

The background of the cover is a photograph of a railway track running alongside a river. The river reflects the surrounding greenery and the sky. A large green diagonal arrow points from the top left towards the bottom right, passing over the railway and river. The text "enabling green mobility" is written in a white, italicized, sans-serif font, positioned over the lower part of the green arrow.

*enabling
green mobility*

ANNUAL REPORT 2024

Annual financial statements and combined management report
of Vossloh AG for the 2024 fiscal year

Combined management report

of the Vossloh Group and Vossloh AG as of December 31, 2024

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Business and market environment

Preliminary remark

As in previous years, the management report of Vossloh AG has been combined with the Group management report in accordance with Section 315 (5) German Commercial Code (HGB). In principle, the statements refer to Vossloh AG and the Group, unless explicitly stated otherwise. In particular, the section on Vossloh AG – analysis of the separate financial statements relates solely to Vossloh AG, while separate explanations on Vossloh AG are also provided, including in the outlook.

For the first time, Vossloh is reporting on significant intangible resources in the management report; in addition, the Corporate Governance Report published in previous years outside of the management report in the Annual Report has been integrated into the management report in accordance with Sections 289f and 315d German Commercial Code (HGB). The disclosures in the Corporate Governance Statement are not included in the audit of the financial statements in accordance with Section 317 (2) Sentence 6 German Commercial Code (HGB).

The Group Sustainability Statement included in the management report relates to the entire Group. Due to the fact that the EU Corporate Social Responsibility Directive has not yet been implemented in Germany, but at the same time the European Sustainability Reporting Standards published to date and relevant to Vossloh have been taken into account, the name of the previous nonfinancial Group statement has been changed accordingly.

Segmentation and competitive position

Vossloh is active in rail infrastructure markets worldwide. The Group offers a wide range of services under one roof for rail transportation: rail fastening systems, concrete ties, turnout systems and crossings, as well as increasingly innovative and digital-based services for the entire life cycle of rails and turnouts. Vossloh's customers are public and private local, freight and long-distance transport operators who make capital expenditures after predominantly long-term decision-making processes and as part of long-term financing. Vossloh has long-standing customer relationships. Together with them, the company plans and develops solutions for their individual product and service requirements. This usually leads to delivery and project periods of several months to several years, with long-term framework agreements often being agreed with customers. Vossloh is committed to sustainable governance and climate change mitigation and plays an important role in sustainable passenger and freight mobility with its products and services.

The company's activities are divided into three divisions: Core Components, Customized Modules and Lifecycle Solutions. The Core Components division is made up of two business units, Vossloh Fastening Systems and Vossloh Tie Technologies. The other two divisions each comprise one business unit: Vossloh Switch Systems to Customized Modules and Vossloh Rail Services to Lifecycle Solutions. You can find detailed descriptions of the individual divisions on page 16 et seqq.

Vossloh holds the following competitive positions in the rail infrastructure sector:

- Vossloh is a leading global supplier and technological leader in rail fastening systems.
- Vossloh is one of the global market and technology leaders in the turnouts and crossings segment.
- Vossloh is a leading provider of innovative technologies and services for the entire life cycle of rails and turnouts.
- Vossloh is a leading manufacturer of concrete ties in North America and Australia.

Organization

The Vossloh Group is active around the world. Local presence and customer proximity are integral elements of our business activities. Important production sites for the rail fastening systems produced by the Fastening Systems business unit are located in Germany, China, Poland and the USA. The Tie Technologies business unit manufactures concrete ties in the USA, as well as Mexico, Canada and Australia. The turnout systems in the Customized Modules division are manufactured primarily in France, Sweden, Luxembourg, Poland, Australia, India, Finland, Portugal, the United Kingdom, the Netherlands, Serbia and China. The majority of rail services in the Lifecycle Solutions division are provided in Western and Northern Europe, in addition to China.

Vossloh has sales companies and branches worldwide. The company enters into joint ventures and cooperation agreements with expert local partners on a case-by-case basis. Key Group companies and management companies are:

- Vossloh Fastening Systems GmbH, Werdohl, Germany, and Rocla Concrete Tie, Inc., Lakewood, Colorado, USA, for the Core Components division,
- Vossloh Cogifer SA, Rueil-Malmaison, France, for the Customized Modules division and
- Vossloh Rail Services GmbH, Hamburg, for the Lifecycle Solutions division.

Controlling system

The most significant financial performance indicators for the Vossloh Group are value added, sales revenues, EBIT (earnings before interest and taxes) and EBIT margin (EBIT/sales revenues). While the company uses sales revenues, EBIT and EBIT margin as key performance indicators for short-term planning, the long-term management of the business units within the framework of the value-oriented growth strategy has a focus on value added in the foreground. Value added is the key earnings indicator for the divisions and business units within the framework of external reporting.

Positive value added is generated when a premium is earned on top of the return claimed by investors and lenders (cost of capital). This premium is the difference between the return on capital employed (ROCE, calculated as EBIT/average capital employed) and the cost of capital, which is calculated as the weighted average cost of equity and debt. Multiplying the premium by average capital employed (working capital plus fixed assets) gives the value added over a period in absolute terms. For internal controlling purposes, ROCE and value added are calculated before taxes.

Cost of equity is largely composed of a risk-free interest rate plus a market risk premium. The interest rate factor is adjusted according to the result before taxes. The borrowing costs result from the average financing conditions. The ratio of equity to interest-bearing debt used to determine the weighted average cost of capital is not derived from the balance sheet, as it is based on a target figure for the financing structure. Secondly, equity is not recognized at the carrying amounts in the balance sheet, but at target market values. A weighted average cost of capital before taxes (WACC) of 9.5 % was used as the yield expected by investors and lenders for the purposes of intragroup controlling in the 2024 fiscal year (previous year: 8.5 %).

There are basically two levers for increasing the value added: Increase in EBIT and optimization of tied-up capital (capital employed). ROCE is derived from both values. Vossloh seeks to improve the parameters it can influence to optimize this performance indicator. As a result, the company also focuses on working capital, working capital intensity (average working capital/annual revenue) and free cash flow.

Management uses nonfinancial performance indicators for the purpose of managing the company and making long-term strategic decisions. However, nonfinancial performance indicators are not primarily used to manage the company and are, therefore, not key performance indicators within the meaning of Sections 315 (3) and 289 (3) German Commercial Code (HGB). Instead, they provide information about the situation within the Group and are used as a basis for decisions. Nonfinancial performance indicators that are not primarily relevant to management are explained in the Group Sustainability Statement starting on page 58.

The management of Vossloh AG considers monthly financial reporting to be a central element for the ongoing analysis and control of the divisions, business units and the Group itself. To this end, the financial statements and key performance indicators prepared by the Group companies are consolidated and analyzed in the same way as the annual forecast updated each month. Deviations are investigated in relation to their impact on the financial targets. The monthly updates to annual projections are supplemented by risk reports that aim to identify any potential reductions or increases in assets. The effectiveness of measures aimed at ensuring targets are met is continuously analyzed. The figures of the operating units are intensively discussed by their respective management and the Executive Board with the involvement of the relevant central departments of Vossloh AG.

Intangible resources

Vossloh reports below on the main intangible resources. The importance of the individual intangible assets results from their fundamental significance for Vossloh's business model and their role as key sources of value creation for the company. The impact of the most important intangible resources on the business model and the company's success is both short- and medium-term and long-term in nature.

Vossloh's human capital is one of the most important intangible resources identified. This refers not only to skills and specialist knowledge, but also to employees' innovative ability, commitment and loyalty to the company. Human capital is crucial for the development and implementation of innovative solutions and products and for ensuring operational excellence and can have an impact on the business model, value creation and the company's success. A loss of key qualifications or the limited availability of skilled workers could significantly impair Vossloh's competitiveness.

The Vossloh brand is also an important intangible resource. The brand is perceived on the market as a guarantee of reliability, quality and innovation. National and international customers choose Vossloh because of its brand reputation. This even applies to integrated products that consist of both in-house and purchased components. The brand, therefore, makes a significant contribution to the positioning of the company in the target markets and, as a source of added value, supports market penetration as well as customer acquisition and retention. In addition to the brand strength, the established customer relationships contribute to the successful further development of the company. These relationships, which are based on many years of cooperation, enable a deeper understanding of customer needs and support the targeted development of products and solutions that are precisely tailored to market requirements.

Furthermore, approvals and patents are of key importance in the rail infrastructure industry. Vossloh's products and services are subject to strict safety standards. Approvals guarantee that these high requirements are met; without approvals, market entry is generally not possible. Patents protect Vossloh's technological innovations, which are necessary to fulfill these standards. As these open up opportunities to secure competitive advantages and tap into new markets, they are an integral part of the Group's business model and value creation.

Economic report

Macroeconomic and industry-specific conditions

Investments in rail infrastructure around the world are generally made on the basis of long-term decision-making processes. Short-term economic developments are, therefore, only partially reflected in the relevant sales markets. More significant is the development of debt levels in Vossloh's sales markets, as the overwhelming majority of the Group's clients are public-sector customers. The debt ratio (the ratio of public debt to GDP) of the euro countries at the end of the third quarter of 2024 was 88.2 % according to the statistical office of the European Union (Eurostat). This was the most recent figure available when this summary management report was prepared. At the same time in the previous year, it was 88.4 %. At the end of September 2024, the debt ratio for the EU as a whole was 81.6 %, compared with 81.5 % the previous year.

This is the result of rising demand around the world for environmentally friendly, safer and more economical mobility for both people and goods. The driving forces for this development include megatrends such as population growth, urbanization and, most significantly, increasing environmental awareness. No other means of mass transportation has a better eco-balance than rail. Both passengers and freight need to be shifted onto the rail network if the aim is to increase their mobility while also reducing their environmental footprint in the interest of combating climate change.

There are investment programs around the world to promote rail as a mode of transport. These programs play an important role for Vossloh as they affect markets in which Vossloh holds a strong competitive position with at least one business unit. In its Green Deal climate protection program, for example, the European Union has set itself the goal of reducing transport-related CO₂ emissions by 90 % by 2050 (already by 55 % by 2030). To achieve this, the European Commission wants passenger rail traffic in the high-speed sector to double by 2030 and triple by 2050. Rail freight transport is set to increase by 50 % by 2030 and double by 2050. The objectives of the European Green Deal will have a positive impact on the rail industry in the coming years and decades. Another example of investment programs is the "Starke Schiene" ("Strong Rail") program adopted in Germany in 2020. The government has agreed with Deutsche Bahn AG to jointly invest a record €86 billion in the maintenance and modernization of the existing rail network by 2030. Investment in rail projects is increasing in Africa. One example of this is the infrastructure investment plan "Egypt Vision 2030", which provides for investments of almost €50 billion in the expansion of the rail network in Egypt, including a 1,800-kilometer high-speed rail link. Indian Railways wants to be climate-neutral by the end of 2030. The Indian state railroad is therefore investing heavily in the expansion of the huge rail network on the subcontinent, in the modernization of rolling stock and in wind and solar parks to electrify the lines. The railway industry is also undergoing a profound transformation beyond this. Digitalization and automation, artificial intelligence and the standardization and liberalization of rail transport are changing the framework conditions significantly. Innovations are becoming increasingly important.

A number of studies regularly analyze developments in the global rail technology market. The most important publication is the "World Rail Market Study", published by the European rail industry association UNIFE. The study is updated every two years. The findings from the most recent study were published in September 2024 at InnoTrans, the world's largest trade fair for transport technology held in Berlin.

UNIFE puts the current global volume of the rail market at around €202 billion per year. At present, the European rail industry association classifies around 59 % of the total volume of the rail market – i.e. around €119 billion – as accessible. This means that this market is, in principle, open to European suppliers and market demand is not exclusively met by domestic manufacturers.

Company acquisitions

On July 1, 2024, the agreement to acquire all shares in the Scandinavian Track Group (STG) in Borlänge/Sweden was completed. The company has four further subsidiaries in Sweden, Norway and Denmark; all companies are assigned to the Rail Services business unit. The acquisition has significantly expanded the activities of Vossloh Rail Services in Scandinavia and includes various maintenance services for the rail track, such as the installation or maintenance of turnouts, as well as inspection consulting services.

In addition, the acquisition of the shares in France Aiguillages Services (FAS) in Bertrichamps/France was completed on July 19, 2024. This company and its subsidiary LUNEFCF are also part of the Rail Services business unit. FAS carries out a large number of technical inspections and maintenance services on turnout systems and signaling systems and trains its own employees, as well as employees of the French state railroad SNCF in a training center.

Results of operations

Vossloh divisions – Orders received and order backlog

€ mill.	Orders received		Order backlog	
	2024	2023	2024	2023
Core Components	532.5	542.7	293.8	262.1
Customized Modules	662.8	524.1	525.6	461.3
Lifecycle Solutions	198.1	175.5	28.9	40.8
Consolidation	(28.5)	(24.9)	(12.1)	(3.0)
Group	1,364.9	1,217.4	836.2	761.2

In the 2024 fiscal year, Vossloh achieved new highs in terms of order intake and order backlog. The orders received exceeded the previous year's already high figure by 12.1 %. This increase was mainly due to the Customized Modules division, which achieved a significant increase in incoming orders of 26.5 % compared to the previous year. Significant growth was recorded in the Africa region in particular, especially in Morocco and Algeria. The Middle East region and the countries of Singapore, Canada and Sweden also contributed to the positive development. The Lifecycle Solutions division also achieved a significant increase in incoming orders of 12.9 % compared to the previous year, which was mainly due to higher order volumes in Sweden and Denmark. In contrast, incoming orders in the Core Components division were down slightly by 1.9 % on the previous year. In the Fastening Systems business unit, higher incoming orders in Algeria and Italy, among others, more than compensated for declines in China and Mexico, for example, while incoming orders in the Tie Technologies business unit, the second business unit in the Core Components division, were significantly lower than the previous year's high figure. This is primarily due to a major order concluded in Mexico in the previous year. The book-to-bill ratio at Group level, the ratio of orders received to sales revenues, was 1.13 (previous year: 1.00).

Continued positive market environment leads to new highs

As at December 31, 2024, the Vossloh Group's order backlog in the rail infrastructure business had reached the highest level in the company's history at the end of a year. Due to the high number of framework agreements, the order backlog as a key figure is of only limited significance, since the order volume from framework agreements that have been won is generally only recorded in orders received at the time of the respective call-offs.

In the 2024 fiscal year, the Vossloh Group generated sales in the same order of magnitude as in the previous record year. After €1,214.3 million in the previous year, sales amounted to €1,209.6 million in the reporting period. They were, therefore, in the middle of the originally forecast range of €1.16 billion to €1.26 billion. While the Core Components division recorded a significant decline in sales in both business units, the Lifecycle Solutions and Customized Modules divisions achieved noticeable sales growth.

Sales revenues of 1.2 billion at the same level as the previous year's record figure

Vossloh Group – Sales by region

	€ mill.	%	€ mill.	%
	2024		2023	
Germany	171.4	14.2	141.8	11.7
France	118.6	9.8	95.1	7.8
Rest of Western Europe	81.0	6.7	101.6	8.4
Northern Europe	170.9	14.1	139.9	11.5
Southern Europe	147.7	12.2	116.5	9.6
Eastern Europe	82.7	6.8	88.4	7.3
Total for Europe	772.3	63.8	683.3	56.3
Americas	146.5	12.1	189.5	15.6
Asia	179.1	14.8	215.1	17.7
Africa	32.2	2.7	14.7	1.2
Australia	79.5	6.6	111.7	9.2
Total	1,209.6	100.0	1,214.3	100.0

Decline in sales in America and Asia offset by strong sales growth in Europe

Sales in Europe increased by 13.0 %. The 26.8 % increase in sales in Southern Europe was particularly noteworthy. This positive development was mainly driven by the Customized Modules division. Increased deliveries to customers in Italy and Türkiye, in particular, contributed significantly to this growth.

In Northern Europe, the Vossloh Group also achieved a considerable increase in sales of 22.2 %, which is primarily attributable to the Lifecycle Solutions division. Of particular note here is a rail replacement project in the north of Sweden for the state infrastructure operator Trafikverket. The acquisition of the Swedish company STG also contributed to the increase. Further notable sales growth in Europe was achieved in Germany and France. In Germany, the increase is primarily attributable to the Lifecycle Solutions division, in particular, the Track Supply and High Speed Grinding sub-divisions. In addition, increased deliveries of turnout from the Customized Modules division to Deutsche Bahn contributed to growth. In France, the increase in sales was due in particular to higher deliveries of turnout components in the tram business of the Customized Modules division.

In the 2024 fiscal year, sales revenues in the Americas fell by 22.7 % compared to the previous year. This development is mainly attributable to the Core Components and Customized Modules divisions, as a major new construction project in Mexico was largely completed in the previous year. The higher deliveries of concrete ties in the USA in the Tie Technologies business unit, particularly to Class I freight operators, only partially compensated for this decline.

In Asia, sales in the 2024 fiscal year were significantly lower than in the previous year (-16.7 %). This was largely due to lower deliveries of rail fastening systems for high-speed lines in China in the Fastening Systems business unit.

The Vossloh Group also recorded a year-on-year decline in sales of 28.9 % in Australia, which is attributable to the Tie Technologies business unit. This is due to a normalization of market demand. Lower deliveries of concrete ties for the major Inland Rail infrastructure project also contributed to this development.

In contrast, sales in Africa more than doubled compared to the previous year (+119.0 %). Deliveries of rail fastening systems from the Fastening Systems business unit for the construction of high-speed rail links in Morocco and Egypt contributed to this growth.

The Vossloh Group's cost of sales amounted to €880.4 million in the year under review, slightly below the previous year's level of €898.3 million. The share of the cost of sales in sales revenues amounted to 72.8 % and was slightly below the previous year's figure (74.0 %), mainly due to a slight decrease in the material usage ratio resulting from an overall improvement in the project mix. The Vossloh Group's general administrative and selling expenses rose from €214.4 million to €230.0 million. This increase was mainly due to higher consulting costs in connection with the planned acquisition of Sateba. Increased personnel costs also contributed to this development. The other operating result – the balance of other operating income of €25.3 million (previous year: €17.7 million) and other operating expenses of €11.0 million (previous year: €10.9 million) - amounted to €14.3 million and was, therefore, higher than the previous year's figure of €6.8 million.

