and, if necessary, to offer the new shares to shareholders for subscription by way of an indirect subscription right pursuant to Section 153 (6) AktG.

The Management Board is authorised, subject to the approval of the Supervisory Board, to exclude shareholders' subscription rights in full or in part (i) if the capital increase is made against a cash contribution, (ii) if the capital increase is made against a contribution in kind, (iii) to service an over-allotment option (greenshoe), or (iv) to balance out fractional amounts. The total shares issued against cash contributions in accordance with this authorisation, excluding shareholders' subscription rights, may not arithmetically correspond to a share of the capital exceeding the total amount of € 11,822,198.00, which corresponds to around 10% (ten percent) of the company's share capital.

The Supervisory Board is authorised to adopt amendments to the Articles of Association resulting from the issue of shares from authorised capital."

In preparation for this resolution, a written report on the reasons for the authorisation to

exclude subscription rights will be submitted by the Management Board to the Annual General Meeting pursuant to Section 170 (2) in conjunction with Section 153 (4) AktG, which will also serve as a basis for the proposed issue price for the shares.

2. General matters

A resolution on authorised capital combined with the authorisation of the Management Board to exclude subscription rights is to be proposed to the Annual General Meeting in order to ensure the company's flexibility in respect of capital measures.

3. Cash capital increase

The full or partial exclusion of shareholders' subscription rights in the event of a cash capital increase is in the interest of the company for the following reasons.

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 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.

A capital increase with an exclusion of subscription rights can also be carried out significantly faster and more cost-efficiently, as a public tender offering with subscription rights must comply with a subscription period of at least two weeks for shareholders (§ 153 (1) AktG) and 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 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.

The placement of larger blocks of shares with an exclusion of subscription rights can also serve to expand or stabilise the shareholder structure of the company. This relates to 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 or strengthen the company's market position.

A (partial) exclusion of 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 rights issue.

In the case of a rights issue or an allotment after the two-week subscription period, institutional investors may not be addressed at all or only with a lower issue volume due to the structure of the allotment mechanism and/or the market risks arising for these investors within the subscription period. For institutional investors, a placement with subscription rights entails uncertainty about the exercise of subscription rights (subscription behaviour) (clawback risk), which entails disadvantages when making placements 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.

The proposed Management Board authorisation to also exclude subscription rights as part of a capital increase enables a fast placement within a short offering period at an appropriate price. This allows the company to quickly and flexibly take advantage of emerging market opportunities in order to facilitate a capital increase, particularly opportunities relating to the price level of the shares.

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 the offer period with negative effects on the success or the costs of the capital measure (especially in volatile markets), and the avoidance of a speculation risk ("short selling") against the share during the offer period. Reducing the placement risk is particularly important in a difficult stock market environment. 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 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 authorisation of the Management Board to exclude subscription rights as described above is suitable and necessary to enable the company to raise equity quickly and flexibly to cover financing requirements or strengthen the company's capital structure, to expand or stabilise the company's shareholder structure, to address certain groups of investors and to flexibly and quickly take advantage of market opportunities and reduce the placement risk.

The authorisation to exclude subscription rights in the event of a cash capital increase is limited to 11,822,198 shares, which corresponds to around 10% of the company's share capital.

4. Non-cash capital increase

In the case of a non-cash capital increase, the full or partial exclusion of shareholders' subscription rights is in the interest of the company for the following reasons.

In suitable cases, the company should be able to acquire companies, parts of companies, businesses, parts of businesses, equity interests or other assets in Austria and abroad in return for shares in the company.

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 shares in the company as consideration for the acquisition of certain assets. The following explanations on corporate acquisitions apply *mutatis mutandis* for such instances.

Depending on market conditions and the future development of the company, strategic transactions should be facilitated, and it may be expedient or necessary to use shares in the company as consideration when acquiring companies, parts of companies, businesses, parts of businesses, equity interests or other assets (including third-party receivables from the company or companies affiliated with the company) or to issue shares in the company as consideration in order to either compensate shareholders of the respective target companies or – if the seller prefers – to receive shares in the company as consideration.

The fact that the consideration consists not only of money but also of shares in the acquiring company can be in the interest of both the company as the buyer and of the seller. There may also be cases in which, from the company’s perspective, it is necessary and expedient for strategic or organisational reasons that the seller of the company acquires a stake in the company or that the seller demands a stake in the company in return.

Potential sellers often favour a buyer who offers the acquisition in return for listed shares as this may entail tax advantages for the seller. In addition, the seller can optimally realise the consideration by taking advantage of relevant market developments through the flexible disposal option of the shares received as consideration.

A capital increase with an exclusion of subscription rights is also regularly necessary 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. With corporate acquisitions using shares in the company as consideration, sellers can only achieve the desired equity interest if they alone receive such shares; this is because sellers want to achieve a (percentage) investment in the company that corresponds to the ratio of the value of their own company in relation to the enterprise value of the company and grants them the corresponding voting rights (and thus participation rights) in the company.

