

MANAGEMENT BOARD REPORT

in accordance with Sec. 65 para. 1b AktG in combination with Sec. 170 para. 2 AktG and Sec. 153 para. 4 Sentence 2 AktG

regarding item 8 of the agenda

for the Annual General Meeting of voestalpine AG

(authorization of the Management Board to purchase own shares outside the stock exchange and to sell purchased own shares in a manner other than via the stock exchange or a public offer)

The Management Board of voestalpine AG has prepared the following report to the 31st Annual General Meeting of voestalpine AG held on July 5, 2023, pursuant to Sec. 65 para. 1b AktG (Austrian Stock Corporation Act (Aktengesetz, AktG)) in combination with Sec. 170 para. 2 and Sec. 153 para.4 sentence 2 AktG.

At the 29th Annual General Meeting of voestalpine AG on July 7, 2021, regarding agenda item 9 a decision was taken with which the Management Board has been authorized to acquire own shares pursuant to Sec. 65 AktG. This authorization will expire on January 7, 2024.

The Management Board has proposed the following resolution with respect to item 8 of the agenda so that the Management Board can repurchase and utilize own shares for an additional 30 months beyond January 7, 2024, starting on July 5, 2023 (i.e., until January 5, 2026):

- a) Pursuant to Sec. 65 para. 1 No. 4 and No. 8 as well as para. 1a and 1b AktG, the Management Board shall be authorized to acquire both via the stock exchange and over-the-counter no-par value bearer shares of the Company representing up to 10% of the share capital of the Company for a period ending on January 5, 2026 (i.e. 30 months from July 5, 2023). The lowest price may not be more than 20% below and the highest price may not be more than 10% above the average closing price of the last 3 trading days prior to the acquisition of the shares. Trading in treasury shares is excluded as a purpose of the acquisition. The authorization may be exercised in whole or in part or in several installments and in pursuit of one or more purposes by the Company, by a subsidiary (Sec. 189a No. 7 UGB) or by third parties for the account of the Company or a subsidiary (Sec. 189a No. 7 UGB). In the case of an over-the-counter purchase, this may also be carried out with the exclusion of the right to sell on a pro rata basis (reverse exclusion of subscription rights).
- b) The Management Board is authorized until July 5, 2028 (i.e. five years from July 5, 2023, the date of this Annual General Meeting) in accordance with Section 65 (1b) of the Stock Corporation Act to decide on a method of disposal or use of treasury shares other than via the stock exchange or by means of a public offer, applying mutatis mutandis the provisions on the exclusion of shareholders' subscription rights, and to determine the terms and conditions of disposal. The authorization may be exercised in whole or in part or in several installments and in pursuit of one or more purposes by the Company, by a subsidiary (Art. 189a No. 7 UGB) or for the account of the Company or a subsidiary (Art. 189a No. 7 UGB) by third parties, in particular (i) as consideration in the acquisition of companies, businesses, parts of businesses or shares in one or more companies

in Austria or abroad or (ii) for issuance to employees, including members of the Management Board and senior executives of the Company or its affiliated companies (Section 189a (8) UGB). For the purpose of servicing the conversion rights of creditors of the EUR 250 million convertible bonds issued in April 2023 with ISIN AT0000A33R11, convertible into initially up to 6,113,740 (six million one hundred thirteen thousand seven hundred forty) shares (whereby this number may still change by adjustment of the conversion price in accordance with the terms and conditions of the convertible bonds during their term), the Management Board is authorized to use treasury shares. For the treasury shares delivered to service conversion declarations of the creditors of the EUR 250 million convertible bonds with ISIN AT0000A33R11, the subscription rights of the shareholders are excluded by analogous application of § 153 para. 3 and 4 of the Stock Corporation Act (AktG). The shareholders' subscription rights are also excluded for the servicing of the conversion rights of creditors of convertible bonds issued in the future with treasury shares, applying Section 153 (3) and (4) of the Austrian Stock Corporation Act mutatis mutandis.