Vossloh Group – Sales revenues and earnings

	€ mill.	%	€ mill.	%
€ mill.	2024		2023	
Sales revenues	1,209.6	100.0	1,214.3	100.0
EBITDA/EBITDA margin	160.3	13.3	158.0	13.0
EBIT/EBIT margin	105.2	8.7	98.5	8.1
Net income	76.5	6.3	55.3	4.6
Earnings per share (in €)	3.56		2.21	

In the 2024 fiscal year, Vossloh increased EBIT by 6.7 % compared to the previous year. The main reason for this increase was an improved project mix in the Customized Modules and Lifecycle Solutions divisions. In addition to the operating improvements, EBIT benefited from the reversal of provisions, which were almost completely mitigated by transaction costs for the planned acquisition of Sateba amounting to over €10 million, which were recognized at Group level. EBIT and the EBIT margin were in the middle of the forecast corridor of €100 million to €115 million and 8.3 % to 9.5 % respectively.

EBIT increased noticeably compared to the previous year

Net interest income in the 2024 fiscal year improved to €(14.6) million compared to the previous year's figure of €(16.0) million. This was mainly due to lower exchange rate losses from financing items in foreign currencies. The earnings before taxes increased to €90.6 million in the reporting year (previous year: €82.5 million).

In the reporting year, the Vossloh Group's income taxes amounted to €14.1 million (previous year: €28.2 million). The exceptionally low tax rate in the 2024 fiscal year resulted primarily from the capitalization of deferred taxes on tax loss carryforwards, which were recognized due to expected positive tax results in the domestic tax group.

The net income for 2024 was significantly higher than in the previous year due to the lower tax rate and improvements in operating earnings. Of the net income, the hybrid capital investors were entitled to €6.0 million, as in the previous year, while the other shareholders received €7.3 million (previous year: €10.6 million). At €63.2 million, the net income attributable to Vossloh AG's shareholders was significantly higher than the previous year's figure of €38.7 million. With an average number of shares in circulation of 17,770,535 (previous year: 17,564,180), this resulted in significantly higher earnings per share compared to the previous year.

Earnings per share increase significantly to €3.56

**Dividend of
€1.10 per share
planned for 2024**

The Executive Board and Supervisory Board of Vossloh AG are committed to ensuring that its shareholders benefit from the economic performance of the Group. The Executive Board and Supervisory Board will, therefore, propose to the Annual General Meeting scheduled for May 7, 2025, that an increased dividend of €1.10 (previous year: €1.05) be distributed for the 2024 fiscal year.

Vossloh Group – Value management

€ mill.	2024	2023
Average capital employed	969.7	937.2
ROCE (in %)	10.8	10.5
Value added	13.1	18.9

**ROCE 2024
above the
previous year**

As a result of the operational improvement, the ROCE was slightly above the previous year. The WACC (weighted average cost of capital) used for internal control purposes – the weighted average cost of equity and debt – was raised to 9.5 % (previous year: 8.5 %) for the 2024 fiscal year as a result of the general interest rate trend. For this reason, the value added in 2024 was lower than in the previous year, albeit within the forecast range.

The following table presents a reconciliation of the ROCE and value added performance indicators to the EBIT shown in the income statement:

Reconciliation of value added and ROCE to EBIT

€ mill.	2024	2023
Premium in % (ROCE – WACC)	1.3	2.0
Average capital employed	969.7	937.2
Value added	13.1	18.9
Cost of capital on the average capital employed	92.1	79.6
EBIT	105.2	98.5

Financial position and investing activities

As the Group's management holding company, Vossloh AG is responsible for managing the Group's finances and funding. Corporate Treasury Management is responsible for the central management of cash flows and for ensuring the financing of all Group companies, as well as for hedging and managing financial risks. These not only include liquidity risks, but particularly risks from interest and exchange rate fluctuations. Derivative financial instruments are used for hedging. The Group companies' funding level is largely ensured by Vossloh AG providing the necessary cash resources. Only in isolated cases where funding outside Germany is either economically preferable or required by law do individual group companies obtain original local financing.

The Vossloh Group's net financial debt (calculated as financial liabilities less cash and cash equivalents and short-term securities) excluding liabilities from leases decreased from €182.9 million at the end of 2023 to €88.7 million at the end of the 2024 fiscal year. The decrease was mainly due to a significant improvement in free cash flow and the proceeds from a capital increase carried out in November 2024. At the end of 2024, net financial debt including liabilities from leases of €48.9 million (previous year: €36.6 million) amounted to €137.6 million (previous year: €219.5 million).

Net financial debt significantly reduced thanks to improved free cash flow and capital increase

At the end of the reporting year, financial liabilities amounted to €232.7 million and were thus significantly lower than the previous year's figure of €320.0 million. €60 million of the financial liabilities were attributable to two Schuldschein loans placed in the 2023 fiscal year with terms of five and seven years (until July 2028 and 2030). The originally variable interest rate of the two Schuldschein loans was converted to fixed interest rates at the end of November 2023 with two payer interest rate swaps. A Schuldschein loan in the amount of €25 million with a term of seven years (until December 2028) and a fixed interest rate had already been placed at the end of 2021. A further €22 million of the financial liabilities at the end of 2024 were attributable to drawings on the new syndicated loan concluded early in February 2024 with a volume of €240 million and a term until February 2029. The interest rate is based on the respective reference interest rate (Euribor or €STR) and a margin agreed in the loan agreement, which is based on the ratio of net financial debt to EBITDA. A maximum amount is set for this ratio (covenant), which, if exceeded, gives the lending banks the option of early termination. Compliance with the covenant must be demonstrated every six months; this was the case at the end of the first half and at the end of 2024. At the end of 2024 – unchanged from the previous year – a loan of €20 million with DZ Bank, which was renewed in mid-July, was outstanding with a term until July 2027 and a variable interest rate. Just under €19 million was also still outstanding under a bridge facility with variable interest rates that was concluded in July for the acquisition financing of the Sateba Group. In total, these credit lines amounted to just under €504 million at the end of 2024. Due to the repayments made and loan agreements renewed in the reporting year, the share of current financial liabilities fell from €198.4 million in the previous year to €62.2 million. Total cash and cash equivalents and short-term securities amounted to €95.0 million at the end of the reporting year (previous year: €100.5 million).

Contingent liabilities decreased from €29.0 million at the end of 2023 to €26.8 million. The former Locomotives business unit accounted for the bulk of this, with €21.1 million. For the outstanding contingent liabilities, Vossloh AG received an irrevocable and unconditional guarantee at first request from a first-class bank.

At the end of the year, the Group had committed but unused credit lines totaling €757.6 million (previous year: €244.4 million) available in addition to cash and cash equivalents.

The hybrid note issued in February 2021 of €150 million with an indefinite term can be called and repaid by the company for the first time after five years. The interest rate over the first five years is 4.0 %. Furthermore, the repayment amount can increase depending on the sustainability performance, which is measured using the ratings from ISS ESG and MSCI ESG Research. The structure of the note means that it is treated as equity in the consolidated financial statements. The resulting increase in the equity ratio and the associated strengthening of the balance sheet structure lead to significantly greater financial flexibility, which positively bolsters the implementation of the corporate strategy.

Vossloh Group – Development of cash flows

€ mill.	2024	2023
Cash flow from operating activities	136.4	137.3
Cash flow from investing activities	(49.7)	(65.4)
Cash flow from financing activities	(83.9)	(39.4)
Net cash inflow/outflow	2.8	32.5
Cash and cash equivalents at the beginning of the period	62.4	28.9
Cash and cash equivalents at the end of the period	64.6	62.4
Free cash flow	86.0	70.9

Noticeable
increase in free
cash flow

Overall, cash flow from operating activities was at the previous year's level. Free cash flow (defined as cash flow from operating activities less investments in intangible assets and property, plant and equipment, as well as investments in companies accounted for using the equity method and plus payments received from profit distributions or the sale of companies accounted for using the equity method) increased noticeably compared to the previous year, primarily due to lower investment expenditure. Despite the net issue proceeds from the capital increase, cash flow from financing activities was significantly below the previous year's level, mainly due to higher repayments of short-term loans.

Vossloh Group – Capital expenditure and depreciation/amortization

€ mill.	2024		2023	
	Capital expenditure	Depreciation/ amortization	Capital expenditure	Depreciation/ amortization
Core Components	20.8	21.9	24.8	25.5
Customized Modules	40.0	16.7	25.3	19.2
Lifecycle Solutions	19.0	15.9	19.5	14.2
Vossloh AG/Consolidation	4.0	0.6	4.9	0.6
Total	83.8	55.1	74.5	59.5

Capital expenditure in 2024 exceeded the previous year's level and was once again significantly higher than depreciation and amortization. In the Core Components division, capital expenditure declined noticeably, particularly following the completion of series production of the composite sleeper at the Fastening Systems business unit's Polish production site. By contrast, capital expenditure in the Customized Modules division increased significantly. High investments were made in particular for new turnout plants in Australia and Sweden. Capital expenditure in the Lifecycle Solutions division was on a par with the previous year. Among other things, further investments were made in the high-performance VTM-performance milling machine. The capital expenditure shown in the table above reflects additions in the fiscal year and also includes capital expenditure in assets financed by a lease agreement. Capital expenditure is included in the cash flow statement if it has already resulted in cash outflows. The values, therefore, differ. Depreciation and amortization at Group level, which is added back to EBIT in the cash flow statement, includes impairments/reversals of impairment losses and were at the same level as in the previous year. As of December 31, 2024, the investment obligations for the acquisition of property, plant and equipment and intangible assets (purchase commitments) amounted to a total of €11.1 million (previous year: €6.8 million).

Asset and capital structure

Vossloh Group – Asset and capital structure

		2024 12/31/2024	2023 12/31/2023
Total assets	€ mill.	1,490.8	1,392.7
Equity	€ mill.	751.9	638.5
Equity ratio	%	50.4	45.8
Closing working capital ¹	€ mill.	174.4	193.1
Average working capital	€ mill.	213.7	209.4
Average working capital intensity	%	17.7	17.2
Fixed assets ²	€ mill.	792.8	746.1
Closing capital employed ³	€ mill.	967.2	939.2

¹Working capital = trade receivables (including contract assets) plus inventories minus trade payables (including contract liabilities) minus advance payments received minus other current provisions (adjusted for items not attributable to operating activities)

²Fixed assets = Intangible assets plus property, plant and equipment plus investment property plus property, plant and equipment Investments in companies accounted for using the equity method plus other noncurrent financial instruments

³Capital employed = working capital plus fixed assets.

The Vossloh Group's equity increased significantly at the end of 2024 compared to the previous year. In addition to the positive consolidated net income for 2024, this increase is due in particular to the net issue proceeds from the capital increase in November 2024 in the amount of around €71 million. As a result, the equity ratio rose to over 50 %.

Equity ratio
increased to
over 50 %

As at December 31, 2024, working capital had fallen by 9.7 % compared to the previous year. Average working capital in 2024 was slightly higher than in the previous year, which led to a slight increase in average working capital intensity of 0.5 percentage points.

General statement on the business performance and economic situation of the Vossloh Group

The year 2024 was characterized by complex framework conditions and marked by political uncertainties, ongoing geopolitical tensions and a tense macroeconomic environment. At the same time, the promotion of rail-bound mobility as part of numerous investment initiatives worldwide opened up promising opportunities for Vossloh. In this dynamic environment, Vossloh was able to achieve a strong business performance. Following an expectedly strong fourth quarter, sales revenues reached the record level of the previous year. Orders received and order backlog reached new highs. Here, Vossloh benefits from its strong competitive position in a dynamic and constantly growing market environment. Earnings before interest and taxes (EBIT) also increased noticeably and free cash flow (FCF) once again exceeded the already high figure from the previous year.

Business development fully met the targets and expectations set by the Executive Board for the reporting year.

Business performance Core Components

In the Core Components division, Vossloh has combined its range of industrially manufactured series products, which are required in large quantities for rail infrastructure projects. This includes the rail fastening systems developed, produced and marketed in the Fastening Systems business unit for all areas of application worldwide – from heavy-haul to high-speed rail lines and urban transport. The Tie Technologies business unit is the leading manufacturer of concrete ties in North America and Australia. In addition to concrete rail ties, the business unit also manufactures turnout ties, concrete low-vibration blocks for slab track and crossing panels.

Core Components

		2024	2023
Orders received	€ mill.	532.5	542.7
Order backlog	€ mill.	293.8	262.1
Sales revenues ¹	€ mill.	463.4	546.7
EBITDA	€ mill.	89.6	95.3
EBITDA margin	%	19.3	17.4
EBIT	€ mill.	67.6	69.8
EBIT margin	%	14.6	12.8
Average working capital	€ mill.	93.7	101.1
Average working capital intensity	%	20.2	18.5
Average capital employed	€ mill.	319.4	329.5
ROCE	%	21.2	21.2
Value added	€ mill.	37.3	41.8

¹ Sales revenues include external sales revenues and sales to other divisions.

Significant increase in orders backlog

In fiscal year 2024, the Core Components division recorded incoming orders only slightly below the high level of the previous year (-1.9 %). Lower order volumes in the Tie Technologies business unit were largely offset by Vossloh Fastening Systems. The division's book-to-bill ratio was a pleasing 1.15 overall. The order backlog at the end of 2024 increased by €31.7 million or 12.1 % compared to the previous year.

Sales revenues in previous year characterized by high project sales in Mexico and China

As expected, sales revenues in the Core Components division remained well below the previous year's high level in the reporting year. Revenue fell by 15.2 % in total. Both business units – Fastening Systems and Tie Technologies – were unable to reach the figure from the 2023 fiscal year. This was primarily due to lower project sales in Mexico and China.

The volume of intercompany sales revenue decreased in 2024 compared to the previous year. This is due to the major order completed in Mexico in the previous year.

EBIT only slightly below the previous year

EBIT in the Core Components division was only €2.2 million below the previous year's figure despite the significant €83.3 million drop in sales. This is primarily due to a higher-margin sales revenues mix in the Tie Technologies business unit. EBIT also benefited from the reversal of individual provisions.

The return on capital employed (ROCE) remained almost unchanged compared to the 2023 fiscal year. Here, the lower EBIT was offset by the lower average capital employed. The average working capital in this division was further reduced in 2024. The value added of Core Components fell by €4.5 million, in particular, due to the higher weighted average cost of capital of 9.5 % (previous year: 8.5 %).

Vossloh Fastening Systems

In the 2024 fiscal year, orders received by Vossloh Fastening Systems amounted to a total of €371.9 million. The value of new orders in the previous year totaled €356.1 million. An increase in volumes was recorded primarily in Algeria, Morocco, Italy and Eastern Europe. In contrast, the business unit recorded lower incoming orders, particularly in China and Mexico. The book-to-bill ratio improved to 1.20 after 1.02 in 2023. The order backlog at the end of 2024 increased significantly by €55.8 million to €245.0 million compared to the previous year's reporting date.

Incoming orders up on the previous year

Sales revenues at Vossloh Fastening Systems amounted to €309.7 million in the year under review after €349.4 million in the previous year. This is primarily due to lower project sales in China and Mexico compared to the previous year. By contrast, sales growth was recorded in Algeria and Italy, in particular.

Sales revenues below the previous year's strong figure

The value added by Vossloh Fastening Systems fell to €32.1 million (previous year: €43.8 million), but remained at a very high level.

Another high, positive value added contribution

Vossloh Tie Technologies

At €183.1 million, incoming orders in the Tie Technologies business unit in the reporting year fell short of the record figure from the previous year (€213.9 million). This was due to the order in Mexico included in 2023 and lower call-offs from framework agreements in Australia. An increase in orders from Class I companies in the USA and from the Canadian market was unable to compensate for this. The book-to-bill ratio was 1.06 (previous year: 0.95). The order backlog at the end of 2024 amounted to €55.8 million (previous year: €76.7 million).

Improved demand in the USA

Sales revenue in the Tie Technologies business unit fell well short of the record figure for 2023 by 22.9 % and amounted to €172.8 million. As expected, lower sales in Mexico due to the completion of a major project in the previous year and in the Australian market could not be offset by increased sales in the USA thanks to higher call-offs from the Class I companies.

Sales revenue down as expected

The value added of Vossloh Tie Technologies was positive at €5.4 million and increased significantly compared to the previous year despite the higher weighted average cost of capital.

Business performance Customized Modules

All of the Group's services for the manufacture, installation and maintenance of individualized infrastructure modules for the rail industry are bundled in the Customized Modules division. The division includes the Switch Systems business unit, one of the largest providers of turnout systems worldwide. The product portfolio covers a very wide range of applications, extending from light-rail to high-speed applications.

Customized Modules

		2024	2023
Orders received	€ mill.	662.8	524.1
Order backlog	€ mill.	525.6	461.3
Sales revenues ¹	€ mill.	561.2	537.4
EBITDA	€ mill.	72.3	61.8
EBITDA margin	%	12.9	11.5
EBIT	€ mill.	55.6	42.7
EBIT margin	%	9.9	7.9
Average working capital	€ mill.	92.7	79.0
Average working capital intensity	%	16.5	14.7
Average capital employed	€ mill.	409.0	379.7
ROCE	%	13.6	11.2
Value added	€ mill.	16.8	10.4

¹ Sales revenues include external sales revenues and sales to other divisions.

Orders received at record level

Orders received in the Customized Modules division were €138.7 million higher than in the previous year. This represents a historic high for the division. In Morocco, Algeria and the Middle East, in particular, new orders were up on the previous year, while Switzerland, Germany and Norway recorded lower incoming orders.

Sustained sales revenues

The division's sales also outperformed 2023 by €23.8 million and reached a new all-time high. Growth was recorded in France and Germany, in particular, which more than compensated for project-related declines in Mexico and Serbia, in particular.

Positive earnings trend continues

The division's EBIT in 2024 was 30.5 % higher than in the previous year. This was mainly due to higher earnings contributions from the locations in France and Luxembourg. The EBIT margin rose accordingly and was 2.0 percentage points higher than in the previous year. The result and profitability were also positively influenced by retroactive price adjustments.

