Report on Item 7 of the
Agenda

19th Annual General Meeting
of
STRABAG SE

on 16 June 2023

Report of the Supervisory Board of STRABAG SE 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**") on 16 June 2023.

In addition to the capital adjustment, the following measures are proposed 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.

In preparation for the resolution on the increase of the share capital from company funds (capital adjustment), the Management Board of the Company has submitted a report pursuant to Section 2 Para 5 KapBG on the proposals for this capital increase and on the presentation of the material circumstances that are decisive for the proposals.

For this reason, the Management Board's report also refers 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.

The report of the Management Board of the Company was audited separately by the financial auditor of the Company for the 2022 financial year, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, with regard to the capital adjustment pursuant to Section 2 Para 5 KapBG. The audit showed that the intended capital increase from company funds complies with the legal provisions.

Both the report of the Management Board of the Company and the auditor's report were submitted to the Supervisory Board in accordance with Section 2 Para 5 KapBG.

A. Specifics

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

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. 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.

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 shall be carried out without the issue of new shares in accordance with Section 4 Para 1 KapBG. Only the pro-rata amount of the share capital per share will increase as a result of the capital adjustment.

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.

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. of the Austrian Stock Corporation Act (Aktiengesetz, “AktG”) by EUR 903,379,995.70 for the purpose of repaying the reduction amount to the shareholders of the Company.

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.

For this distribution entitlement, each shareholder (with the exception of the sanction affected MKAO Rasperia Trading Limited (see below)) shall also have the option to choose payment in the form of new shares in the Company.

For the purpose of issuing new shares to 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).

The distribution in the form of new shares in the Company will be structured as an option for each shareholder (with the exception of the sanction affected MKAO Rasperia Trading Limited).

According to the shareholding notification pursuant to Section 130 et seq. of the Austrian Stock Exchange Act (Börsegesetz, "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 Sanction 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) and consequently the option to receive a distribution in form of 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.

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 (other than the sanction affected MKAO Rasperia Trading Limited) in the form of 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.

B. Review by the Supervisory Board

The Supervisory Board has examined the proposed capital adjustment in particular on the basis of the report of the Management Board and the audit report from the financial auditor. The Supervisory Board concurs with the statements in the Management Board report.

Spittal/Drau, Vienna, May 2023

The Supervisory Board