

## **Report of the Managing Board of Wienerberger AG on the exclusion of the purchase right (subscription right) of existing shareholders pursuant to Sec 65 (1b) in conjunction with Sec 171 (1) and Sec 153 (4) Austrian Stock Corporation Act (*Aktiengesetz*) in the event of a sale of treasury shares**

### **1. Sale of treasury shares in other ways and authorization to exclude the purchase right (exclusion of subscription rights)**

By resolution of the 153<sup>rd</sup> Annual General Meeting of Wienerberger AG, FN 77676 f (the "**Company**"), on 3 May 2022, the Managing Board was authorized pursuant to Sec 65 (1b) of the Austrian Stock Corporation Act (*AktG*), for a period of five years from the date of the resolution and with the approval of the Supervisory Board, to sell treasury shares in the Company in ways other than via the stock exchange or a public offer and to exclude the shareholders' pro rata purchase rights (exclusion of subscription rights). Based on this authorization, the Managing Board intends to sell treasury shares in the Company (the "**Treasury Shares**") in ways other than via the stock exchange or a public offer and, subject to the approval of the Supervisory Board, to use these while excluding the shareholders' subscription rights. The treasury shares shall be used for the employee participation program for US employees of companies of the Wienerberger Group in the US, in particular General Shale Brick, Inc. ("**ESPP USA**"). Under the ESPP USA, US employees have the opportunity to acquire shares listed on the Vienna Stock Exchange under ISIN AT0000831706. For every two shares purchased ("**Investment Shares**"), the participating employee receives one Wienerberger AG share without any further consideration ("**Matching Share**") in accordance with the terms and conditions of the ESPP USA ("**Plan Conditions**") (2+1 model). ESPP USA is administered by Global Shares Inc. as plan administrator ("**Plan Administrator**"). The Plan Administrator will hold the shares in trust on behalf of the US employees for the duration of the program. For this reason, the Treasury Shares will be transferred directly to the Plan Administrator to be held in trust on behalf of the US employees under the ESPP USA.

At the end of the offer period of ESPP USA, the total investment of all participating employees under the ESPP USA amounted to the equivalent of approximately EUR 130,000. For this total investment amount, Wienerberger AG sells and transfers Treasury Shares as Investment Shares to the Plan Administrator as trustee for the participating employees. In addition, Wienerberger AG sells and transfers one Matching Share for every two Investment Shares without any further consideration by the participating employees to the Plan Administrator as trustee for the participating employees. The costs for the Matching Shares are borne by companies of the Wienerberger Group in the US, in particular General Shale Brick, Inc. and a reimbursement of costs is paid to Wienerberger AG. In total, Wienerberger AG will therefore acquire Treasury Shares for the ESPP USA at a price of approximately EUR 130,000 (taking into account the fact that only whole shares are delivered) as Investment Shares and additionally one Matching Share for every two Investment Shares, whereby Wienerberger will receive a cost compensation of approximately EUR 65,000 (taking into account the fact that only whole shares are delivered) for the Matching Shares.

The transfer of the Treasury Shares to the Plan Administrator is expected to take place on 27 December 2023 ("**Closing**"). On the day of Closing, both the Investment Shares and the Matching

Shares will be transferred to the Plan Administrator as trustee for the US employees. The shares will be sold at closing price on the last trading day immediately prior to Closing.

The final amount of Treasury Shares required for the ESPP USA will therefore be determined on the day of Closing based on the closing price of the Wienerberger share on the Vienna Stock Exchange on the last trading day immediately prior to Closing, whereby Treasury Shares will be sold as Investment Shares at a price of approximately EUR 130,000 and for every two Investment Shares, one Matching Share will be sold to the participating employees with a reimbursement of costs. Based on the closing price of the Wienerberger share on the Vienna Stock Exchange on 30 November 2023, this would result in 7,380 Treasury Shares to be used. This would correspond to around 0.007 % of the company's total shares.

The required approval of the Supervisory Board for the use of Treasury Shares is expected to take place on 19 December 2023.

## **2. Interest of the Company**

The Treasury Shares shall be used for the ESPP USA and distributed to the employees participating in the ESPP USA through the Plan Administrator as trustee.