In line with the positive earnings trend, ROCE was significantly higher than in the previous year despite an increase in average capital employed. The value added increased accordingly.

Average working capital increased in particular due to higher inventories. Average working capital intensity increased by 1.8 percentage points compared to 2023.

Business performance Lifecycle Solutions

Through its Rail Services business unit, the Lifecycle Solutions division concentrates on specialist services for the maintenance of rails and turnouts. Its innovative technologies promote the safety of rail lines and contribute to extension of the service life of rails and turnouts as well as improved track availability. The service portfolio mainly includes maintenance, grinding and milling for the corrective and preventive care of rails and turnouts, welding services and rail and turnout logistics. Lifecycle Solutions' extensive range of services complements the product portfolios of Core Components and Customized Modules.

Lifecycle Solutions

		2024	2023
Orders received	€ mill.	198.1	175.5
Order backlog	€ mill.	28.9	40.8
Sales revenues ¹	€ mill.	204.3	163.5
EBITDA	€ mill.	34.9	25.8
EBITDA margin	%	17.1	15.8
EBIT	€ mill.	19.0	11.6
EBIT margin	%	9.3	7.1
Average working capital	€ mill.	35.0	34.0
Average working capital intensity	%	17.2	20.8
Average capital employed	€ mill.	232.4	220.2
ROCE	%	8.2	5.3
Value added	€ mill.	(3.0)	(7.1)

¹ Sales revenues include external sales revenues and sales to other divisions.

In the 2024 fiscal year, the Lifecycle Solutions division recorded a 12.9 % increase in incoming orders compared to the previous year, which was mainly achieved in the Track Supply sub-division. The order backlog at the end of 2024 was below the previous year's figure. Framework agreements signed with Deutsche Bahn in the 2024 fiscal year for corrective maintenance (rail milling) and preventive rail maintenance (high-speed grinding) with a total value of well over €100 million are only slightly included in the order backlog. They are only recorded in the orders received at the time of the respective call-offs.

Incoming orders
above the
previous year

The Lifecycle Solutions division achieved 25 % higher sales revenues than in the previous year. The increase was primarily due to higher sales in Germany, Sweden and Denmark. In Sweden, the growth was due, in particular, to the acquired company Scandinavian Track Group (STG), which has been included in the scope of consolidation since August 2024. The resulting increase in sales compared to the previous year amounted to €11.6 million. The degree of internationalization of the Lifecycle Solutions division – measured in terms of sales revenue generated outside Germany – fell to 46.7 % in the 2024 fiscal year (previous year: 49.2 %).

Sales revenues
up 25 %

The division's EBIT increased significantly by €7.4 million compared to the previous year. This was mainly due to higher earnings contributions from the Track Supply sub-division. The EBIT margin also increased significantly, exceeding the previous year's figure by 2.2 percentage points.

EBIT significantly
higher than in the
previous year

The value added increased by €4.1 million. Working capital intensity improved compared to the previous year, primarily due to lower inventories and optimization in accounts payable management.

Vossloh AG – Analysis of the separate financial statements

Vossloh AG is the operational management and financial holding company at the head of the Vossloh Group. It controls and monitors all key activities within the Group. In addition to defining the Group strategy and managing corporate development, it is also responsible for allocating financial resources, particularly for investments or acquisitions. Among other things, it is responsible for Group Accounting, Group Controlling, Group Treasury, Risk and Opportunity Management, Internal Audit and the areas of Innovation & Development, EHS/Sustainability, Information Technology, Legal & Compliance, Investor Relations and Corporate Communications. The company oversees sales activities, including marketing communications. In addition to HR policy, it is also responsible for personnel development and supporting the Group's senior management. Business unit representatives report on the events and developments in their area of responsibility on a regular basis. The Executive Board exerts a direct influence on the operational management of the business units in this context, alongside its management responsibility for different functions. A comprehensive catalog of approval requirements also ensures that the Executive Board is closely involved in significant operational decisions.

Vossloh AG prepares its annual financial statements in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The following notes relate to the annual financial statements. In isolated cases, certain transactions are handled differently in the consolidated financial statements according to IFRS. The relevant provisions of the German Commercial Code (HGB) have not changed significantly in the fiscal year.

Analysis of the separate financial statements

The sales revenues of €17.6 million reported by Vossloh AG for the 2024 fiscal year (previous year: €15.5 million) resulted primarily from allocations to Group companies for which Vossloh AG provided a large number of services (mainly in the areas of IT and marketing, but also for services in the areas of digitalization and international sales).

Operating expenses were mainly incurred in connection with the company's management and financing functions. The business performance and economic development of Vossloh AG follow the activities of its subsidiaries and investees. The most significant performance indicators for Vossloh AG are the general administrative expenses, the net financial result and the result after tax/net income.

At €33.4 million, general administrative expenses in 2024 have risen significantly compared to the previous year (€20.3 million); a slight increase had been expected in the budget. Personnel expenses of €17.8 million increased compared to the previous year (€14.3 million), which is due to both higher salaries and a higher allocation to pension provisions. As is usual in years in which the InnoTrans trade fair takes place, trade fair costs increased significantly compared to the previous year; in addition, considerably higher consulting costs, in particular, due to the transaction costs in connection with the acquisition of the Sateba Group, had a negative impact on earnings.

At €1.6 million, other operating expenses were lower in the reporting year than in the previous year (€2.2 million); they exclusively include losses from foreign currency valuations. Other operating income amounted to €0.8 million (previous year: €1.3 million) and was also characterized by income from foreign currency valuations.

The financial result for 2024 fell from €115.7 million in the previous year to €103.3 million in the reporting year, while a significantly lower result had been expected in the previous year. The main reason for the decline was lower income from investments (€20.1 million compared to €40.1 million in the previous year). Other main influencing factors were profit transfers (€44.9 million, previous year: €42.7 million) and write-ups on financial assets (€34.1 million compared to €29.6 million in the previous year).

The write-ups on the increased fair values of two investments resulted from a slightly lower risk-free interest rate compared to the previous year, but also reflected the continued improvement in business prospects.

In addition, higher interest income of €21.1 million (previous year: €16.9 million) – mainly from the on-lending of short-term loans or longer-term loans to Group companies – was offset to a lesser extent by higher interest expenses of €18.0 million (previous year: €15.0 million). Income taxes remained unchanged year-on-year at €0.5 million due to the minimum taxation regulations. Vossloh AG's earnings after taxes or net income amounted to €68.9 million in the year under review (previous year: €93.9 million) and thus corresponded to the development expected in the previous year.

Total assets increased slightly year-on-year from €938.3 million to €949.0 million. The aforementioned write-ups on the carrying amounts of investments were offset by an intragroup repayment of a long-term loan and lower receivables from affiliated companies (decrease of €15.2 million).

At €147.6 million, liabilities to banks on the equity and liabilities side of the balance sheet decreased significantly as at the reporting date compared to the previous year (€247.3 million) as a result of the significant change in the financing structure due to loan repayments, new borrowings and the capital increase carried out. Liabilities to affiliated companies also fell further in the reporting year by €10.7 million to €2.5 million (previous year: €13.2 million). At €31.2 million, provisions remained almost unchanged compared to the previous year (€31.7 million). Equity increased significantly in the reporting year from €484.7 million to €607.2 million due to the significantly higher net profit for the year compared to the dividend payment and the capital increase carried out in November 2024. The equity ratio rose accordingly to 64.0 %, up 12.3 percentage points on the previous year (51.7 %).

Overall, the Executive Board considers Vossloh AG's net assets and financial position to be very good in view of the high equity ratio at the end of the fiscal year. The results of operations are also extremely satisfactory against the backdrop of the positive financial result from investment income, the profits transferred from the domestic subsidiaries and the net interest income in the reporting period.

Dependency report

The Executive Board of Vossloh AG assumes that Vossloh AG is dependent within the meaning of Section 17 German Stock Corporation Act (AktG) due to its indirect shareholding of 50.09 percent of the share capital as of December 31, 2024. Following the transfer on December 9, 2024 of the assets previously held by Mrs. Nadia Thiele and Mr. Robin Brühmüller as executors of the will of the deceased Heinz Hermann Thiele, this now exists vis-à-vis the Heinz Hermann Thiele Family Foundation. In accordance with Section 312 German Stock Corporation Act (AktG), a report on relationships with affiliated companies was prepared, which contains the following declaration: "In the legal transactions listed in the report on relationships with affiliated companies, our company received appropriate consideration for each legal transaction according to the circumstances known to us at the time the legal transactions were carried out. No disadvantageous measures were taken at the instigation or in the interests of Mrs. Thiele or Mr. Brühmüller or after the transfer by the foundation or by one of the companies affiliated with the aforementioned natural or legal persons. This assessment is based on the circumstances known to us at the time of the reportable events." The report was audited by the auditor and issued with an unqualified opinion.

Declaration on Corporate Governance/ Corporate Governance Report

The following declaration on corporate governance in accordance with Sections 289f (1) and 315d German Commercial Code (HGB) is the central element of corporate governance reporting (Principle 23 of the German Corporate Governance Code (GCGC) in the version dated April 28, 2022). The Executive Board and Supervisory Board issue the corporate governance declaration jointly and are each responsible for the parts of the report that relate to them.

Management and control structure

Vossloh AG is subject to the provisions of stock corporation, capital market and codetermination law applicable in Germany, as well as the provisions of its Articles of Incorporation. Vossloh AG has a dual management and monitoring structure, which is reflected in the two bodies, the Executive Board and the Supervisory Board. The Annual General Meeting is responsible for important fundamental decisions in the stock corporation. All three bodies are obligated to act in the best interest of the company and its shareholders.

Executive Board

The three members of the Executive Board are jointly responsible for managing the company. As Chief Executive Officer, Mr. Oliver Schuster is responsible for coordinating the work of the Executive Board, as well as the central areas of Strategy and M&A, Media Relations, Legal and Compliance, IT and Digital Business, Innovation and Research and development, Human Resources and Internal Audit. As Chief Financial Officer, Dr. Thomas Triska is responsible for the central departments of Accounting and Taxes, Controlling, Treasury and Investor Relations. As Chief Operating Officer, Mr. Jan Furnivall is responsible for the central areas of Sales, Technology, EHS/Sustainability and Marketing/Communications. In addition, the divisions are assigned to individual members of the Executive Board. Mr. Oliver Schuster is responsible for the Core Components division, Dr. Thomas Triska for the Customized Modules division and Mr. Jan Furnivall for the Lifecycle Solutions division. Further information on the members of the Executive Board of Vossloh AG can be found on page 156.

The work within the Executive Board is governed by the Rules of Procedure for the Executive Board. The members of the Executive Board work together as colleagues and keep each other informed of important measures and events in their areas of responsibility. The entire Executive Board decides on all major issues. Potential conflicts of interest are immediately disclosed to the Supervisory Board and brought to the attention of the other members of the Executive Board. Secondary employment requires the prior approval of the Supervisory Board.

The Supervisory Board is responsible for appointing and dismissing members of the Executive Board. In doing so, the Supervisory Board observes the targets set by the German Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector, as well as the age limit for members of the Executive Board (the statutory retirement age) specified in the Rules of Procedure for the Supervisory Board. The Supervisory Board regularly deals with long-term succession planning, at least once a fiscal year, in order to identify and develop suitable female and male candidates in advance and to fill vacancies with the most suitable candidate as quickly as possible.

Vossloh AG has taken out directors' and officers' liability insurance (D&O insurance) for the members of the Executive and Supervisory Boards. The deductible for members of the Executive Board amounts to 10 % of the loss up to one and a half times the fixed annual remuneration of the respective member.

Supervisory Board

The Supervisory Board of Vossloh AG has six members and is composed in accordance with the provisions of the German Stock Corporation Act (Aktiengesetz) and the One-Third Employee Participation Act (Drittelbeteiligungsgesetz). It consists of two-thirds shareholders and one-third employee representatives.

In accordance with the recommendations of the GCGC, the shareholder representatives were elected individually. The terms of office of all current Supervisory Board members end at the end of the Annual General Meeting in 2028, which will decide on the discharge for the 2027 fiscal year. Further information on the members of the Supervisory Board of Vossloh AG, including the duration of their membership, can be found on page 157.

The Supervisory Board monitors and advises the Executive Board in its management of the business and discusses business development, planning, strategy and its implementation, as well as specific sustainability issues, risk management and compliance issues with it at regular intervals. It approves the annual budget, adopts the annual financial statements of Vossloh AG, approves the consolidated financial statements and decides on the approval of related party transactions in accordance with Section 111b German Stock Corporation Act (AktG). In addition, certain significant transactions and measures regulated in the Rules of Procedure for the Executive Board require the approval of the Supervisory Board. The working procedures of the Supervisory Board are governed by rules of procedure, which are available on the company's website at www.vossloh.com/de/investor-relations/corporate-governance/supervisory-board.

At its meeting on November 24, 2022, the Supervisory Board last specified the concrete objectives for its composition and reviewed and updated the skills profile for the full Board on November 23, 2023. The „Requirements and Objectives for the Composition of the Vossloh Aktiengesellschaft Supervisory Board“ are published on the company's website at www.vossloh.com/de/investor-relations/corporate-governance/supervisory-board and also include the diversity concept. With regard to diversity, the Supervisory Board strives to take into account different professional and international experiences and, in particular, the appropriate participation of all genders in its composition. On November 25, 2021, the Supervisory Board set a target of at least 16.67 % (one member) for the proportion of women on the Supervisory Board for the target period from December 15, 2021 to December 14, 2026. This target is currently being met.

Further requirements and objectives of the Supervisory Board for its composition relate to the competencies of the Board as a whole, the independence of the members, potential conflicts of interest, time availability, an age limit (generally 70 years) and the duration of membership of the body (generally no longer than three terms of office). In the opinion of the Supervisory Board, the current composition of the complete Board fulfills the aforementioned requirements and objectives. The individual members contribute their professional and personal qualifications to the Supervisory Board as follows:

	Prof. Dr. Rüdiger Grube	Ulrich M. Harnacke	Dr. Roland Bosch	Martin Klaes	Marcel Knüpfer	Dr. Bettina Volkens
Management and monitoring of medium-sized or large, international companies						
Industry and corresponding value chains						
Research and development (particularly in the area of relevant technologies for Vossloh)						
Production, marketing, sales						
Significant markets for Vossloh						
Capital market						
Corporate transactions (Mergers & Acquisitions)						
Sustainability (Environment, Social)						
Accounting and financial reporting						
Auditing						
Controlling, risk management						
Corporate Governance, Compliance						
Supervisory Board member since	2/2020	5/2015	5/2020	5/2023	6/2020	5/2020

To ensure the independence of its members, the Supervisory Board has stipulated in accordance with recommendation C.7 of the GCGC that more than half of the shareholder representatives should be independent of the company and the Executive Board. In accordance with recommendation C.9 Sentence 2 of the GCGC, at least one shareholder representative should be independent of the majority shareholder of Vossloh AG. As at December 31, 2024, the Supervisory Board considered all shareholder representatives (100 %) on the Supervisory Board to be independent within the meaning of recommendations C.7 and C.9 of the GCGC.

The work of the Supervisory Board takes place both in plenary sessions and in the three committees that the Supervisory Board has currently formed to increase the efficiency of its activities. The chairmen of the committees report on the topics discussed and the results of the discussions at the meeting of the full Supervisory Board following the respective committee meeting.

The Personnel Committee consists of four members, namely Prof. Dr. Rüdiger Grube, Dr. Bettina Volkens, Mr. Ulrich M. Harnacke and Mr. Marcel Knüpfer. The Personnel Committee is primarily responsible for matters relating to the Executive Board. In principle, it prepares the personnel decisions, as well as the resolutions and reviews of the complete Supervisory Board with regard to the remuneration system and the total remuneration of the individual members of the Executive Board. The Chairman of the Supervisory Board, Prof. Dr. Rüdiger Grube, is also Chairman of the Personnel Committee and is considered independent within the meaning of recommendation C.10 of the GCGC.

The members of the Audit Committee are Mr. Ulrich M. Harnacke, Dr. Roland Bosch and Mr. Marcel Knüpfer. The Chairman of the Audit Committee is Mr. Ulrich M. Harnacke. The Audit Committee is responsible, in particular, for monitoring accounting, the accounting process, the appropriateness and effectiveness of the internal control system and the risk management system, the internal audit system, the auditing of the financial statements and compliance. The Audit Committee prepares the Supervisory Board's review of the separate and consolidated financial statements, the combined management report and the audit reports of Vossloh AG and the Vossloh Group. The quarterly statements and the half-year financial report are discussed jointly by the Audit Committee and the Executive Board prior to publication. The Audit Committee submits recommendations to the Supervisory Board for the appointment of the auditor, issues the audit mandate for the annual financial statements and the consolidated financial statements, as well as for the review of the interim financial reports and, together with the auditor, determines the focal points of the audit. The Chairman of the Audit Committee is also in regular contact with the auditor outside of the Audit Committee meetings and discusses the progress of the audit in particular. The Audit Committee also receives regular reports directly from Internal Audit and the Chief Compliance Officer. In addition, the members of the Audit Committee exercise their right to information in accordance with Section 107 (4) Sentence 4 German Stock Corporation Act (AktG). The Audit Committee also performs the duties set out in Section 111a Sentences 1 and 2 German Stock Corporation Act (AktG) with regard to the audit of related party transactions. Members of the Audit Committee have expertise in the areas of accounting and auditing, including sustainability reporting. Mr. Ulrich M. Harnacke is a tax consultant and auditor, as well as a former managing director of Deloitte GmbH and a former member of the Executive Board of BDO AG. As a financial expert with knowledge in the field of auditing and accounting, he fulfills the requirements of Section 100 (5) German Stock Corporation Act (AktG) and recommendation D.3 of the GCGC; this also includes sustainability reporting and its audit. It is also to be regarded as independent within the meaning of recommendation C.10 of the GCGC. Dr. Roland Bosch is Commercial Director of WOLFF & MÜLLER Holding GmbH & Co. KG and former Chief Executive Officer (CEO) of Deutsche Bahn Cargo AG. Among other things, he has expertise in the field of accounting (Section 100 [5] German Stock Corporation Act [AktG], Recommendation D.3 of the GCGC), including sustainability reporting and its audit.