- c) Furthermore, the Management Board is authorized, as required, to reduce the capital stock by redeeming treasury shares without any further resolution by the Annual General Meeting pursuant to Art. 65 par. 1 no. 8 last sentence in conjunction with Art. 192 Stock Corporation Act. The Supervisory Board is authorized to resolve amendments to the Articles of Association resulting from the retirement of shares.
- d) The authorization of the Management Board to repurchase own shares in accordance with Sec. 65 AktG adopted in the 29th Annual General Meeting of voestalpine AG of July 7, 2021, which has not been utilized, shall be revoked to the extent it was utilized by the end of the share repurchase program of 2022.
- e) The Supervisory Board is involved on the basis of the Austrian Stock Corporation Act.

With regard to the possibility of own shares purchased pursuant to Sec. 65 para. 1 AktG being sold pursuant to Sec. 65 para. 1b AktG in a manner other than via a stock exchange or by public offer, the Management Board must present a written report on the reason for the related exclusion of preferential subscription rights, pursuant to Sec. 65 para. 1b in combination with Sec. 170 para. 2 AktG and Sec. 153 para. 4 sentence 2 AktG. In addition, in respect of the possibility of an over-the-counter purchase of own shares pursuant to Sec. 65 para. 1 no. 4 and no. 8 AktG, this report deals with the exclusion of the pro-rata selling right related to such purchase (reverse exclusion of preferential subscription rights).

I. Authorization of the Management Board to sell own shares acquired pursuant to Sec. 65 para. 1 of the Austrian Stock Corporation Act in a manner other than via a stock exchange or via a public offer

The own shares purchased in accordance with Sec. 65 para. 1 AktG can be sold in a manner other than via the stock exchange or a public offer, applying the provisions on the exclusion of shareholders' preemptive rights mutatis mutandis, in particular if the sale of the shares is (i) consideration for the acquisition of companies, businesses, business units, or interests in one or more companies, i.e., also through the contribution of interests, companies, businesses, and business units as contributions in kind; (ii) for issuance of shares to employees (including members of the Management Board and executives) of the Company or one of its affiliates (Section 189a no. 8 UGB); or (iii) for the purpose of servicing of already issued and future convertible bonds.

1. Sale of own shares as consideration for business acquisitions

voestalpine AG intends in principle to continue growing both at home and abroad. The said growth may also take place in the form of the acquisition of other entities or business operations. The acquisition of entities, business operations or parts thereof may be structured in legal terms both as a purchase of certain assets (and liabilities) of an entity, business operation or part thereof (so-called "asset deal") or as the purchase of shares in a company (so-called "share deal"). Both types of acquisition of a business operation or part thereof, namely asset deal and share deal, are hereinafter together referred to as a business acquisition.

With a business acquisition, the consideration may consist not only of money, but also shares of the acquiring entity. This may be both in the interests of voestalpine AG as buyer and in the interests of the seller. While in the case of the purchase of a business operation through payment of a cash purchase price the Company may incur a significant outflow of liquidity and/or become burdened with borrowing, if a business acquisition takes place in which own shares are granted as consideration (hereinafter "contribution in kind"), the acquiring entity (voestalpine AG) incurs no liquidity outflow and no increase in borrowed capital, but on the contrary, there is a de facto increase in equity. There may also be instances in which, for strategic reasons too, it is necessary and expedient for the seller of the entity to take a small shareholding in voestalpine AG, or for the seller to demand a shareholding in the Company in return.

On the basis of the restrictions surrounding the acquisition of own shares pursuant to Sec. 65 para. 1 no. 4 and no. 8 AktG—namely to a total of 10% of the nominal capital of the Company—on the basis of this transaction, a seller cannot acquire any significant interest in voestalpine AG. In so far as the Company has acquired own shares at an earlier date and a price increase has since arisen, when appropriating own shares, the Company receives a saving by way of consideration for a business acquisition; for when assessing the consideration for the business acquisition, the own shares to be granted as (part of) the consideration are generally reported at the current voestalpine AG (average) market value or intrinsic value, whichever is the higher, and not at the lower historical acquisition cost.

Business acquisition in such form that the business or parts thereof are introduced into the Company against contribution in kind to the exclusion of the preferential subscription right of the other shareholders is generally acknowledged as objective justification for the exclusion of preferential subscription rights. With a view to the general planned growth of voestalpine AG, the Company has an interest in enabling a business acquisition through contribution in kind to the exclusion of preferential subscription rights and at the same time preserving the Company's liquidity. Allowing a consideration in own shares permits the Company to act in such transactions with the required speed and flexibility.