The investment/acquisition in return for the issue of shares is also advantageous for the company because this form of financing does not increase the company’s liquidity requirements and is not burdened by interest expenses. Particularly when the company’s own financial resources are scarce and/or it is difficult to raise external funds, the use of shares from authorised capital for investments/acquisitions is often a sensible consideration. The option of using shares from authorised capital as an acquisition currency gives the company the necessary scope to take advantage of acquisition opportunities quickly and flexibly.

The contribution of non-cash assets, in particular, generally requires the exclusion of shareholders' subscription rights, as the assets to be contributed are usually unique in their composition (e.g. companies, parts of companies, businesses, parts of businesses, equity interests or other assets) and cannot be contributed by all shareholders.

The exclusion of subscription rights in the event of a non-cash capital increase in return for the contribution of companies, parts of companies, businesses, parts of businesses, equity interests or other assets is therefore in the interest of the company and its shareholders, in particular because this type of investment/acquisition can bring advantages over other investors/bidders and does not burden the company with financing expenses. With a view towards achieving growth of the company, the company has an interest in facilitating a corporate acquisition with shares in the company used as consideration with an exclusion of subscription rights. Providing the consideration in shares of the company allows the company to act with the necessary speed and flexibility in such transactions.

The exclusion of subscription rights is proportionate because there exists a regular special interest on the part of the company 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 the acquisition involves a proportionate granting of shares – as a rule, after conclusion of an appropriate 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 the company and the seller receives shares in 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 the company.

If the company wishes to make a specific investment/acquisition, the exclusion of subscription rights is suitable and necessary to achieve the aforementioned objectives. When the interests are weighed up, the interests of the company and the shareholders in the investment/transaction prevail.

5. Exclusion of subscription rights for over-allotment options

When placing new shares in the company, it is often advantageous to be able to grant over-allotment options (greenshoe). Greenshoe options can be used to react quickly 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 new shares were already issued in the course of the capital increase. 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.

6. Exclusion of subscription rights to balance out fractional amounts

It is in the company's interest to (partially) exclude subscription rights to balance out fractional amounts in order to be able to present a practicable subscription ratio with regard to the amount of the respective cash capital increase. Without this exclusion of subscription rights, the technical implementation of the capital increase would be more difficult, particularly in the case of a capital increase with a round sum total capital increase. The new shares excluded from shareholders' subscription rights as free fractional shares will either be sold on the stock exchange or otherwise realised in the best possible way for the company. This approach is standard market practice and objectively justified because the costs of trading in subscription rights for fractional amounts are disproportionate relative to the benefit to shareholders and the effects of the restrictions are hardly noticeable.

7. Justification of the issue price

The subscription price for the company's shares in the event of a cash capital increase with (partial) exclusion of subscription rights is determined depending on market conditions on the basis of (average) share prices and the share price level. If the amount 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.

In the event of the exclusion of subscription rights as part of a capital increase against non-cash contributions, the Management Board will, with the approval of the Supervisory Board, only make use of the authorised capital if the issue price of the shares the number of shares in the company to be issued and the non-cash contribution provided as consideration are in reasonable proportion.

The issue price under an over-allotment option (greenshoe) is based on the issue price of the new shares of the capital increase for which the over-allotment option is used.

8. Prospectus exemption for admission to trading

Pursuant to Art 1 (5) (a) of the Prospectus Regulation, an exemption from the prospectus requirement (Art 3 (3) Prospectus Regulation) applies to shares that account for less than 20% of the shares admitted to trading on the same regulated market over a 12-month period. The new shares issued from the authorised capital can therefore be admitted to stock exchange trading immediately after the issue – without approval and publication of a listing prospectus – within the limits of the Prospectus Regulation.

9. Possible dilution of shareholders within narrow limits

Within the scope of the usual trading volumes, shareholders are free to purchase additional shares on the stock exchange, so that it should normally be possible for shareholders to prevent a dilution of their stake by purchasing additional shares on the stock exchange in the event of a capital increase in which subscription rights are excluded. In view of the restriction on the exclusion of subscription rights to a maximum of 10% of the share capital, any dilution of the shareholders with regard to their equity in the enterprise value of the company and their voting rights is also kept within reasonable limits. Even if the exclusion of subscription rights results in disadvantages to the existing shareholders, these are kept within narrow limits in view of the maximum limit of 10% of the share capital. Weighing the interests of the company in the measures excluding subscription rights against the interests of the shareholders in maintaining their proportionate shareholdings, it is therefore concluded that the authorisation to carry out a capital increase with exclusion of subscription rights is not disproportionate and is necessary and suitable, for the reasons stated, to achieve the objectives in the interest of the company and the shareholders.

For the reasons stated, the interests of the company in the purposes which are being pursued through the exclusion of subscription rights and the corresponding measures – which are indirectly in the interest of all shareholders in any event – are preponderant, such that the exclusion of shareholders' subscription rights is not disproportionate.

In summary, it can be concluded that, after weighing all of the above circumstances, the exclusion of subscription rights within the limits described is necessary, suitable, appropriate and objectively justified and required in the overriding interests of the company.

10. Further reporting

In the event that subscription rights are excluded, the Management Board must publish a further report pursuant to Section 171 (1) in conjunction with Section 153 (4) AktG no later than two weeks before the Supervisory Board adopts the relevant resolution.

Vienna, 23 April 2024

The Management Board