The task of the Nomination Committee, which consists of the four shareholder representatives, namely Prof. Dr. Rüdiger Grube, Dr. Bettina Volkens, Dr. Roland Bosch and Mr. Ulrich M. Harnacke, is both long-term succession planning for the Supervisory Board and the preparation of candidate proposals for shareholder representatives on the Supervisory Board. The Supervisory Board decides on the election proposals to be submitted to the Annual General Meeting for a decision. The Chairman of the Nomination Committee is Prof. Dr. Rüdiger Grube.

The Supervisory Board regularly assesses the efficiency of its activities and its committees. The Supervisory Board makes use of external support or carries out a self-evaluation. The last review of the performance of the Supervisory Board as a whole and its committees took place with external and independent support in October 2024 and showed consistently positive results. The focal points of the efficiency audit included committee work, the content of meetings, the composition of the Supervisory Board, reporting by and communication with the auditor, the composition and work of the committees and current topics such as sustainability, diversity and succession planning.

Each member of the Supervisory Board is obliged to act in the interests of the company. Possible conflicts of interest must be reported to the Chairman of the Supervisory Board without delay. Members of the Supervisory Board are excluded from exercising their voting rights on Supervisory Board resolutions concerning themselves or persons or companies related to them. With the exception of the employee representatives as part of their contractual remuneration, no member of the Supervisory Board has received any remuneration or benefits from a Vossloh Group company for personal services rendered in addition to their remuneration as a Supervisory Board member. Former members of the Executive Board of Vossloh AG are not members of the Supervisory Board.

Compliance

Vossloh understands compliance to mean compliant behavior in accordance with all applicable laws and internal company guidelines. As a global company with a tradition going back some 140 years, Vossloh bears social responsibility towards its customers, partners, employees, investors and the public. This social responsibility includes ensuring that Vossloh and all its employees comply with applicable laws, respect basic ethical values and act in an exemplary manner at all times and everywhere in their work for the company.

The Executive Board of Vossloh AG has summarized these principles unequivocally in its Compliance Commitment, which states, among other things: "Compliance with the law has absolute priority over closing a deal or achieving internal targets. We would rather forgo a business opportunity than violate the law. We will not tolerate any violation of the law or of our internal guidelines and policies and will sanction any such behavior (zero tolerance policy)." The Compliance Commitment is also published on the company's website. The Executive Board of Vossloh AG has established a Compliance Management System for the Vossloh Group. Vossloh's Compliance Management System is designed to identify risks arising from compliance violations and to minimize these risks through appropriate measures, in order to prevent damage to Vossloh and its employees. The prevention of corruption and strict compliance with competition law regulations are a particular focus.

Since 2007, Vossloh's Compliance Management System has been based on the Vossloh Code of Conduct, which specifies the value of integrity and is binding for the entire Group and all company employees. The Code of Conduct was extensively revised and further developed in 2016. The current version is published on the company's website. Together with the compliance guidelines that apply equally throughout the Group, this provides all employees with a set of rules that offers guidance for their daily work and helps them to make lawful and correct decisions. The compliance regulations are available in the main Group languages and have been distributed to all Vossloh Group employees worldwide. Based on a compliance training concept, all employees receive regular training on compliance issues tailored to their target group. Vossloh has also set up a compliance e-learning program for all employees with a computer workstation.

To implement and monitor compliance, the Executive Board has set up a Compliance Organization and defined its structure, the responsibilities and tasks of the individual compliance functions and their reporting channels in „Compliance Rules of Procedure“. The Vossloh Compliance Organization consists of the Chief Compliance Officer (supported by a Compliance Office) and the Group Compliance Committee at the level of Vossloh AG, Compliance Officers and Compliance Committees in the business units and Local Compliance Officers in the operating companies. The Chief Compliance Officer reports regularly to the Executive Board and Supervisory Board.

Together with an international law firm, Vossloh has set up a whistleblower hotline to uncover possible compliance violations. The whistleblower hotline gives company employees and external whistleblowers the opportunity to report possible misconduct to an independent, external contact person (ombudsperson). The whistleblower hotline has so far been set up for 24 countries. As such, the main regions and the languages spoken within the Vossloh Group are essentially covered. The Chief Compliance Officer follows up every report and initiates any necessary measures. The same applies to information that employees can provide via internal reporting channels; for example, they can contact the Compliance Office of Vossloh AG directly.

The Chief Compliance Officer and the Group Compliance Committee continuously review the group-wide appropriateness and effectiveness of the Compliance Management System. In the 2024 fiscal year, the Executive Board decided to subject the Compliance Management System to another external review – in relation to the subsections of antitrust law and anti-corruption – in accordance with IDW PS 980 as amended (new version; 09.2022) following the last external review and confirmation by KPMG AG Wirtschaftsprüfungsgesellschaft in the 2017 fiscal year, and once again commissioned KPMG AG Wirtschaftsprüfungsgesellschaft for this purpose. This audit was started in the 2024 fiscal year with the Readiness Check and will be completed in 2025 with the Adequacy and Effectiveness Audit. Further measures on the appropriateness and effectiveness of the Vossloh Group's Compliance Management System are described on pages 132 et seqq.

The Group Compliance Committee regularly initiates incident-unrelated audits, usually with the support of external auditors, and conducted risk dialogs in recent years up to the end of the reporting year in order to review the appropriateness and effectiveness of the Compliance Management System in the Group companies and to identify new or changed risks and any opportunities for improvement. At the end of the 2024 fiscal year, the Group Compliance Committee decided to discontinue the previous risk dialogs and replace them with a software-based risk assessment for all Group companies. The software-supported query was initiated for the first time at the end of 2024.

Risk and control management

The principles of good corporate governance include dealing responsibly with business risks, as well as with the ecological and social impact of the company's activities and the sustainability goals derived from them. The Executive Board of Vossloh AG and the management teams of the Vossloh Group have access to group-wide and company-specific reporting and control systems that ensure the recording, assessment and management of these risks, including sustainability-related data. The systems are continuously reviewed for their effectiveness, adapted to changing requirements if necessary and reviewed and assessed by the auditor as part of the statutory audit mandate. As described above, the Supervisory Board and Audit Committee are regularly informed and involved in the risk management process. Details on risk management in the Vossloh Group can be found in the Risk and Opportunity Report section (from page 43). It also contains the report on the accounting-related internal control and risk management system. Details on sustainability can be found in the Group Sustainability Statement (from page 58).

Declaration of Conformity

In 2024, the Executive Board and Supervisory Board of Vossloh AG again dealt in detail with the recommendations of the GCGC. The corporate governance practiced at Vossloh is regularly reviewed accordingly.

The Executive Board and Supervisory Board issued the following declaration of conformity in December 2024:

Declaration of Conformity by the Executive Board and the Supervisory Board of Vossloh Aktiengesellschaft with regard to the German Corporate Governance Code

Vossloh Aktiengesellschaft currently complies with all recommendations of the German Corporate Governance Code in the version of April 28, 2022, published by the German Federal Ministry of Justice in the official section of the Federal Gazette on June 27, 2022 (DCGK), with the exceptions set out below and will continue to comply with these recommendations with the exceptions set out below in the future.

Recommendation C.4: "A Supervisory Board member who is not a member of any Executive Board of a listed company shall not accept more than five Supervisory Board mandates at non-group listed companies or comparable functions, with an appointment as Chairman of the Supervisory Board being counted twice."

Explanation: In addition to his mandate as Chairman of the Supervisory Board of Vossloh AG, the Chairman of the Supervisory Board, Prof. Dr. Grube, holds more than five Supervisory Board mandates at listed companies or comparable functions. The Supervisory Board is of the opinion that the question of whether a member has sufficient time for their mandate must be assessed on a case-by-case basis. In the opinion of the Executive Board and the Supervisory Board, Prof. Dr. Grube makes an extremely valuable contribution to the company, not least on account of his outstanding expertise and many years of experience in the industry, and this contribution is not lessened by his additional mandates. In particular, Prof. Dr. Grube has sufficient time available to conscientiously fulfill his responsibilities as the Chairman of the company's Supervisory Board.

Recommendation G.7: "Referring to the forthcoming financial year, the Supervisory Board shall establish the performance criteria for each Executive Board member covering all variable remuneration components; besides operating targets, the performance criteria shall be geared mainly towards strategic goals. The Supervisory Board shall determine to what extent individual targets for each Executive Board member – or targets for the entire Executive Board as a whole – are decisive for the variable remuneration components."

Explanation: The company intends to grant the members of the Executive Board a special bonus for the financial year 2024 on the contractual basis provided for in the remuneration system currently still in force. This shall adequately take into account the performance of the members of the Executive Board in the ongoing financial year, including the agreement to acquire Sateba Group. The Supervisory Board also considered the fact that the transaction costs for the acquisition of Sateba Group were already incurred in the current financial year, but closing of the acquisition is scheduled to occur in the next financial year, which could not be taken into account when setting the targets for the ongoing financial year. As part of a review of the remuneration of the Executive Board on December 13, 2024, the Supervisory Board adopted a revised remuneration system for the Executive Board, which will be proposed for approval by the Annual General Meeting 2025 and will be effective from the financial year 2025. The revised remuneration system will no longer provide for the possibility to grant special bonuses. At the same time, however, it is intended to establish the option to make adjustments for extraordinary developments and special effects in line with recommendation G.11 of the DCGK.

Recommendation G.8: "Subsequent changes to the targets or comparison parameters shall be excluded."

Explanation: In connection with the revision of the remuneration system, the contractually agreed weighting of the benchmark indices for determining the relative performance of the Vossloh share as part of the Executive Board members' long-term variable remuneration shall be changed. The new weighting will be applicable not only to future remuneration tranches but also to current tranches of the multi-year bonus, thereby creating a consistent basis. In addition to other performance targets, the incentives for members of the Executive Board will continue to be based on the performance of the company's share price.

Recommendation G.9 S. 1: "After the end of every financial year, the Supervisory Board shall establish the amount of individual variable remuneration to be granted, depending on target achievement."

Explanation: In view of the special bonuses to be granted for the financial year 2024, which are thus not linked to the performance targets set for the financial year 2024, a deviation from the recommendation in G.9 sentence 1 of the DCGK shall be declared as a precautionary measure.

Recommendation G.10: "Taking the respective tax burden into consideration, Executive Board members' variable remuneration shall be predominantly invested in company shares by the respective Executive Board member or shall be granted as share-based remuneration. Granted long-term variable remuneration components shall be accessible to Executive Board members only after a period of four years."

Explanation of the departure from sentence 1: The Supervisory Board has considered the share price-based components of the variable remuneration of the Executive Board, which currently account for approx. one-third of the variable Executive Board remuneration, as being generally sufficient. However, Vossloh will comply with sentence 1 of recommendation G.10 for the period from January 1, 2025. As described above, the Supervisory Board adopted a revised remuneration system for the Executive Board on December 13, 2024, which will be proposed for approval by the Annual General Meeting 2025 and will be effective from the financial year 2025. This remuneration system shall mainly provide for share-based amounts granted in the form of a virtual performance share plan as part of the variable remuneration.

Explanation of the departure from sentence 2: In light of the recommendation of the DCGK that the first-time appointment of Executive Board members should not exceed a period of three years – a recommendation that is regularly practiced by the company – the Supervisory Board does not believe that a four-year measurement period for the long-term variable remuneration of Executive Board members (or a distribution prohibition of one year directly following the three-year measurement period) would be appropriate.

Furthermore, since the issuance of the previous declaration of conformity in November 2023, Vossloh AG has complied with all recommendations of the German Corporate Governance Code in the version dated April 28, 2022, with the exception of the deviations from recommendations C.4, G.7, G.8, G.9 sentence 1 and G.10 set out above.

The current and previous years' declarations of conformity are permanently available on Vossloh AG's website.

Shareholders and Annual General Meeting

Vossloh AG's stockholders exercise their rights and voting rights at the Annual General Meeting. The Annual General Meeting is usually chaired by the Chairman of the Supervisory Board. The Annual General Meeting passes resolutions with binding effect on all matters assigned to it by law, in particular, on the appropriation of net profit, the discharge of the Executive Board and Supervisory Board, the election of the auditor and the approval of the remuneration report. Each Vossloh share entitles the holder to one vote at the Annual General Meeting. Shareholders have the option of exercising their voting rights at the Annual General Meeting themselves or having them exercised by an authorized representative of their choice or by a proxy appointed by the company who is bound by instructions. The voting results can be viewed on the company's website immediately after the Annual General Meeting.

Investor Relations

Vossloh AG ensures that shareholders and other capital market participants are informed promptly, efficiently and with the same content. All information published by Vossloh AG about the company is published immediately on the company's website at www.vossloh.com in German and English. This applies, in particular, to the Annual Report, the half-year financial report, the interim reports on the quarters and the invitation to the Annual General Meeting. The scheduled dates of the main recurring events and publications, namely the Annual General Meeting, Annual Report, interim reports and announcements, are compiled in a financial calendar that is published on Vossloh AG's website well in advance. The consolidated financial statements are publicly accessible within 90 days of the end of the fiscal year, while the half-year financial report and interim reports are publicly accessible within 45 days of the end of the reporting period at the latest. In accordance with Article 17 of the Market Abuse Regulation, any insider information concerning Vossloh that arises or becomes known outside the scope of regular reporting and is likely to have a significant impact on the price of Vossloh stock is disclosed in ad hoc announcements. The website www.vossloh.com also offers extensive and up-to-date information on the Vossloh Group and Vossloh stock.

Accounting and auditing

The Vossloh Group's accounting is based on the International Financial Reporting Standards (IFRS) applicable in the EU. Vossloh AG's annual financial statements are prepared in accordance with the statutory provisions of the German Commercial Code (HGB). Both the consolidated financial statements in accordance with IFRS and the separate financial statements in accordance with German accounting regulations were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, which was elected as auditor by the Annual General Meeting 2024 at the proposal of the Supervisory Board, in accordance with the applicable German regulations and in compliance with the generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer [IDW]). The audit mandate was issued by the Audit Committee of the Supervisory Board in accordance with the recommendations of the GCGC. Particular attention was paid to ensuring that there is no doubt about the independence of the auditor. It was agreed with the auditors that they would report immediately on any findings and events of significance for the tasks of the Supervisory Board that arise during the performance of the audit and inform the Supervisory Board of any facts discovered in the process that could render the declaration on the GCGC incorrect. The audit did not reveal any indications of such facts. The condensed interim consolidated financial statements and the interim Group management report as at June 30, 2024 were reviewed by an auditor.

Participation of women and men in management positions

In accordance with legal requirements, the Supervisory Board and the Executive Board have adopted the following objectives for Vossloh AG (for the objectives for the Supervisory Board, see the "Supervisory Board" section above).

On November 25, 2021, the Supervisory Board resolved a target of 0 % for the next target period until December 14, 2026 for the Executive Board of Vossloh AG, which currently consists of three male members, and justified this as follows

"The Supervisory Board of Vossloh AG is aware of the legal requirements for the empowerment of women in management positions and its responsibility for gender equality. Accordingly, the Supervisory Board has set a target figure of 16.67 % for its own composition (corresponding to one woman on the full Board, which consists of six members and four shareholder representatives). Vossloh AG is not legally obliged to appoint a woman to the Executive Board. For the Executive Board, the Supervisory Board considers a voluntary commitment to a permanently binding target of greater than zero to be difficult to implement at present after weighing up all the circumstances.

The Supervisory Board regularly deals with long-term succession planning, at least once a fiscal year, in order to identify and develop suitable female and male candidates in advance and to fill vacancies with the most suitable candidate as quickly as possible. The Supervisory Board is committed to ensuring that the Executive Board actively promotes suitable female talent. However, a generally valid concept of diversity does not exist for the Executive Board – also in view of the small size of Vossloh AG's Executive Board. Instead, the Supervisory Board endeavors to find the most suitable candidate for vacant Executive Board positions in each individual case.

The appointment of the Executive Board is preceded by a systematic selection process that focuses on expertise and personality, in addition to a number of other aspects such as diversity in the composition of the Executive Board.

The Executive Board currently consists of highly qualified managers who are characterized by a long-standing relationship with Vossloh AG and a profound knowledge of the subject matter for which they are responsible. In the future, the Supervisory Board would also like to have the freedom to appoint the relatively small Executive Board of Vossloh AG in accordance with the aforementioned principles of selecting the best candidates. Furthermore, there are comparatively few women working in the rail industry as a whole and in related industries, especially those with relevant management experience. Vossloh AG also experiences and regrets this fact when recruiting for (management) positions below the Executive Board level, as women are generally strongly underrepresented among applicants. In the opinion of the Supervisory Board, it is, therefore, not guaranteed that a voluntary commitment to a minimum participation of women is compatible with maintaining the selection of the best. This applies all the more in view of the small size of the Executive Board."

Female candidates were also considered as part of the selection process in preparation for the last personnel changes to the Executive Board in November 2020. In March 2023, the Supervisory Board extended the terms of office and contracts of Dr. Thomas Triska and Mr. Jan Furnivall for a further five years each until 31 October 2028. The extension of Mr. Oliver Schuster's term of office and contract for a further five years until 28 February 2030 was resolved before the end of the current appointment period in March 2024. There are currently no plans to change the composition of the Executive Board.

On November 25, 2021, the Executive Board of Vossloh AG set targets for the proportion of women at the first and second management levels below the Executive Board of 25 % each, with a deadline of December 14, 2026. The target as at December 31, 2024 for the first management level was exceeded at 30.8 % and for the second management level at 40.0 %.

Remuneration of the Executive Board and Supervisory Board

At www.vossloh.com/de/investor-relations/corporate-governance/verguetung the remuneration system for the members of the Executive Board pursuant to Section 87a (1) and (2) German Stock Corporation Act (AktG), which was approved by the Annual General Meeting on May 15, 2024, and the remuneration system for the members of the Executive Board that has been in force since January 1, 2025, which was resolved by the Supervisory Board on December 13, 2024 and is still to be approved by the Annual General Meeting.