The sale of own shares in a manner other than via the stock exchange or public offer is necessary in the context of a business acquisition for the reason that, firstly, the Company can in the case of a business acquisition against contribution in kind only in this manner ensure acquisition of the business operation without a liquidity outflow, and secondly because the seller is frequently only willing to transfer a business operation or part thereof if, for his part, he receives an interest of equivalent value in the Company. From the perspective of voestalpine AG, for strategic reasons or reasons of corporate organization, it may be necessary to include the seller as shareholder in the Group. Where a business acquisition takes place through contribution in kind, the seller as contributor in kind may only achieve the interest sought by him if he exclusively receives the new shares, for a seller seeks to achieve a (percentage) share in voestalpine AG corresponding to the proportion of the value of his business

operation compared with the business value of voestalpine AG and which grants him corresponding voting rights (and thus participation rights) in the Company.

The exclusion of preferential subscription rights/sale of own shares in a manner other than over the stock exchange or through public offer is ultimately proportionate because voestalpine AG generally has a particular interest in acquiring the business operation in question or shares in the business operation in question. Safeguarding the interests of existing shareholders is ensured in that, when a business acquisition takes place, shares are awarded on a proportionate basis—generally following conduct of a business valuation. The value of the business operation to be introduced or of the shares in such business operation is set against the value of voestalpine AG; the contributor in kind receives own shares acquired by the company in the same proportion. The existing shareholders further participate in future profits of the business operation acquired. Through the use of own shares as consideration for the business operation acquired, voestalpine AG avoids a corresponding outflow of liquid funds, which thus remain with the shareholders.

2. Sale to non-executive employees, executives, and members of the Management Board

The preferential issuance of stock to non-executive employees and executives of the Company or an affiliate as well as to members of the Management Board or Supervisory Board of the Company or an affiliate constitutes sufficient ground under Sec. 153 para. 5 AktG for excluding the subscription right.

Moreover, excluding the subscription right and/or selling own shares in a manner other than via a stock exchange or a public offer is justified on the merits because it is in the interest of voestalpine AG to maintain and secure an employee shareholding scheme. Enabling employees to acquire equity interests in the Company and thus to have a stake in the Company's success helps to strengthen their motivation and hence their identification with the Company. The envisioned measure is capable of safeguarding an employee shareholding scheme and, given the authorization's limited scope, is appropriate, too.

3. Sale of own shares by issue to convertible bond holders

The Management Board was authorized during the General Meeting of July 3, 2019, to issue, subject to approval by the Supervisory Board, financial instruments within the meaning of Sec. 174 AktG in one or more tranches and in different combinations on or before June 30, 2024, in particular convertible bonds, income bonds, and participation rights with a total nominal amount of up to EUR 500,000,000.00 that can also convey conversion and/or subscription rights to acquire up to 17,244,916 shares of the Company and/or that are structured so they can be reported as equity, including in multiple tranches and in different combinations, and including indirect issuance by means of a guarantee for an issue of financial instruments by a company affiliated with the Company (Sec. 189a No. 8 UGB) with conversion and/or subscription rights to shares of the Company.

The authorization granted in 2019 was first utilized in April 2023 with the issuance of convertible bonds in the amount of EUR 250 million, ISIN AT0000A33R11, convertible initially into up to 6,113,740 (six million one hundred thirteen thousand seven hundred forty) shares (which number can yet be changed by adjustment of the conversion price in accordance with the conditions of the convertible bonds during the term thereof).

To the extent that the holders of the convertible bonds make use of the conversion rights granted by them to acquire shares in the Company, the convertible bonds shall convey to the Company the right

to subscribe to shares of the Company. Under the terms and conditions of the convertible bonds, the Management Board can use contingent capital or own shares or a combination of contingent capital and own shares to satisfy these subscription rights.

The convertible bond holders with subscription rights do not have the same relationship with the Company as the shareholders, which means that equal treatment of the shareholders and convertible bond holders with subscription rights does not appear either economically or legally appropriate or required. In fact, the different treatment of existing shareholders and convertible bond holders is a simple consequence of the subscription rights for shares of the Company that are associated with the convertible bonds. For example, performing a contingent capital increase to satisfy the subscription rights conveyed by convertible bonds that are issued inherently requires exclusion of shareholder subscription rights. From an economic perspective, simultaneous redemption of own shares would lead to the same result as the use of own shares to service conversion rights.

