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## MANAGEMENT BOARD REPORT

in accordance with Sec. 170 para. 2

in combination with Sec. 153 para. 4 sentence 2 AktG

for Agenda Item 13 [Authorized Capital 2024/II]

of the Annual General Meeting of voestalpine AG

(Authorization of the Management Board, subject to Supervisory Board approval, to issue new shares while excluding pre-emption rights)

All members of the Management Board of voestalpine AG, with registered office in Linz, hereby submit the following Management Board Report in accordance with Sec. 170 para. 2 (Austrian Stock Corporation Act) in combination with Sec. 153 para. 4 sentence 2 AktG to the 32nd Annual General Meeting of voestalpine AG on July 3, 2024.

**The voestalpine AG Management Board submitted the following resolution proposal for Agenda Item 13:**

“Resolution on

- a) authorization of the Management Board in accordance with Sec. 169 AktG to increase the share capital, subject to Supervisory Board approval, by up to an additional EUR 32,439,183.55 on or before June 30, 2019 by issuing up to 17,854,916 new no-par value bearer ordinary shares in one or more tranches against contributions in kind and/or cash contributions for issue to employees, executives and members of the Management Board of the Company or a company affiliated with the Company (Sec. 189a no. 8 UGB), with the issuing price, issuing terms and other details for performance of the capital increase set in consultation with the Supervisory Board, authorization of the Management Board to exclude shareholder pre-emption rights, subject to Supervisory Board approval, if (i) the capital increase is performed against in-kind contributions, that is, shares are issued for the purpose of acquiring companies, businesses, business units, or interests in one or more domestic or foreign companies, or (ii) the capital increase is performed for the purpose of issuing shares to employees, executives or members of the Management Board of the Company or companies affiliated with the Company (Sec. 189a no. 8 UGB) under an employee share ownership plan [Authorized Capital 2024/II];
- b) corresponding amendment of the Articles of Association in Sec. 4 para. 2b (Share Capital and Shares), which shall now read as follows:

'(2b) The Management Board shall be authorized until June 30, 2024

- a) in accordance with Sec. 169 AktG to increase the current nominal share capital of EUR 324,391,840.99, subject to Supervisory Board approval, by up to an additional EUR 32,439,183.55 by issuing up to 17,854,916 new no-par value bearer ordinary shares in one or more tranches against contributions in kind and/or cash contributions for issue to employees, executives and members of the Management Board of the Company or a company affiliated with the Company (Sec. 189a no. 8 UGB), with the issuing price, issuing terms and other details for performance of the capital increase set in consultation with the Supervisory Board,
- b) to exclude shareholder pre-emption rights, subject to Supervisory Board approval, if (i) the capital increase is performed against in-kind contributions, that is, shares are issued for the purpose of acquiring companies, businesses, business units, or interests in one or more domestic or foreign companies, or (ii) the capital increase is performed for the purpose of issuing shares to employees, executives or members of the Management Board of the Company or companies affiliated with the Company under an employee share ownership plan. [Authorized Capital 2024/II]

The Supervisory Board shall be authorized to approve amendments to the Articles of Association arising from the issue of shares from authorized capital.”

### **Current share capital and number of no-par value ordinary shares**

voestalpine AG, with registered office in Linz and business address at voestalpine-Strasse 1, 4020 Linz, registered in the companies register of the District Court of Linz under FN 66209 t, currently has 178,549,163 no-par value bearer ordinary shares with voting rights outstanding. The Company currently has share capital of EUR 324,391,840.99.

### **Exclusion of pre-emption rights and reasons**

New authorized capital should be created in order to make further growth and the acquisition of other companies or interests in companies possible and due to the fact that the existing authorized capital expires on June 30, 2024. First, authorized capital in an amount equal to 20% of the share capital for issue against cash contributions with statutory pre-emption rights (Authorized Capital 2024/I – see Agenda Item 12) should be created. Second, creation of authorized capital in an amount equal to 10% of the share capital for issue against contributions in kind and/or to employees, executives and members of the Management Board of the Company or companies affiliated with the Company, with authorization to exclude pre-emption rights, is proposed (Authorized Capital 2024/II – see Agenda Item 13).

Given the option to exclude pre-emption rights when making use of Authorized Capital 2024/II, the Management Board is required to provide the Annual General Meeting a written report in accordance with Sec. 170 para. 2 in combination with Sec. 153 para. 4 sentence 2 AktG on the reasons for exclusion of pre-emption rights.

The Management Board of the Company can only issue shares from Authorized Capital 2024/II against in-kind contributions while excluding pre-emption rights with Supervisory Board approval. The Management Board can only set the issuing price, issuing terms and other details for performance of the capital increase in consultation with the Supervisory Board.

Authorized Capital 2024/II can be issued in one or more tranches totaling up to EUR 32,439,183.55 on or before the proposed final date of June 30, 2029. A total of up to 17,854,916 new no-par value bearer ordinary shares can be issued from Authorized Capital 2024/II.