The remuneration system for the members of the Supervisory Board adopted by the Annual General Meeting on May 24, 2023 in accordance with Section 113 (3) German Stock Corporation Act (AktG) is also available at the same Internet address. The remuneration report 2024 together with the auditor's report in accordance with Section 162 German Stock Corporation Act (AktG) can be found on pages 219 et seqq. of the Vossloh Annual Report. It will be available on the company's website, as will the most recent resolutions of the Annual General Meeting on the remuneration system and the remuneration report. The remuneration system for Executive Board members makes a significant contribution to promoting and implementing the Vossloh Group's corporate strategy, namely strengthening the product business and further expanding the digital service business with the aim of sustainably increasing the value of the company.

Statutory takeover-related disclosures pursuant to Section 289a and Section 315a German Commercial Code (HGB)

The provisions of Sections 289a and 315a German Commercial Code (HGB) require that the following takeover-related disclosures be made as of December 31, 2024.

Composition of the subscribed capital

The company's subscribed capital (capital stock) amounts to €54,843,447.62. It is distributed across 19,320,597 no-par-value ordinary shares.

Restrictions on voting rights and share transferability

All shares carry the same rights. Each share grants one vote at the Annual General Meeting. The Executive Board of the company is not aware of any restrictions on voting rights or share transferability.

Shareholding in excess of 10 % of the voting rights

On the basis of the notifications of voting rights submitted to the company in accordance with the provisions of the German Securities Trading Act (WpHG), an interest in the company's capital that exceeds 10 % of the voting rights exists. KB Holding GmbH, Oberhaching, Germany, holds 50.09 % of the voting rights in Vossloh AG. According to the voting rights exists notifications, these voting rights are attributable to TIB Vermögens- und Beteiligungsholding GmbH, Oberhaching, Germany, Stella Vermögensverwaltung GmbH, Oberhaching, Germany, and Heinz Hermann Thiele Familienstiftung, Munich, Germany, in accordance with Section 34 (1) German Securities Trading Act (WpHG).

Shares with special rights or rights of control

There are no shares with special rights or rights of control.

Voting control of employee shareholdings

Employees who are shareholders in the company exercise their control rights like other shareholders in accordance with the statutory provisions and the Articles of Incorporation.

Appointment/dismissal of Executive Board members; amendments to the Articles of Incorporation

Vossloh AG's Executive Board members are appointed or dismissed in accordance with the provisions of Sections 84, 85 German Stock Corporation Act (AktG) in conjunction with Article 7 of the Articles of Incorporation. Pursuant to Section 84 (1) German Stock Corporation Act (AktG), Executive Board members are appointed by the Supervisory Board. The maximum term of office is five years, and reappointment for an extension of the term of office is permitted. The appointment of an Executive Board member may be revoked in accordance to Section 84 (4) German Stock Corporation Act (AktG).

According to Section 179 (1) German Stock Corporation Act (AktG), the Articles of Incorporation may be amended by a resolution of the Annual General Meeting. Pursuant to Article 21 (2) of the Articles of Incorporation but subject to overriding statutory provisions to the contrary, the Annual General Meeting may pass its resolutions with the simple majority of votes cast. If the law prescribes a capital majority in addition to a majority of votes, a simple majority of the share capital present at the time the resolution is passed is sufficient, unless the law or the Articles of Incorporation prescribe otherwise. Section 27 of the Articles of Incorporation authorizes the Supervisory Board to resolve amendments to the Articles of Association that only affect the wording. Article 4 (4) of the Articles of Incorporation further entitles the Supervisory Board to update the Articles of Incorporation accordingly after the capital stock has been increased by utilizing authorized or contingent capital.

Authority of the Executive Board to issue and buy back shares

Authorized capital

The Executive Board is authorized to increase the share capital by up to a total of €19,943,075.72 by issuing bearer shares against cash and/or non-cash contributions on one or more occasions with the approval of the Supervisory Board until May 26, 2025 (Authorized Capital 2020).

The shareholders are entitled to subscription rights. The shares may also be taken over by one or more credit institutions with the obligation to offer them to the shareholders for subscription. The Executive Board is authorized, however, subject to consent of the Supervisory Board, to exclude the subscription rights of shareholders in the following instances:

- (i) To exclude fractional amounts resulting from the subscription ratio from the subscription right;
- (ii) In order to grant the holders – or, in the case of registered securities, the creditors – of conversion and/or option rights or a conversion obligation outstanding at the time the Authorized Capital 2020 is utilized, relating to convertible bonds and/or options to be issued in future by the company or one of its wholly owned subsidiaries, a subscription right to new shares to the extent to which they would be entitled as shareholders after exercising the conversion and/or option rights or after fulfilling a conversion obligation;
- (iii) In the case of capital increases against cash contributions, if the issue price of the new shares is not significantly lower than the stock exchange price of the already listed shares of the same class at the time the issue price is finally fixed and the total number of shares issued does not exceed 10 % of the share capital neither at the time this authorization becomes effective nor at the time it is exercised. The following are counted towards this capital limit: (1.) the sale of treasury shares, insofar as this takes place during the term of this authorization with the exclusion of subscription rights in accordance with Section 186 (3) Sentence 4 German Stock Corporation Act (AktG); (2.) those shares that are issued or are to be issued to service bonds with conversion and/or option rights or a conversion obligation, insofar as the bonds are issued during the term of this authorization with the exclusion of subscription rights in corresponding application of Section 186 (3) Sentence 4 German Stock Corporation Act (AktG); and (3.) those shares that are issued during the term of this authorization on the basis of other capital measures with the exclusion of subscription rights in accordance with or in corresponding application of Section 186 (3) Sentence 4 German Stock Corporation Act (AktG);
- (iv) In the case of capital increases against contributions in kind.

The authorizations contained in the above paragraphs (i) to (iv) to exclude subscription rights in the case of capital increases against cash and/or contributions in kind are limited to an amount not exceeding 10 % of the share capital, either at the time this authorization becomes effective or at the time this authorization is exercised. The aforementioned 10 % limit must also be taken into account: (1.) treasury shares that are sold during the term of this authorization with the exclusion of subscription rights; (2.) those shares that are issued to service bonds, provided that the bonds were issued during the term of this authorization with the exclusion of shareholders' subscription rights; and (3.) those shares that were issued during the term of this authorization on the basis of other capital measures with the exclusion of shareholders' subscription rights.

The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and the conditions of the share issue.

Further details of the authorization can be found in Article 4 of the Articles of Incorporation.

Issue of bonds

The company's Annual General Meeting on 15 May 2024 authorized the Executive Board, with the approval of the Supervisory Board, to issue bearer or registered convertible bonds and/or bonds with warrants, profit participation rights and/or income bonds (including hybrid bonds in each case) (or combinations of these instruments) up to 14 May 2029 in a total nominal amount of up to bonds (or combinations of these instruments) with a total nominal value of up to €150,000,000 and to grant the holders or creditors of the bonds conversion or option rights to a total of up to 1,756,418 no-par value bearer shares in the company with a pro rata amount of the share capital totaling up to €4,985,768. The bonds may be issued against cash and/or non-cash contributions.

The shareholders are generally entitled to a subscription right to the bonds. However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights

- (i) insofar as the bonds are issued against cash payment and the Executive Board, after due examination, comes to the conclusion that the issue price of the bonds is not significantly lower than their theoretical fair value calculated using recognized, in particular financial mathematical methods. This authorization to exclude subscription rights applies to bonds with conversion and option rights or conversion or option obligations on shares with a proportionate amount of the share capital that may not exceed a total of 10 % of the company's share capital, either at the time this authorization becomes effective or – if this amount is lower – at the time this authorization is exercised. Shares in the company that are issued or sold during the term of this authorization with the exclusion of shareholders' subscription rights pursuant to or in accordance with Section 186 (3) Sentence 4 German Stock Corporation Act (AktG) are to be counted towards this maximum limit of 10 % of the share capital. The above offsetting against the maximum limit shall cease to apply when a new authorization to exclude shareholders' subscription rights pursuant to or in accordance with Section 186 (3) Sentence 4 German Stock Corporation Act (AktG), as far as the new authorization extends, but up to a maximum of 10 % of the share capital in accordance with the provisions of Sentence 2 of this paragraph, is resolved by the Annual General Meeting after the reduction has taken effect;
- (ii) insofar as the bonds are issued against non-cash contributions;
- (iii) to the extent necessary to grant the holders of bonds a subscription right to the extent to which they would be entitled after exercising the conversion or option right or after fulfilling the conversion or option obligation;
- (iv) to exclude fractional amounts from the subscription right.

The authorizations to exclude subscription rights contained in the above paragraphs are to be applied to other shares in the company that are issued or sold during the term of this authorization with the exclusion of shareholders' subscription rights or that are issued or are to be issued to service bonds with conversion or option rights or with conversion or option obligations, provided that these bonds were issued during the term of this authorization with the exclusion of subscription rights (with the exception of issuance with the exclusion of subscription rights for fractional amounts), limited to a pro rata amount of 10 % of the share capital at the time this authorization becomes effective or – if this value is lower – at the time this authorization is exercised. The above offsetting against the maximum limit shall cease to apply when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting after the reduction comes into effect, insofar as the new authorization extends, but up to a maximum of 10 % of the share capital in accordance with the provisions of Sentence 1 of this paragraph.

Further details of the authorization and the Conditional Capital 2024 created to service it can be found in the authorization resolution of the Annual General Meeting on 15 May 2024 and Article 4 of the Articles of Incorporation.

Purchase of treasury shares

The company's Annual General Meeting on 15 May 2024 authorized the Executive Board to acquire treasury shares in the company until 14 May 2029 in the total amount of up to 10 % of the share capital existing at the time the aforementioned authorization takes effect or – if this amount is lower – of the share capital existing at the time the aforementioned authorization is exercised for any permissible purpose within the scope of the statutory restrictions and in accordance with the provisions of the authorization of the Annual General Meeting. The acquisition may be made, at the discretion of the Executive Board,

- a) via the stock exchange,
- b) by means of a public purchase offer addressed to all shareholders,
- c) by means of a public invitation to all shareholders to submit offers to sell; or
- d) by means of the granting of put options.

The company's Annual General Meeting on 15 May 2024 also authorized the Executive Board to use the treasury shares acquired on the basis of the authorization for all legally permissible purposes, in particular, as follows:

- (i) Sale via the stock exchange or, with the approval of the Supervisory Board, by means of a public offer to all shareholders in proportion to their shareholding.
- (ii) Sale with the approval of the Supervisory Board for cash at a price that is not significantly lower than the stock market price of the company's shares at the time of sale.
- (iii) Sale with the approval of the Supervisory Board in return for non-cash contributions.
- (iv) Servicing acquisition obligations or acquisition rights to shares in the company arising from or in connection with convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) issued by the company or its affiliated companies within the meaning of Section 18 German Stock Corporation Act (AktG).
- (v) Granting subscription rights to holders or creditors of convertible bonds, bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) with option and/or conversion rights and/or obligations issued by the company's affiliated companies within the meaning of Section 18 German Stock Corporation Act (AktG) to compensate for dilution.
- (vi) Redemption without the redemption or implementation requiring a further resolution by the Annual General Meeting.
- (vii) Issue in connection with share-based remuneration or employee share programs of the company or its affiliated companies to persons who are or were in an employment relationship with the company or one of its affiliated companies, as well as to board members of companies affiliated with the company.

Shareholders' subscription rights to treasury shares are excluded insofar as the shares are used in accordance with the authorizations in items (i) to (v) and (vii). In total, the sum of the shares sold with the exclusion of subscription rights, taking into account other shares of the company that are issued or sold during the term of this authorization with the exclusion of shareholders' subscription rights or that are issued or are to be issued to service bonds with conversion or option rights or with conversion or option obligations, provided that these bonds were issued during the term of the authorization with the exclusion of subscription rights (with the exception of issuance with the exclusion of subscription rights for fractional amounts), may not exceed a pro rata amount of 10 % of the share capital, either at the time the authorization becomes effective or – if this value is lower – at the time the authorization is exercised. The above offsetting against the maximum limit shall cease to apply when a new authorization to exclude shareholders' subscription rights resolved by the Annual General Meeting after the reduction comes into effect, insofar as the new authorization extends, but up to a maximum of 10 % of the share capital in accordance with the provisions of Sentence 2 of this paragraph.

Further details of the authorization can be found in the authorization resolution of the Annual General Meeting on 15 May 2024.

As of December 31, 2024, the company did not hold any treasury shares.

Agreements upon of a change of control

The company has eleven significant agreements that are subject to a change of control.

In ten of these agreements, a change of control means that a person or group of persons acting together – with the exception of the descendants, spouses, heirs, foundations or other beneficiaries of the last will and testament of Mr. Heinz Hermann Thiele – directly or indirectly acquires more than 50 % of the capital shares or voting rights in the company:

- a syndicated loan agreement with Bayerische Landesbank, BNP Paribas S.A. Niederlassung Deutschland, Commerzbank AG, Deutsche Bank AG, HSBC Continental Europe S.A., Germany, Landesbank Baden-Württemberg, Landesbank Hessen-Thüringen Girozentrale and Skandinaviska Enskilda Banken AB (publ) Frankfurt Branch, including the sub-credit line agreements concluded on this basis: In the event of a change of control, each individual bank has the right to terminate the portion of the loan attributable to it within 30 days of notification. In the event of a termination, the outstanding balance, including accrued interest, are due and payable within a period of at least 15 days;
- a guarantee credit agreement with Skandinaviska Enskilda Banken AB (publ) Frankfurt Branch: In the event of a change of control, the bank has an extraordinary right of termination. In the event of a termination, the outstanding balance, including accrued interest, is immediately due and payable;
- a deposit insurance contract with Tryg Deutschland, a branch of Tryg Forsikring A/S: In the event of a change of control, the insurer has the right to terminate the contract without notice within 30 days of becoming aware of it. If the policy is canceled, the insurer is entitled to demand collateral for outstanding guarantees in the form of a cash deposit;
- a hybrid bond arranged by M.M. Warburg & Co. und Jefferies GmbH: In the event of a change of control, the bond gives the issuer the right to call the bond and demand repayment of the outstanding amounts, including accrued interest, at a date to be specified. If the issuer does not exercise this right, the interest rate used to calculate the accrued interest is increased by 500 basis points;

- a loan agreement with DZ Bank AG Deutsche Zentral-Genossenschaftsbank: In the event of a change of control, the parties must reach a satisfactory agreement to continue the loan relationship, if necessary under different conditions. If an agreement cannot be reached within one month, the bank is entitled to terminate the loan and any accrued interest without notice;
 - a Schuldschein loan arranged by Landesbank Hessen-Thüringen Girozentrale: In the event of a change of control, the loan agreement provides for the lender's right to demand payment of the outstanding amounts, including accrued interest, within 30 days of becoming aware of this;
 - two Schuldschein loans arranged by Bayerische Landesbank and Landesbank Baden-Württemberg: In the event of a change of control, the loan agreements provide for the lenders' right to demand payment of the outstanding amounts, including accrued interest, within 30 days of becoming aware of this;
 - a syndicated loan agreement with Commerzbank AG, Deutsche Bank AG, Landesbank Baden-Württemberg and Skandinaviska Enskilda Banken AB (publ) Frankfurt Branch: In the event of a change of control, each individual bank has the right to terminate the portion of the loan attributable to it within 30 days of notification. In the event of a termination, the outstanding balance, including accrued interest, are due and payable within a period of at least 15 days;
 - a surety insurance contract with Euler Hermes Deutschland, a branch of Euler Hermes SA: In the event of a change of control, the insurer has the right to terminate the contract without notice. If the policy is terminated, the insurer is entitled to demand collateral for outstanding guarantees in the form of a cash deposit;
- In a further agreement, a change of control essentially means the acquisition of more than 30 % of the voting rights by one or more persons acting jointly, whereby a change of control is deemed to have occurred in relation to the descendants, spouses, heirs, foundations or other beneficiaries of the last will and testament of Mr. Heinz Hermann Thiele if 50 % of the capital shares are exceeded:
- a guarantee credit agreement with Deutsche Bank AG: In the event of a change of control, negotiations are planned to continue the framework loan, if necessary under amended terms and conditions. After a change of control, the bank is not obliged to fund further utilizations.

Right of termination/compensation agreement in the event of a change of control

The current employment contracts of the current members of the Executive Board each provide for a right of termination for the Executive Board member in the event of a change of control. In this respect, a change of control means the publication of an offer document aimed at acquiring control over at least 30 % of the company's voting rights or the actual acquisition of such control. If the Executive Board member exercises his right of termination, he is entitled to a compensation payment for the remaining term of the employment contract (but for no longer than 24 months).

Workforce

As of December 31, 2024, the Vossloh Group had 4,321 employees¹ worldwide working towards the company's goals. This was 304 employees more than in the previous year (4,017 employees), which corresponds to an increase of 7.6 %.

Workforce-related performance indicators (based on the average number)

€ thousand	2024	2023
Personnel expenses per employee	67.6	63.8
Sales revenues per employee	288.5	303.6

The average number of employees in the past fiscal year was 4,194 compared to 3,999 in the 2023 fiscal year. The growth of 4.9 % is primarily attributable to the Lifecycle Solutions division and the holding company.

Personnel expenses

€ mill.	2024	2023
Wages and salaries	227.5	206.4
Social security expenses and charges	48.8	42.6
Pension expenses	7.2	6.2
Total	283.5	255.2

Divisions

The average number of employees is distributed across the divisions as follows. The following sales revenues were generated with the respective personnel expenses:

Geschäftsbereich	Number Ø employees		Personnel expenses per employee in €		Sales revenues per employee	
	2024	2023	2024	2023	2024	2023
Core Components	1,023	1,017	68.5	69.3	453.2	537.5
Customized Modules	2,319	2,290	59.0	54.7	242.0	234.7
Lifecycle Solutions	739	609	79.0	73.4	276.4	268.7

In addition, an average of 113 people (previous year: 84) were employed at Vossloh AG and at Vossloh RailWatch GmbH, which is not assigned to any business unit.

For more information, please refer to the sections "Occupational health and safety" and "HR strategy and HR management" in the Group Sustainability Statement.