Therefore, in the view of the Management Board, issuing own shares to convertible bond holders who exercise their conversion or subscription rights to acquire shares of the Company and the indirectly associated exclusion of shareholder subscription rights is a justified alternative to performing a contingent capital increase.

In contrast to the authorization granted to the Management Board in 2021 to exclude shareholders' subscription rights with respect to the use of own shares to service conversion or subscription rights under convertible bonds issued by the Company (which is inevitable in practice when issuing convertible bonds, since only the holders of the convertible bonds are entitled to conversion and subscription rights), direct exclusion by the Annual General Meeting facilitates the use of own shares to service conversion declarations and contributes to a situation where it is not necessary to create new shares from contingent capital (or only necessary to a limited extent).

Accordingly, shareholders' subscription rights are to be excluded by analogous application of Sec. 153 paras. 3 and 4 AktG with respect to those shares delivered to service the conversion declarations of holders of convertible bonds already issued. The same sort of direct exclusion shall also apply by analogous application of Sec. 153 paras. 3 and 4 AktG to service of the conversion rights of holders of convertible bonds issued in the future with own shares.

4. With regard to the sale of own shares purchased pursuant to Sec. 65 para. 1 AktG in a manner other than via a stock exchange or public offer, the Management Board must publish a report at the latest two weeks prior to the resolution of the Supervisory Board (which must consent to sale in a manner other than via the stock exchange or by public offer), in which report inter alia, the selling price of the shares must also be substantiated (Sec. 65 para. 1b in combination with Sec. 171 para. 1 AktG).
- II. **Authorization of the Management Board to purchase own shares in accordance with Sec. 65 para. 1 no. 4 and no. 8 of the Austrian Stock Corporation Act over-the-counter and consequently to exclude pro rata disposal rights which may accompany such an acquisition (reverse exclusion of subscription rights)**
1. With regard to future business acquisitions, the Management Board is to be granted a high degree of flexibility and the ability to act quickly. For this purpose, it may be necessary to be able to draw at short notice on the requisite acquisition currency in the required amount and therefore to acquire own shares in a package over-the-counter. The swift availability of the acquisition currency in the form of own shares for the purposes as stated above in the present report constitutes the objective

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voestalpine AG

31st Annual General Meeting held on July 5, 2023

justification for the reverse exclusion of preferential subscription rights, i.e., the exclusion of the pro rata selling right of shareholders.

2. The same necessity of acquiring own shares if required swiftly and without influencing the stock market price may also arise in connection with the servicing of conversion or subscription rights arising from convertible bonds or within the framework of employee participation programs.

III. Miscellaneous

1. Finally, it is stated that (i) the granting of authorization to the Management Board to purchase own shares over-the-counter or to sell own shares purchased as appropriate in a manner other than via the stock exchange or via public offer, respectively for the purpose of granting shares in consideration of a business purchase or (ii) the granting of authorization to the Management Board to sell own shares in a manner other than via the stock exchange or via public offer to satisfy convertible bond conversion rights, is a usual and generally-recognized operation in the case of numerous stock-market-listed Austrian (and German) companies. This is also expressed in Sec. 5 para. 2 no. 7 of the Austrian Publication Ordinance (Veröffentlichungsverordnung), according to which the publication to be undertaken at a given time must indicate the nature and purpose of the repurchase and/or sale of own shares, in particular whether the repurchase and/or sale is to take place on a stock exchange and/or over-the-counter.
2. The Supervisory Board is involved on the basis of the Austrian Stock Corporation Act.
3. In conclusion, the Management Board of voestalpine AG determines that the granting authorization to the Management Board of the Company to purchase own shares over-the-counter or, pursuant to Sec. 65 para. 1 AktG, to sell own shares purchased with the involvement of the Supervisory Board as required under the Austrian Stock Corporation Act as appropriate in a manner other than via the stock exchange or by way of public offer fully accords with the statutory rules.

Linz, dated May 22, 2023

The Management Board

Herbert Eibensteiner

Franz Kainersdorfer

Robert Ottel

Franz Rotter

Peter Schwab

Hubert Zajicek