This is advantageous and in the interest to the Company for several reasons. The aim of the employee participation program is to strengthen employees' identification with the Wienerberger Group and promote their loyalty. The establishment of employee participation programs is quite common among companies and continues to increase in order to create attractive incentives for employees and to bind them to the company. Wienerberger agrees upon a three-year holding period with the participating US employees. As a result, the shares remain in firm hands for this period.

## **3. Suitability, Necessity and Proportionality**

The exclusion of subscription rights for the use of Treasury Shares for the ESPP USA is suitable for achieving the stated objectives in the interests of the Company. The exclusion of subscription rights is necessary and proportionate for this purpose: (i) The objectives and advantages pursued by using Treasury Shares for employee recruitment and retention cannot be achieved to the same extent in the event of a sale of Treasury Shares while preserving the shareholders' subscription rights or a sale via the stock exchange or a public offer. (ii) The use of Treasury Shares for the ESPP USA creates a competitive advantage in direct comparison to other companies that do not offer their employees such opportunities. This creates incentives for employees of Wienerberger Group companies in the US to join Wienerberger or to remain with the company in the long term. This has a positive impact on the Company. (iii) A sale of Treasury Shares with subscription rights, on the other hand, could not fulfill these objectives, as it is essential to attract employees as new shareholders and not to issue Treasury Shares to existing shareholders. (iv) The extent of the use of Treasury Shares is limited by the total amount of approximately EUR 195,000, so that a possible 'dilution' of the shareholders with regard to their shareholding quota remains within reasonable limits. As the selling price for the Investment Shares and the reimbursement of costs for the Matching Shares is based on the closing price on the Vienna Stock Exchange on the day before Closing,

this is appropriate and there is no risk of dilution for the shareholders comparable to a capital increase when using Treasury Shares in the course of the ESPP USA. In addition, the number of Matching Shares is limited to one Matching Share for every two Investment Shares. Although the shareholding quota of the shareholder changes, this only restores the ratio that existed prior to the repurchase of Treasury Shares by the Company and which has temporarily changed due to the restrictions on the rights arising from Treasury Shares for the Company (Sec 65 (5) AktG).

In particular for the reasons stated above, the purposes and measures pursued in the interests of the Company with the exclusion of subscription rights - which are in any case indirectly also in the interests of all shareholders - outweigh the exclusion of shareholders' subscription rights, so that the exclusion of subscription rights is not disproportionate, but necessary and appropriate. In addition, the use of Treasury Shares for the ESPP USA and the exclusion of subscription rights are subject to the approval, and therefore the control, of the Company's Supervisory Board.

#### **4. Justification of the Selling Price**

The selling price of the Treasury Shares was determined in accordance with the Plan Conditions. By linking the price to the closing price on the day prior to Closing on the Vienna Stock Exchange, an appropriate purchase price corresponding to the time of purchase is determined when setting the price for the Investment Shares and the reimbursement of costs for the Matching Shares. Due to the valuation of the shares taking into account the market price of the company's shares, there is also no disproportionate disadvantage for shareholders due to quota dilution.

Treasury Shares to be sold have the same rights (in particular profit entitlements) as the existing shares (ISIN AT0000831706). The rights arising from the shares are therefore taken into account in the valuation of the shares on the capital market (in particular the share price).

#### **5. Summary**

After consideration of the reasons above, the intended exclusion of subscription rights is suitable, necessary, proportionate and objectively justified and required in the overriding interest of the Company. This report of the Management Board will be published on the Company's website registered with the commercial register and will also be distributed electronically throughout Europe. In addition, an announcement will be made on the electronic announcement and information platform of the Federal Government (EVI). The approval of the Company's Supervisory Board is required for the exclusion of subscription rights and for the sale of Treasury Shares. In accordance with Sec 65 (1b) in conjunction with Sec 171 (1) AktG, a resolution of the Supervisory Board will be passed no earlier than two weeks after the publication of this report and the actual sale of Treasury Shares will be carried out in accordance with the statutory requirements.

Vienna, 4 December 2023

**The Managing Board of Wienerberger AG**