¹ The number of employees is stated in this section on the basis of full-time equivalents.

Research and development

Vossloh is a technological leader in the rail infrastructure segments in which it operates. Innovation plays a decisive role in ensuring that the company remains competitive from a technological standpoint. In the interest of safety, Vossloh's products and services are subject to detailed technical specifications and standards that must be met. By the time products and services for rail infrastructure are ready for the market, they have usually been through years of (further) development and test phases, as well as complex approval procedures by independent testing organizations. Research and development projects at Vossloh are, therefore, usually scheduled to run for several years.

In order to permanently meet the specific expectations of customers in the individual market regions and to further strengthen its own competitive position, Vossloh is constantly investing in the further development and optimization of its products and services with structured innovation management. The group-wide innovation guidelines (Innovation Playbook) adopted in 2021 define principles and procedures. Vossloh intends to increase collaboration across business units to develop new products, services and business models and ensure that customers and suppliers – with their specific expertise – are involved more closely in research and development processes. After reviewing its production processes over recent years, the company is now implementing a range of measures which will provide ongoing efficiency gains, including modernization, increased automation and specialization.

One focus of innovation at Vossloh is digitalization as the link between hardware and services. The company uses specialized sensor systems to collect data about load levels and track condition and, since 2023, data on the condition of rail vehicles. Among other things, this data can be used to gain knowledge about the degree of wear and damage to track components. With this knowledge, disclosures can be made about which maintenance strategies should be applied and when. This can reduce the risk of component failure – and thus the unavailability of routes and infrastructure – during ongoing operations. The use of artificial intelligence also plays an important role in this context. It makes wear patterns recognizable, allowing failures of track components to be predicted and avoided through planned maintenance measures. Vossloh uses its systemic understanding of the track to meet the central customer need – increasing the availability of the rail track – and develops holistic solutions in cooperation with all business units. Under the guiding principle of "enabling green mobility", these ensure that the rail infrastructure is more robust and resilient and that track availability is increased, even though the demands on the rail network are constantly increasing.

At the same time, sustainability criteria such as low material usage and energy consumption, the use of secondary raw materials and recycling or the avoidance of emissions play an important role in Vossloh's research and development activities. Vossloh is increasingly developing energy-efficient, recyclable products that reduce the environmental impact and promote a sustainable circular economy. Based on life cycle analyses, all business units are working on solutions that reduce the ecological footprint of Vossloh products and services. Detailed information on this can be found in the Group Sustainability Statement on pages 58 et seqq.

A significant proportion of Vossloh's research and development efforts relate to specific customer contracts. Accordingly, these expenses are reported under cost of sales in the income statement and not under research and development (R&D). Expenses for the development of market-ready products are only capitalized if they satisfy the relevant criteria defined in IAS 38. Development costs that cannot be capitalized are shown as research and development costs if they are not reported under cost of sales.

In 2024, research and development expenses – including capitalized own work – totaled €16.6 million (previous year: €12.0 million). This corresponds to a share of around 1.4 % of Group sales (previous year: 1.0 %). At €4.4 million (previous year: €4.0 million), R&D expenses in the Core Components division were largely attributable to the Fastening Systems business unit. In the Customized Modules division, R&D expenses amounted to €7.0 million (previous year: €4.6 million). €4.0 million (previous year: €3.0 million) was attributable to the Lifecycle Solutions division, while €1.2 million (previous year: €0.4 million) was attributable to Vossloh AG and Vossloh RailWatch GmbH.

The capitalized additions from own work and from third-party deliveries or services in the 2024 fiscal year in the amount of €2.3 million (previous year: €1.6 million) mainly related to the Lifecycle Solutions division.

Vossloh Group – Research and development costs

€ mill.	2024	2023
Research and development costs	16.6	12.0
of which capitalized	2.3	1.6
Research and development expenses (income statement)	14.3	10.4
Amortization (of capitalized development costs)	0.9	0.6

Vossloh's research and development efforts in 2024 focused on creating new products and services that provide solutions to the major challenges currently facing the rail sector. This includes increasing the availability of rail tracks and developing solutions to deal with the consequences resulting from the increased load on tracks, such as wear and noise emissions. Vossloh also conducts research with a focus on extending the service life of infrastructure and infrastructure components in order to reduce lifecycle costs. Vossloh possesses comprehensive expertise on rail as a complex mode of transportation. The company is able to leverage this expertise to significantly improve the efficiency of rail network maintenance processes. Digitalization plays a key role in this. The focus is on intelligent rail systems and digital track monitoring. This promotes trouble-free operation and creates the conditions for more rail traffic. In this way, Vossloh is contributing to a more efficient rail infrastructure, which in turn is a necessary prerequisite for the environmentally friendly mobility of people and goods.

Maximize track availability, reduce life cycle costs

With Vossloh connect, the company is focusing on advanced digitalized applications in the rail infrastructure business. The cloud-based one-stop shop platform for customers from the entire rail network offers a range of state-of-the-art solutions that optimize the management and maintenance of rail infrastructure, thus contributing to greater safety, lower life cycle costs and improved overall performance. All digital solutions – mainly in-house developments from Vossloh, with additional complementary products from selected external partners – are integrated into a singular, user-friendly system. The platform provides a convenient, comprehensive overview of rail infrastructure and operations. In addition, the platform includes advanced analytics and alerting systems that reduce the risk of accidents and incidents. This is crucial for railbound traffic safety and helps to reduce the cost of emergency repairs and extend the service life of railroad systems.

Vossloh connect gives customers real-time access to data on the condition of their rail infrastructure. Measurement data and analyses that contribute to improving the maintenance of the rail network can be viewed in a protected area. By using advanced algorithms, the efficiency of maintenance work is increased and downtimes can be reduced.

Condition data
as the basis
for predictive
maintenance

The information about the condition of the rail infrastructure comes, among other things, from configurable IoT sensors directly in the track, which measure vibration conditions near turnouts to identify atypical track behavior. In addition, Vossloh rail processing machines, equipped with a series of sensors, as well as laser or eddy current instruments, serve as diagnostic vehicles. They measure the condition of the rails while the timetable is running. The collected data is transferred to an asset management system, for example, the in-house developed applications maple or MR.pro. In doing so, maple can not only visualize the condition, but also assess it and derive maintenance measures from it, as well as carry out an economic evaluation of the necessary work. On this basis, the asset manager can create a plan and determine a budget for maintenance.

The condition of the track over time is also significantly influenced by the so-called wheel-rail contact. Vossloh RailWatch technology uses optical and acoustic sensors to identify the technical condition of freight and passenger cars, multiple units and locomotives as they pass by. A supplementary measuring system, which is installed in the track, enables further data to be recorded, including various parameters of the wheel profile, weight information and the distribution of axle loads. This collected information is also processed in the cloud using artificial intelligence. This means that wear or damage can be detected at an early stage and maintenance measures can be planned and implemented with pinpoint accuracy.

Turnouts are the most critical elements of the rail track, and also the components which require the most maintenance. Turnout disruptions are one of the main reasons for track unavailability and unplanned maintenance. Turnouts are also the ideal starting point for the continuous collection of condition data with sensors. In addition to tracks, a number of signaling and control systems cross each other at turnouts; as a result, the data collected at turnouts is particularly useful. Various digital solutions are now available for turnout management. In urban regional transportation, for example, Vossloh's compact electro-hydraulic Easydrive point machine can be equipped with smart sensor technology for remote monitoring. The PM-DiagBox can be added to conventional analog point machines to make them smart. Vossloh offers the innovative Easyswitch MIM-H point machine for mainline routes – a modular plug-and-play solution with excellent reliability. The proprietary development SMV (Motto: sense – see – solve) is already being used to avoid turnout failures and to proactively identify the need for tamping work on the ballast in the turnout area and to check its effectiveness. With the service provider France Aiguillages Service (FAS), Vossloh acquired further expertise in the maintenance of turnout systems and turnout signaling systems in July 2024.

Vossloh's AI-driven Wayside Monitoring is used in ports and on industrial sites, among other places. The pulsar installed in the track is equipped with high-resolution camera technology, among other things, and records process and status data such as UIC wagon numbers and brake block conditions. The continuous monitoring of incoming and outgoing trains helps to optimize operating processes and reduce downtimes.

Digitalization
accelerates
development work

Digitalization also offers direct opportunities for Vossloh's R&D activities. Research and development work in all divisions is increasingly based on data processing technologies – a trend that continued in 2024. One example of successful development using digital means is Vossloh's new M-generation of tension clamps, for which the company required significantly less development time than for comparable products in the past. Thanks to a higher natural frequency and improved torsional rigidity, the tension clamps are more robust than their predecessors. At the same time, their compact design results in lower transportation costs and less potential for conflict on the track.

All of Vossloh's innovations also focus on quiet rails as noise and vibrations are a major inconvenience, particularly for people in dense urban areas. Vossloh helps to reduce noise emissions with damped rail fasteners, whisper turnouts, and acoustic grinding of tracks. A number of solutions in this area were improved in 2024. The company also provides maintenance measures that are proven to reduce noise emissions. Vossloh monitors noise using sensor technology and can keep the noise level of rail infrastructure permanently low through targeted track grinding. This is another example of how the company is using digitalization to improve the quality of life for people in urban areas by reducing noise.

Contributions for
a "quiet rail"

Vossloh has long relied on the specific expertise of external specialists for some of its development work. The Group has access to an extensive network of experts. Vossloh works closely with well-known universities and research institutes around the world, for example, in Germany, France, Sweden, China, Australia and the USA, in the context of long-term partnerships at different levels and in various configurations. Vossloh focuses on partnerships with technology companies and startups working in digitalization and big data analysis. The joint venture established with Rhomborg Sersa represents a crucial partnership that offers a wide range of monitoring and maintenance services for turnouts and rails. The MR.pro software provides the joint venture with a set of open-system digital tools for evaluating and visualizing the condition and material of track infrastructure.

Cooperation efforts
and partnerships

As part of a strategic partnership with the Swedish digitalization specialist Predge, work is being carried out on a prediction model that provides precise fault forecasts and valuable insights into impending failures, particularly of turnout drives. Vossloh developed the SoniQ Rail Explorer together with its specialist French partner UltraRS. The hand-guided ultrasonic inspection system can detect and localize irregularities inside the rail – even in a manganese cast iron crossing down to a depth of 60 millimeters below the running surface. A partnership between Vossloh and the British Cordel Group has been in place since the beginning of 2025. Its flagship platform uses artificial intelligence to provide automated analysis of transport corridors based on video and LiDAR (Light Detection and Ranging) data.

In addition to Vossloh, several selected partners also offer innovative digital solutions on the Vossloh connect platform. The Swedish company Strainlabs contributes its expertise in the field of intelligent screws. Cervello, a company based in Israel, specializes in cybersecurity solutions for the rail industry.

In 2024, the R&D experts in the Fastening Systems business unit of the Core Components division focused, among other things, on further developing the tension clamps of the new M generation. One of the requirements was to increase the service life of the components in heavily used tracks. The potential of rail fastening systems with M clamps in ballasted track was also validated in complex measurement campaigns. Sustainability aspects were at the forefront of the development of new and improved plastic components. The combination of highly elastic rail fastening systems with highly elastic damping intermediate layers has resulted in a new solution for slab tracks. The Tie Technologies business unit again focused its R&D activities in the reporting year on material and energy-saving changes to the composition of concrete for railroad sleepers. The track tests were continued with a product whose cement mixture leads to a significantly improved CO₂ balance while maintaining the same properties.

R&D in the divisions

In the Customized Modules division, the R&D experts focused on life cycle cost analyses, for example, for a complete streetcar network, as well as on the recycling and reuse of turnout elements. Vossloh can now offer manganese crossings that consist of up to around 90 % recycled material. This is linked to changes and adjustments to production processes, which are being geared more towards the circular economy. Several turnout solutions were also further developed in 2024 with a view to reducing CO₂ emissions during all phases of the vehicle's life cycle. The existing methods and models for inspecting and monitoring turnouts on the track have been improved with the help of new software. In general, advancing digitalization was an important R&D topic throughout the division. This is why Building Information Modeling (BIM) is playing an increasingly important role, both in internal processes and in collaboration with customers.

In the Lifecycle Solutions division, (further) development work focuses on machines for rail processing on the one hand, and onboard measuring systems for even more comprehensive condition monitoring of rail lines and software for evaluating and displaying the overall data (keywords "smart maintenance") on the other. In 2024, the control, sensor and measurement technology of various grinding and milling vehicles was also adapted to further customer requirements. An improved version of the successful high-speed grinding train is in preparation ("HSG-next"). The installation of a measuring system that measures and documents the quality of machined new rails began in the welding plant. The development of the RailTainer for efficient rail transportation to construction sites made further progress, as did the development of a loading and unloading system for transporting the VTM-c local milling machine with a RoMo wagon.

Optimization of production and administration Streamlined processes and digital data flows along the entire value chain are becoming an increasingly important part of Vossloh's internal processes. The cross-business-segment exchange of knowledge in the context of international development projects with the help of modern communication and collaboration solutions is growing. Accordingly, the IT structure was further expanded and standardized in 2024. In addition to the rollout of the group-wide standardized Enterprise Resource Planning (ERP) system, the focus was on cybersecurity. The information security management system was further refined in order to be armed against cyber threats of all kinds.

Risk and opportunity report

Principles and organizational structure

Risks and opportunities for the company's net assets, financial position and results of operations are systematically identified, analyzed, evaluated, monitored, managed and reported to the relevant bodies at all levels within the Vossloh Group. For Vossloh, proper management of risks and opportunities is part of responsible corporate governance. Vossloh has set up a group-wide risk and reward management system for this purpose. This system serves to prevent or mitigate negative impacts resulting from changes while also identifying and harnessing opportunities that arise. The risk and opportunity management system encompasses not only Vossloh AG itself but also all domestic and overseas subsidiaries in which Vossloh AG has a direct or indirect shareholding, irrespective of whether these are consolidated in the Group's financial statements. Vossloh AG's risk and reward situation is discussed separately at the end of the chapter. Acquired and newly established companies will be integrated into the system immediately, including the companies acquired in the Lifecycle Solutions division in 2024.

The risk and opportunity management system is a component of the business, planning and control processes. The organizational and operational structure is documented in a group-wide guideline. The review of the reported individual risks for interdependencies and the aggregation into an overall risk position (net view), which is then compared to the Group's risk-bearing capacity, will continue unchanged. The Group's risk-bearing capacity is systematically determined on the basis of key earnings and liquidity figures and continuously monitored by Group Controlling. In addition, relevant risks with a very high loss value and a very low probability of occurrence (less than 5 %, so-called tail events) are systematically recorded in the reporting system.

The structure of the risk and opportunity management system is based on the structure of the operating processes of the relative organizational units. There are appointed Risk Managers, Risk Officers and Risk Controllers at all levels of the Group. A permanent inventory identifies risks and opportunities on an ongoing basis and ensures that relevant risks and opportunities are recorded effectively, immediately and systematically.

Vossloh assesses risks and opportunities in terms of their potential impact on earnings and financial position. The possible impact of a risk is primarily calculated using the EBIT as a financial performance indicator. In addition, its influence on the liquidity situation is recorded. Interest and income tax risks as well as risks from discontinued operations are assessed with regard to their impact on net income. This evaluation determines not only the most likely outcome but also the worst-case and best-case scenarios. According to the value-at-risk approach, a minimum probability of 5 % is assumed for this. Additionally, an evaluation of the probability of occurrence is carried out. Tail events are reported separately. Besides, nonfinancial risks and opportunities are incorporated into risk reporting. They are assessed with regard to their impact on nonfinancial aspects and included in the reporting system if the relevant thresholds are exceeded.

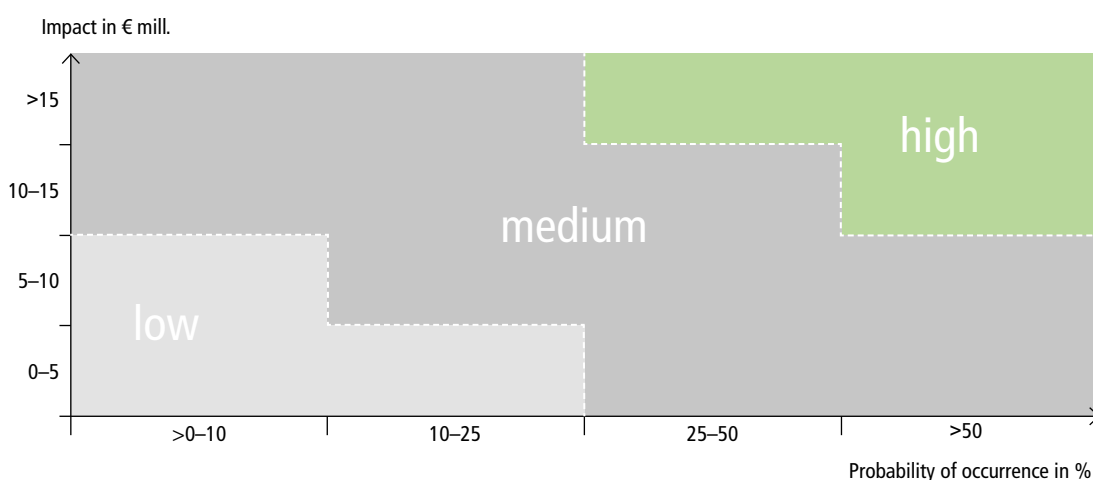
Vossloh documents and processes risks and opportunities in standardized reports using software that is in use throughout the Group. They contain detailed information about the risks and opportunities, the valuation parameters, possible measures for controlling risks or utilizing opportunities, and the respective possible (gross) losses and (net) after measures to limit the risks. The risks and opportunities report is issued on a quarterly basis. It complements the current annual outlook and also includes predictable and adequately specific risks and opportunities for the following three years. Ad hoc reports complete the periodic reporting and enable an up-to-date assessment of the situation at all times. The recipients of the risk reports are the Executive Board of Vossloh AG, the management of the Group companies and the business units, the Supervisory Board and, in particular, the Audit Committee.

They manage and monitor risks and opportunities. The management of the business units, Group Controlling and the Executive Board regularly discuss the current risk situation.