New shares can be issued from Authorized Capital 2024/II with exclusion of pre-emption rights if (i) the shares are issued as consideration for the acquisition of companies, businesses, business units, or interests in one or more domestic or foreign companies or (ii) the capital increase is made for the purpose of issuing shares to employees, executives and members of the Management Board of the Company or of a company affiliated with the Company (Sec. 189a no. 8 UGB) within the scope of an employee participation program [Authorized Capital 2024/II].

voestalpine AG plans to continue growing in Austria and abroad (in its existing areas of business and possibly in new areas of business, in existing markets and possibly by entering into and developing new markets). This growth could also take place by acquisition of other companies or businesses. Acquisitions of companies, businesses or business units can be legally structured as purchases of specific assets (and liabilities) of a company, business or business unit (asset deal) or purchases of shares in another company (share deal). Both forms of acquisition of companies, businesses or business units, namely asset and share deals, are collectively referred to as company acquisitions below.

In addition to cash, the consideration for company acquisitions can also consist of shares of the acquiring company. This can be in the interest of both voestalpine AG, as the buyer, and the seller. In a company acquisition in which the seller transfers a company (or shares of a company) as an in-kind contribution to voestalpine AG against the issue of new shares—in this case from authorized capital—voestalpine AG's share capital and, therefore, equity increases. While paying cash to purchase a company can cause a large outflow of liquidity or an encumbrance with debt capital for the Company, the acquiring company (voestalpine AG) does not experience an outflow of liquidity or any

need to borrow debt capital when a company is acquired by means of an in-kind contribution. On the contrary, it records an increase in equity. There may also be cases where, for strategic reasons, it is necessary and expedient for the seller of the company to hold a small interest in voestalpine AG, or where the seller requests an interest in the Company in return.

Company acquisitions which involve a company or shares of a company being transferred to the Company as an in-kind contribution while excluding the pre-emption rights of the other shareholders of the Company are generally recognized as providing appropriate justification for the exclusion of pre-emption rights. In view of voestalpine AG's plans for further growth, it is in the interests of voestalpine AG to make it possible to perform company acquisitions using in-kind contributions, while excluding pre-emption rights, and conserving Company liquidity. Authorized capital allows the Company to perform such transactions with the necessary speed and flexibility.

The exclusion of pre-emption rights is therefore necessary because company acquisitions using in-kind contributions are the only way the Company can perform acquisitions without an outflow of liquidity and without an increase in debt capital, and sellers are often only prepared to transfer companies or shares of companies if they receive an interest in the Company with an equivalent value. From voestalpine AG's point of view, it may be necessary, for strategic or organizational reasons, to include the seller as a shareholder of the Group. In company acquisitions using in-kind contributions, the seller transferring the in-kind contribution can only obtain the interest it wants if it is the only party receiving new shares. This is because a seller wants to receive a (percentage) interest in voestalpine AG equal to the ratio of the value of its company to the value of voestalpine AG, together with associated voting rights (and therefore participation rights) in the Company.

Excluding pre-emption rights is, in the end, appropriate because voestalpine AG generally has a special interest in acquiring the company concerned or shares of the company. The interests of existing shareholders are safeguarded by the fact that the company acquisition is performed by issuing a proportionate number of shares, generally after performing a company valuation. In company acquisitions using in-kind contributions and the issue of new shares from authorized capital, the value of the company or company shares contributed is compared to the value of voestalpine AG, and the party making the in-kind contribution receives new shares of voestalpine AG in the same proportion. Furthermore, the existing shareholders participate in the future profits of the acquired company, which should, as a rule, increase due to synergies with voestalpine AG.

Given the five-year term of Authorized Capital 2024/II, no information can currently be given concerning the issuing price of new shares issued to the seller of a company, because this price will depend both on voestalpine AG's business development and the price performance of

voestalpine AG shares. In the cases described here, information on the issuing price is not required when authorization is granted. If new shares are to be issued from Authorized Capital 2024/II with exclusion of pre-emption rights, existing shareholders will receive information on the issuing price because the Management Board is required to publish another report in analogous application of Sec. 153 para. 4 sentence 2 AktG, which, among other things, also provides reasons for the issuing price of the new shares (Sec. 171 para. 1 AktG), no later than two weeks before the Supervisory Board votes to approve issue of the shares from authorized capital.

Shares must be transferred to employees of the voestalpine Group under existing employee share ownership plans. This could also be required for employees, executives and members of the Management Board of the Company or companies affiliated with the Company under future employee share ownership plans.

Under Sec. 153 para. 5 AktG, the preferential issue of shares to employees, executives and Management Board members of the Company or a company affiliated with the Company (Sec. 189a no. 8 UGB) is sufficient grounds for excluding pre-emption rights.

In summary, the Management Board of voestalpine AG has reached the conclusion that granting authorization to the Management Board of the Company to increase the share capital of the Company, subject to Supervisory Board approval, by issuing new shares from authorized capital, with the option of excluding pre-emption rights, fully complies with the statutory provisions.

Linz, May 21, 2024

The Management Board

Herbert Eibensteiner  
Chairman

Franz Kainersdorfer

Gerald Mayer

Reinhard Nöbauer

Carola Richter

Hubert Zajicek