The tight-knit personnel structure enables information to flow quickly and reactions to be invoked at short notice. The Executive Board has adopted suitable measures in order to promptly identify developments that may jeopardize the Group's standing as a going concern. In addition to the reporting system, Vossloh also uses the internal control system (ICS) to uncover and prevent risks in existing processes in order to avoid possible deficits. Internal Audit regularly checks whether the risk and opportunity management system is adequate and functional and whether it is in compliance with statutory requirements. In 2023, the introduction of the risk management software was audited by an external auditing firm. In addition, the auditor regularly conducts an audit of the risk early warning system (RFS audit).

The significance that individual risk categories hold for the Vossloh Group is evaluated on the basis of their potential negative and positive impact on the forecast financial earnings indicators and on the probability of occurrence for the given risk category. The risk situation is analyzed following the implementation of risk mitigation measures (net effect) based on a worst-case assessment. Risks are categorized as high, moderate or low based on their possible negative impact and probability of occurrence.

This can be seen in the following illustration:



The following statements illustrate the risks and opportunities within the identified risk categories that were relevant as of the reporting date and are material to the development of the Vossloh Group. Individual risks and opportunities are highlighted separately if they have a worst case or best case of more than €2 million (net view) taking into account a minimum probability of occurrence.

General economic risks and opportunities as well as industry-specific risks and opportunities

General economic risks and opportunities arise as a result of economic fluctuations, social and political events, changes in exchange rates and interest rates, and changes to legislation and taxation. Industry-specific risks and opportunities arise from the competitive situation and the characteristics of the target markets as well as from global megatrends such as population growth, urbanization, globalization, sustainability and digitalization.

Regulatory measures, the state of deregulation of rail transport in the respective country and the financial scope of public budgets have a particular influence on Vossloh. The latter has a major impact on the investment capacity of public clients. Reduced availability of public funding can have a negative impact on the future business performance of Vossloh. Increased availability can conversely have a positive impact. To combat the significant rise in inflation in 2022 and in the course of 2023, both the US Federal Reserve and the European Central Bank raised key interest rates further. However, as a result of the year-on-year fall in inflation, key interest rates were lowered again in some cases, particularly in the second half of 2024. Nevertheless, public budgets remain under pressure due to the level of debt and the cost of refinancing. Available funding for rail infrastructure could be restricted as a result. These restrictive financial conditions, coupled with an uncertain recovery in industrial output, will continue to weigh on economic growth in Europe in 2025. The introduction or increase of tariffs may have negative implications for global trade. The ongoing geopolitical conflicts in Ukraine and the Middle East remain a further source of uncertainty. However, the political will to transfer significantly more freight to the most environmentally friendly mode of transport, the railways, in order to achieve the agreed climate targets, is still lacking in the face of the factors mentioned. Numerous regions around the world have set up rail subsidy schemes as part of climate change mitigation initiatives. In many countries, programs have been announced or are already underway that also aim to make additional investments in rail infrastructure.

In the 2024 reporting year, Vossloh was active in the rail infrastructure markets worldwide. In this area, the Group is one of the leading suppliers in selected markets. Vossloh generates more than 85 % of its sales revenues in Europe, the Americas and Asia.

The political and economic factors that have an impact on European rail infrastructure markets are largely stable. North American markets are significantly more volatile in terms of demand, as most of the rail and network operators there do not benefit from state funding. Vossloh's performance in Asia is characterized by projects related to the continued rapid growth of the Chinese high-speed network. Activities in these and other markets—especially in the rest of Asia, in Australia and in Africa—present Vossloh not only with opportunities but also with additional risks. In the markets mentioned, risks can arise primarily from political and social instability, protectionist tendencies, oil price developments, exchange rate fluctuations – mainly translation risks – and legal uncertainties.

Furthermore, there is a risk that products may be substituted by new technical developments or that new competitors may enter the market. The intensity of competition in the rail infrastructure sector has increased significantly. Vossloh counters these risks by continuously enhancing its products and services and consistently focusing its activities on the needs of its customers and comprehensive cost reduction measures. Digitalization – and the new business models resulting from it – are playing an increasingly important role in Vossloh's ambitions to focus on the customer.

Vossloh continues to classify the macroeconomic risk and the industry risk for the forecast financial targets as low overall compared to the previous year, despite the ongoing geopolitical conflicts and increased uncertainty in view of possible import tariffs in the USA.

Operational risks and opportunities

Operating risks and opportunities can originate from various operational activities, particularly in procurement, production and order performance. In the procurement process, Vossloh seeks to limit price risks by means of long-term contractual agreements or sliding scale pricing clauses with suppliers and customers. However, it is not always possible to enforce price escalation clauses, or only with a delay. Vossloh limits exchange rate risks in the course of procurement primarily through the use of foreign currency forwards. The price changes assumed in medium-term planning for materials and components are largely based on information from suppliers and market analyses.

Vossloh continuously monitors changes in material, energy and freight prices. Should the development of prices, the materials used, the energy sources required for the production process and the freight costs for the delivery of products deviate from the assumptions made, risks or opportunities for the forecast earnings may arise from higher or lower procurement prices, particularly in the Core Components division. As a result of the dynamic but now extenuated inflation trend, collective agreements may lead to higher or lower earnings than forecast.

Risks can emerge in the course of the procurement process as a result of the loss of suppliers, a shortage of raw materials, quality problems affecting materials or delays in the supply process. Vossloh minimizes these risks by prioritizing arrangements with well-established partners and improving its vertical integration in selected areas. Even though suppliers are carefully selected, regularly contacted and alternative procurement sources are established, future risks relating to the procurement process can be limited, but never entirely eliminated.

Within the value creation process, the operating units are generally exposed to the risk of business interruptions, quality problems in production as well as occupational safety and environmental risks. These risks can increase if significant investments at a location have an impact on production processes. Vossloh avoids or reduces the resulting risks through comprehensive guidelines and procedural instructions on project and quality management, production and occupational safety and environmental protection. Certification in accordance with international quality, environmental and social standards such as ISO 9001, ISO 14001, ISO 50001 or ISO 45001 is well advanced in the Vossloh Group. If newly acquired units do not hold equivalent certifications, they are brought into compliance with these standards as quickly as possible.

Vossloh may be exposed to risks arising from the complexity of projects when handling orders, especially when a significant amount of factory capacity is used or if the products involved are particularly technically sophisticated. These scenarios can be caused by unexpected technical difficulties, unforeseeable developments at project sites, problems with partners or subcontractors and logistical challenges, as well as delays in approvals, acceptance and billing. This can lead to significant additional expenditure or contractual penalties in certain cases. These risks can be limited, but not fully eliminated, by formulating contracts appropriately and ensuring that capacity, project and quality management are thorough.

Risks may arise from acquisitions as a result of necessary impairments of goodwill if the medium and long-term operating performance of the respective units is significantly weaker than expected and/or the valuation parameters (e.g. the general interest rate level) change significantly. Goodwill from company acquisitions is not amortized in accordance with IFRS 3 in conjunction with IAS 36.

Instead, goodwill is tested for impairment annually on the balance sheet date (impairment test). In the event of extraordinary events, an impairment test is also carried out during the year. The respective carrying amount of a group of cash-generating units (CGUs) to which goodwill from company acquisitions is allocated is offset against the value in use.

The acquisition process of the French Sateba Group has already been approved by several antitrust authorities, but is currently still being reviewed by one authority. Vossloh currently continues to expect the transaction to be completed in the second quarter of 2025. Otherwise, higher transaction costs could arise and Sateba's earnings and cash flows in the operating business could be postponed, as could the realization of synergies.

For existing operating risks, Vossloh has recognized risk provisions in the form of provisions or impairment losses in accordance with the provisions of the relevant IFRS or the corresponding German Commercial Code (HGB) regulations for the separate financial statements of Vossloh AG. Despite the provisions for known risks with a predominant probability of occurrence, further burdens on earnings cannot be completely ruled out and may have a negative impact on the achievement of the forecast financial targets. The absolute level of risk arising from the execution of projects depends on the volume and level of development work on the respective order and the quality of the products produced.

Vossloh continues to assess the risk from the value-added process and the execution of projects as well as the risk from changes in material prices as medium. As in the previous year, the risk of any goodwill impairment is considered to be medium. The other operating risks are still considered to be low overall.

Financial risks and opportunities

The Corporate Treasury department monitors and limits financial risk within the Vossloh Group and optimizes Group financing on an ongoing basis. Targets, principles, duties and expertise are consistent with corresponding policies. The prime objective is to preserve the company's status as a going concern by ensuring solvency and liquidity at all times. Synergies and economies of scale are also harnessed within the Group where it seems appropriate to do so.

Vossloh only uses derivative financial instruments to hedge specific risks from existing or expected future underlying transactions. These economic hedges are normally also reported as hedge relationships in the balance sheet. These only make use of previously approved, market-standard financial instruments. The trade, performance and controlling functions are organizationally separated. Group Treasury ensures and monitors the effectiveness of risk hedging on an ongoing basis. Specifically, it manages the following financial risks: Liquidity risks, risks from interest rate changes (cash flow risks), price change risks and credit risks.

Liquidity risks

Liquidity risks would arise if Vossloh was unable to settle liabilities in a timely and complete fashion. For this reason, the Group conducts ongoing liquidity management that incorporates reserves for potential special needs and the scope required to implement the company's strategy. Financial balancing measures within the Group – including cash pooling systems in individual countries and intercompany loans – facilitate the use of the excess liquidity of individual Group companies in order to cover the financing requirements of others.

Financing and the provision of liquidity typically take place centrally through Vossloh AG as the Group holding company. In February 2021, Vossloh AG issued a €150 million hybrid bond. The note has an indefinite term and can be called and repaid by Vossloh for the first time in February 2026.

In December 2021, a Schuldschein loan of €25 million was issued, maturing in December 2028. In July 2023, two further Schuldschein loans were issued, each in the amount of €30 million and maturing in July 2028 and 2030, respectively. The syndicated loan from 2017, most recently amounting to €230 million and maturing in November 2024, was refinanced early in February 2024 with the conclusion of a new syndicated loan of €240 million. The new financing agreement was concluded with a total of eight banks as part of a "club deal". It has a term of five years until February 2029 and includes two one-year extension options. In addition, the loan volume can be increased by a further maximum of €160 million during the term of the agreement if required. The funds are available to the company in the form of a revolving line of credit that can be flexibly accessed. There is also a variable-interest loan agreement in the amount of €20 million, which was concluded in July 2024 with a term of three years and has been utilized. Bridge financing and long-term financing were concluded in July 2024 for the acquisition of the Sateba Group. The loan agreement also included a further tranche of €90 million. This volume was initially fully utilized and used to repay the Schuldschein loan that matured in July 2024. This tranche was reduced to around €19 million using the net proceeds from the capital increase carried out in November. The bridge financing has a term of twelve months with two extension options of six months each; the long-term financing has a term until July 2029 and, like the syndicated loan, can be extended by a further year in each of the first two years of the term. At the end of the year, the Group had access to unused credit lines of €757.6 million in addition to cash and cash equivalents.

There are no financing or liquidity shortages. Overall, Vossloh considers the liquidity risk to be low.

Interest rate risks

Changes to the future interest rate may cause cash flow volatility where asset and debt positions are subject to variable interest rates. Vossloh hedges this risk as appropriate with the use of interest rate swaps and caps. The company regularly performs analyses to determine how changes to interest rates affect cash flows. For the purposes of active risk management, the variable-rate interest cash flows from a long-term loan concluded in 2018 were replaced with an interest rate swap for fixed cash flows at the same time. In August 2022, two forward payer interest rate swaps were also concluded in order to refinance the Schuldschein loans maturing in mid-2024. This fixed the reference interest rate for 2/3 of the maturing volume for the new maturities over five and seven years. In mid-2024, these two forward-payer interest rate swaps were each extended by a further year. At the end of November 2023, the two Schuldschein loans issued in July 2023 with variable interest rates were also hedged with two payer interest rate swaps. The interest rate risk from the intended acquisition of the Sateba Group is monitored continuously. In addition, the positive or negative impacts of a potential change in the ECB key interest rate on cash flows are considered to be low. As in the previous year, this risk is classified as low.

Price risks

Price risks result from the value of a financial instrument changing due to increases or decreases in market interest rates or exchange rates. At Vossloh, existing and expected future liabilities and receivables denominated in foreign currencies are usually hedged with foreign currency forwards as of the time the order is issued. Translation risks – arising from the translation of financial statements denominated in foreign currencies – are continuously monitored. Due to the high level of hedging of price risks, this risk is still deemed to be low overall.

Credit risks

Credit risks arise whenever a contract partner does not comply with its obligations in relation to a transaction (or only does so in a delayed fashion), thus causing Vossloh to incur financial losses. The Group minimizes the risk of default by only entering into contracts with partners that have good or excellent credit ratings. Where available, these ratings are primarily based on the disclosures of international rating agencies. At the end of 2024, 59 % of the cash investments and derivative financial instruments with positive fair values were attributable to contractual partners with a rating of AA+ to AA-, 19 % to contractual partners with a rating of A+ to A- and 22 % to contractual partners with a rating of BBB+ to BBB-. The Group also distributes its financial assets across a number of credit institutions, thus broadly diversifying its risk exposure. There were and are no dependencies on individual banks.

Credit risk is considered low due to the fact that the majority of Vossloh's customers are in the public sector. However, outstanding amounts owed are continuously monitored by Group companies. Some are also insured by means of credit insurance policies. Despite the precautionary measures taken, it is impossible to entirely eliminate the risk of financial losses from nonpayment of receivables. In the export business, orders are usually concluded with letters of credit to limit the credit risk. All contract partners must have good or excellent credit ratings. As a result, credit risk is still deemed to be low.

Legal risks and opportunities

Legal risks for Vossloh arise, in particular, from complaints, warranty claims, claims for damages and legal disputes. Identifiable risks are covered where possible and economically feasible by insurance and – if the relevant requirements are met – reflected in the balance sheet through provisions. However, it is impossible to eliminate the possibility that losses may arise that are not (adequately) insured or exceed the provisions made. On the other hand, there may be indirect opportunities if risk provisions are not utilized entirely.

Group companies of Deutsche Bahn AG have asserted compensation claims against the Group company Vossloh Rail Services Deutschland GmbH (previously Vossloh Rail Center GmbH), Hamburg. Even though the damages directly attributable to the company were settled in 2016 by a partial settlement with Deutsche Bahn AG, there remains a risk of joint and several liability for as yet unsettled damages. The claims were dismissed at first instance in 2022, but Deutsche Bahn AG has lodged an appeal. Vossloh Rail Services Deutschland GmbH has an indemnification claim against the former shareholder for any claims. This claim is partially secured by bank collateral. Various customers have also asserted compensation claims in relation to ongoing or concluded competition law procedures concerning rail turnouts. Provisions for compensation claims are recognized where the assertion of individual customer claims is deemed to be very likely and a reliable estimate of potential compensation amounts seems possible. This is a significant individual risk or opportunity.

As a result of the divestments in previous years, the respective purchasers were granted certain guarantee and indemnification claims in the purchase agreements. Risk provisions have been created for these claims, provided that utilization of the guarantees and indemnities is considered to be highly probable. Opportunities may arise indirectly if the recognized risk provisions do not need to be fully utilized. These are significant individual risks and opportunities.

A negative impact on Vossloh's forecast financial targets resulting from legal risks cannot be ruled out. Overall, it is still classified as a medium risk.

Nonfinancial risks and opportunities¹

According to the German Commercial Code (HGB), it is necessary to report on the nonfinancial risks that are associated with the company's own business activities, business relationships, products and services, where these risks have had or are very likely to have severe negative repercussions on the reportable aspects relating to the environment, employment, social welfare, human rights, anti-corruption and anti-bribery activities. The nonfinancial risks are reflected in the Vossloh Group's risk reporting.

There are presently no material risks that meet the criteria described. Vossloh, therefore, still deems the risk situation in connection with nonfinancial matters to be low.

Other risks and opportunities

Other risks consist primarily of personnel and information technology risks. Inadequate human resources, such as due to a lack of managers and specialist personnel, can negatively influence the economic situation of the Group. Personnel risks may also relate to high turnover figures of highly specialized personnel and inadequate training, as well as errors made or theft committed by employees. Vossloh counters these risks with a variety of measures. In particular, this includes the company positioning itself as an attractive employer in order to compete for highly qualified specialists. A range of training activities are used to improve the expertise of employees, while attractive pay structures increase the likelihood of retaining personnel within the company in the long term.

Complex and powerful information technology has a decisive effect on the management of operational and strategic business processes. Having high-performance information technology at your disposal is crucial as the digitalization trend continues. Vossloh monitors the ever-growing threats to cyber security worldwide and optimizes its IT infrastructure on an ongoing basis. Through the use of technical and organization precautions in particular, Vossloh minimizes risks related to the reliability, availability and confidentiality of the data stored in its information systems. A global IT security team consisting of internal and external experts secures Vossloh's infrastructure with modern applications and systems. Regular audits and employee training programs ensure a high standard of security.

Other risks had no significant impact on net income in 2024. The overall risk is classified as low.

¹ Subject of the audit of the Group sustainability declaration to obtain limited assurance by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, see pages 137 et seqq.

Risks and opportunities of Vossloh AG

Vossloh AG prepares its annual financial statements in accordance with the provisions of the German Commercial Code and the German Stock Corporation Act. The following statements refer to opportunities and risks in Vossloh AG's separate financial statements based on the net income for the year under German commercial law, which is mainly influenced by general administrative expenses, net financial expenses and the tax result.

As a management holding company, Vossloh AG's financial performance essentially reflects the same opportunities and risks for the Group as described above. Opportunities and risks can generally materialize in the form of changes in dividend payments, higher or reduced profit transfers or loss assumptions, as well as in terms of the recoverability of financial investments. Delays in the process of acquiring the French Sateba Group may result in higher transaction costs than expected. Due to higher or lower external sales of the Group companies, income from the brand license fee may be higher or lower in 2025.

Changes in interest rates expose the net income figure to fluctuation in pension-related expenses recognized as general administrative expenses. Higher interest rates can likewise have a negative impact on the value of financial assets included in the net financial result. Deviations in the utilization of risk provisions for divestment projects recognized by Vossloh AG can have a positive or a negative impact on net income.

Summarized assessment of the risk and opportunity situation

All of the described risks and opportunities that the Vossloh Group and Vossloh AG are exposed to are continuously monitored and managed in terms of their effects on the net assets, financial position and results of operations of the Group. Necessary risk provisions have been recognized for the currently known and mostly probable risks in accordance with the relevant IFRS and the corresponding German Commercial Code (HGB) provisions for the separate financial statements of Vossloh AG. Other current risks and opportunities are – if adequately specified – accounted for in the current annual outlooks. Based on current information, there is no risk to the Vossloh Group as a going concern in terms of substance or liquidity based on individual risks or all of the currently known risks collectively. The available Group equity is adequate to cover potential risks. The risk and opportunity situation within the Vossloh Group is therefore considered satisfactory overall.

Internal control system

The internal control system is the entire system of defined controls and monitoring activities designed to ensure the security and efficiency of business processes, the reliability of financial reporting and the compliance of all activities with laws and guidelines. In terms of the accounting process, the internal control system encompasses all principles, processes and activities of the Vossloh Group that aim to ensure the effectiveness, cost-efficiency and legitimacy of the accounting system, and to ensure compliance with relevant legal requirements.

An effective and efficient internal control system has a crucial role to play in the successful management of risks in business processes. The risk of fraudulent actions can be reduced by segregating duties appropriately and applying the double-check principle.

Vossloh's internal control system is designed to cover all material business processes and extends beyond simply implementing controls in the accounting process. A number of monitoring measures and controls are implemented as part of the accounting process to ensure, for example, that the consolidated financial statements are prepared in accordance with regulations. Group-wide guidelines and policies are in place for monthly reporting, capital expenditure, offer submissions, compliance and risk management, for instance. The companies and business units of the Vossloh Group are also required to establish decentralized guidelines for key areas.

Vossloh regularly performs system backups for relevant IT systems to minimize data loss and system failures. The security concept includes customized authorizations, access restrictions and similar measures. Vossloh continuously adapts the requirements for the internal control system and makes adjustments to the control landscape to reflect changes to processes. To ensure that risks are systematically identified at an early stage throughout the Group, Vossloh has set up a monitoring system for the early identification of risks that could jeopardize the company's existence in accordance with Article 91 (2) German Stock Corporation Act (AktG), as well as an appropriate and effective internal control system and a risk management system in accordance with Article 91 (3) German Stock Corporation Act (AktG). These systems are used to identify, manage and monitor risks that could jeopardize the company's existence as well as other risks in good time. The auditor of the consolidated financial statements assesses the functionality of the early risk detection system in accordance with Section 317 (4) German Commercial Code (HGB).

At a business unit level, the respective management companies are responsible for implementing the internal control system on the basis of a large number of coordinated regulations and guidelines. At Group level, this is mainly the responsibility of the Controlling, Accounting, Treasury and Legal departments, as well as Internal Audit. An internal monitoring system encompasses monitoring activities that are both integrated into and independent from processes. Alongside manual process controls (such as peer reviews), IT processes are also a key element of the process-integrated activities. The Legal department also ensures that monitoring is integrated into processes.

The Supervisory Board, in particular, the Audit Committee, Vossloh AG's Internal Audit and Legal departments and the locally appointed employees at the level of the management companies of the business units, are responsible for process-independent audits. The (Group) auditor also performs process-independent auditing activities.

Information technology

Accounting transactions are recorded locally in the respective accounting systems of the Group companies. When preparing the consolidated financial statements of Vossloh AG, the subsidiaries add additional information to the individual financial statements, which are prepared on the basis of standardized Group accounting methods, to form standardized reporting packages. These packages are then incorporated into the Group reporting and consolidation system used by all of the companies included in the consolidated financial statements. This system, Cognos Controller from IBM (current version in use: 11.0.1200), is used to both consolidate and provide additional management information.

With a small number of exceptions, Group companies use a standardized accounting system from SAP. This IT system enables central access and centrally initiated controls in regard to the accounting process. The system is currently used within Vossloh AG and the overwhelming majority of companies in all divisions. A new SAP S/4 system is being introduced as part of a group-wide process to standardize the ERP systems. This system was implemented in the first two companies in the 2023 fiscal year.

Key activities to ensure that (Group) accounting is performed in a legally compliant and reliable manner

The Vossloh Group's "Group Accounting Manual" governs the standardized accounting, measurement and valuation principles applicable to the companies included in Vossloh's consolidated financial statements, in addition to detailed formal requirements for the consolidated financial statements. The formal requirements include the binding application of a standardized and complete set of forms.

The "Group Accounting Manual" is regularly revised and updated; the most recent update was carried out in winter 2024/2025. New or revised versions are made available directly to anyone involved in the Group accounting process via the Group intranet.

Accounting transactions within the Group companies are recorded locally but the monthly and annual financial statements are reviewed by the managing company of the relevant business unit. Checks are carried out at random but are also triggered, most notably, by major or unusual transactions.

At the level of Vossloh AG, further plausibility checks are performed by the Accounting, Legal and Controlling departments using suitable validation rules to ensure correct compliance with the applicable IFRS and German Commercial Code (HGB) regulations.

Further data is also prepared and aggregated at Group level for use in the notes and management report (including major events after the balance sheet date).

Based on the organizational, control and monitoring structures established within the Vossloh Group, the internal control and risk management system helps ensure that all of the company's transactions are recorded, processed and validated, and that they are presented correctly in the Group's accounting system.

Poor discretionary judgments, the circumvention of controls, criminal activities and other circumstances cannot be fully eliminated by their very nature, meaning that even group-wide application of the utilized systems does not constitute an absolute guarantee that the consolidated financial statements are free of errors.

Qualifying statements

The disclosures made relate solely to Vossloh AG and to the companies that are included in the consolidated financial statements of Vossloh AG whose financial and business policies can be directly or indirectly influenced by Vossloh AG.

Adequacy and effectiveness of the risk management system and the internal control system¹

The internal control system and risk management system are regularly the subject of internal audit activities. These audits are carried out either as part of the risk-based annual audit plan or as part of audits performed during the year. Critical vulnerabilities in the control system are reported to Vossloh AG's Executive Board and the Audit Committee of the Supervisory Board. Risks are also reported on a regular basis to the Audit Committee. The Executive Board is not aware of any circumstances based on its involvement with the internal control system and risk management system or from reports that would suggest that the internal control system or risk management system were not adequate or effective as of December 31, 2024, in their respective entirety.

¹ Disclosures in this section are not the subject of the audit.

Outlook

This outlook contains forward-looking disclosures that are based on the expectations of Vossloh management in relation to the future development of the Group. These expectations are based on estimates made by management using all available information. Assumptions regarding the future development of the international rail technology market and the specific business expectations of Vossloh Group divisions, in particular, have been taken into account. The disclosures made are subject to opportunities and risks that Vossloh cannot entirely control or manage. For more information on this, please refer to the statements made regarding the Group's risk and opportunity report (starting on page 43). Actual results and developments may differ from these forecasts if the assumptions underlying the outlook prove to be inaccurate or the aforementioned risks or opportunities materialize. The Vossloh Group assumes no liability for updating the disclosures made in this outlook beyond statutory publication requirements.

Macroeconomic developments and outlook for the rail technology market

Global economic fluctuations only have a limited impact on Vossloh's short-term performance. Investments in rail infrastructure around the world are generally made on the basis of long-term decision-making processes. Current economic trends are therefore only reflected in the markets relevant to Vossloh to a limited degree. However, over the long term, increased levels of debt in various countries, particularly in our home market in Europe, may negatively impact Vossloh's business activities. The vast majority of Vossloh's customers are publicly funded. Some countries may well implement cost-cutting measures in markets that are relevant to Vossloh if they are heavily indebted. On the other hand, there is the global trend towards greater sustainability and the increasing attractiveness of rail as a mode of transport, as well as the associated funding programs. In addition, investment in rail infrastructure has been neglected in many countries for many years or decades, with the result that the quality of existing infrastructure has tended to deteriorate. This is expected to result in increased capital expenditure in the rail infrastructure products and services offered by Vossloh.

With its "World Rail Market Study", the European rail industry association UNIFE analyzes developments on the global rail technology market in detail every two years and uses this as the basis for making well-founded forecasts for the coming years. The most recent study was published in September 2024. According to this, the annual global volume of the entire rail technology market will grow from an average of around €202 billion in the period 2021 to 2023 to an average of around €241 billion in the period 2027 to 2029 – an average growth rate of 3.0 % per year. According to UNIFE estimates, the market accessible to European suppliers such as Vossloh will be worth around €139 billion for the period 2027 to 2029. „Accessible markets“ refers to the markets that are available to European suppliers and non-European markets where demand is not exclusively met by domestic capacity. For markets that can only be addressed by European suppliers via joint venture structures, only half of the market volume is classified as accessible. For comparison: A market volume of around €119 billion per year on average was considered accessible for the period 2021 to 2023. The expected increase to €139 billion corresponds to a 2.6 % rise per year.

Outlook for 2025

The forecast for the Vossloh Group is based on the expected development of the three divisions Core Components, Customized Modules and Lifecycle Solutions, as well as Vossloh AG. Vossloh's sales planning is based, among other things, on business unit-specific assumptions that include detailed analyses of product demand and the current order backlog. In addition, specific framework agreements, the behavior of the main competitors, the probability of important projects being concluded and region-specific market opportunities and risks are taken into account. Vossloh's customers are publicly and privately-owned regional, long-distance and freight transport operators whose investments are based on predominantly long-term decision-making processes within the framework of longer-term funding. As a partner, Vossloh accompanies its customers over many years. Together with them, the company plans and develops solutions for individual product and service requirements. This usually involves delivery and project lead times of several months and sometimes even several years.

Outlook for management-related performance indicators

		2024	Expectation 2025
Sales revenues	€ mill.	1,209.6	1,250 to 1,325
EBIT	€ mill.	105.2	110 to 120
EBIT margin	%	8.7	8.5 to 9.5
Value added	€ mill.	13.1	15 to 25

Noticeable increase in sales revenues and EBIT expected in 2025

For the 2025 fiscal year, the company is forecasting sales revenues of between €1.25 billion and €1.325 billion in the current Group structure (2024: €1,209.6 billion). A significant increase in sales is expected, particularly in China, the USA and Germany. The Lifecycle Solutions division is once again expected to achieve the strongest percentage growth rates.

The Vossloh Group also expects a further increase in absolute EBIT for the 2025 fiscal year. From today's perspective, EBIT is forecast to be in the range of €110 million to €120 million (2024: €105.2 million).

From the 2025 fiscal year onwards, Vossloh AG will charge a brand license fee to the operating units. These fees represent an intercompany clearing item and reflect the value of brand utilization within the Vossloh Group. As a result, the reported EBIT margins of the divisions will include an accounting charge from 2025 onwards, which means that they are expected to be slightly below the previous year's figures. The introduction of the trademark license fee has no impact on the EBIT margin in the Vossloh Group. Here, Vossloh is aiming for a slight improvement for the 2025 fiscal year in relation to the mean value of the forecast corridor of 8.5 % to 9.5 %. In summary, the profitable growth trajectory is expected to continue in the 2025 fiscal year.

Sales revenues and EBIT forecast including Sateba

The figures for sales revenues and EBIT do not yet include the acquisition of Sateba announced on July 30, 2024. At the editorial deadline of this Annual Report, the exact date of completion was not yet known. The acquisition is still expected to be completed in spring 2025. Assuming initial consolidation by the beginning of May 2025, Vossloh expects the Group as a whole to generate sales of between €1.475 billion and €1.575 billion and EBIT before the effects of the accounting allocation of the purchase price for Sateba of between €140 million and €155 million. If the transaction is not completed by the beginning of May, Vossloh will specify its expectations for the current fiscal year in due course.

The weighted average cost of capital before taxes (WACC), which is relevant for internal management, will remain unchanged at 9.5 % in the fiscal year 2025. Despite the planned increase in average capital employed, the value added is expected to be between €15 million and €25 million in the existing Group structure due to the stronger increase in Group EBIT in the 2025 fiscal year.

Higher value added
expected in 2025

Vossloh AG prepares its annual financial statements in accordance with the provisions of the German Commercial Code and the German Stock Corporation Act. The statements below refer to the separate financial statements. The net profit of Vossloh AG as an operational management holding company is largely dictated by general administrative expenses and the net financial result. Vossloh AG's general administrative expenses are expected to be noticeably lower overall in the 2025 fiscal year despite an increase in the number of employees. In particular, the lower transaction costs for the acquisition of Sateba compared to the reporting year contributed to this. For the financial result, Vossloh expects a slight improvement on the previous year's level before taking into account possible write-ups or write-downs on the carrying amounts of investments. Finally, the earnings situation will be significantly improved by the aforementioned introduction of the brand license. Overall, earnings after taxes and net income are, therefore, expected to increase significantly in 2025 compared to the 2024 fiscal year.

Vossloh is focused on continuing to implement its corporate strategy over the coming years. In addition to organic growth with increasing profitability, the focus is on forming specific partnerships and making specific acquisitions in order to strategically develop Vossloh's core business and sustainably increase the company's value.

Group Sustainability Statement¹

The Group Sustainability Statement was prepared to meet the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 and Sections 315b and 315c of the German Commercial Code [Handelsgesetzbuch, HGB] for a nonfinancial group statement. The initial application of the European Sustainability Reporting Standards (ESRS) governed in the CSRD Directive is based on their importance as sustainability reporting standards adopted by the European Commission.

The Group Sustainability Statement 2024 is prepared on a consolidated basis. The companies considered corresponds to the scope of consolidation of the Consolidated Financial Statements (for ESRS 2 BP-1, 5 see page 159 et seqq. of the Vossloh Annual Report). In addition to the company's own business operations, the Statement covers the company's upstream and downstream value chain. For some disclosures regarding the upstream and downstream value chain, sector average data and other approximate values were used. The company describes and explains these, including references to any resulting measurement or other uncertainties in the respective disclosures in the topic-specific standards. This relates to the disclosures on the gender pay gap in the section Equal treatment and equal opportunities for all (own workforce) on page 124. If the company specifies time periods, these deviate from the requirements defined in ESRS 1, 6.4 for the terms "medium-term" and "long-term" by basing the medium-term horizon on the internally used planning period of three years and classifying disclosures that extend beyond this period as "long-term". When it comes to cybersecurity, the company makes use of the protection clause in the ESRS to omit confidential information.

As a German stock corporation, the company has a dual management structure with an Executive Board and Supervisory Board in accordance with the requirements of the German Stock Corporation Act [Aktiengesetz, AktG]. The Executive Board consists of three people (100 % male). The Executive Board is responsible for the strategic management of the company and makes decisions in accordance with legal requirements and the Articles of Incorporation. Vossloh's Supervisory Board consists of six members, including two employee representatives. 16.7 % of Supervisory Board members are female, 83.3 % male. All shareholder representatives (100 %) are considered independent in accordance with the German Corporate Governance Code. In line with the company's global orientation as a provider of rail infrastructure solutions, all members of the Executive Board and the majority of the members of the Supervisory Board have many years of experience in the rail industry and in the management of international companies.

The Supervisory Board monitors and advises the Executive Board on the management of the company, including material impacts, risks and opportunities. It discusses all relevant corporate governance issues, including sustainability aspects, with the Executive Board at regular intervals. This is achieved through regular reporting by the Executive Board and Supervisory Board meetings.

When monitoring the corporate strategy, important decisions and the risk management process, the Executive Board and Supervisory Board take into account the most material impacts, risks and opportunities. When generally dealing with the issues identified as material (see, for example, the tables on pages 63 et seqq.), possible correlations between economic, ecological and social aspects are carefully weighed up. In their own estimation, the members of the Supervisory Board have sufficient qualifications in the area of sustainability. If necessary, external experts will be brought in to ensure the necessary specialist knowledge on specific sustainability aspects. Detailed information on the members of the Executive Board and Supervisory Board (ESRS 2 GOV-1, 22) can be found on page 156 et seq. of the report.

Vossloh's commitment to sustainability

enabling green mobility – for a sustainable future

Vossloh is committed to sustainable corporate management. Sustainability is one of the company's five core values: "We take responsibility and care for the world in which we live." Vossloh is convinced that companies must reconcile economic, social and ecological aspects with their decisions and behavior. Long-term success requires contributing to the well-being of society and preserving all opportunities for future generations.

¹ Not subject of the financial statement auditing, but subject of an audit to obtain limited assurance.
The independent auditor's report can be found on pages 137 et seqq.

Vossloh's corporate vision is "sustainable, safe and user-friendly rail mobility for a better world". In keeping with its guiding principle "enabling green mobility", Vossloh is a driving force behind customer-focused, innovative and sustainable products and services for rail track. This aspiration is also reflected in Vossloh's sustainability strategy. The company has been pursuing a revised, group-wide sustainability strategy since the 2021 financial year. Its aim is to centrally align and focus the Group's sustainability activities, to further improve Vossloh's positive impact on the environment and society and to make the Group's sustainability performance more transparent. It is intended to make Vossloh a reference point in the area of sustainability in the rail infrastructure business. The Executive Board of Vossloh AG adopted the sustainability strategy and the guideline supporting it in 2021. The company's sustainability commitment is published on the website www.vossloh.com (Investor Relations > Sustainability > Sustainability strategy and management).

Vossloh's Executive Board bears overall responsibility for all sustainability issues. It is responsible for ensuring that the company lives up to its ecological, economic and social responsibilities and makes a positive contribution to the environment and society. In operational management, sustainability is the responsibility of the Chief Operating Officer (COO). In addition, Vossloh AG has the Corporate Sustainability department. Created in 2020, the role of Head of Corporate Sustainability – who reports directly to the Executive Board – is responsible for the development and implementation of the sustainability strategy as well as for the management of group-wide sustainability initiatives. In addition, the Executive Board has established a Group Sustainability Committee to centrally manage all sustainability measures within the Group, which is led by the Head of Corporate Sustainability. In addition, each business unit has appointed a sustainability, health and safety officer.

The remuneration system for the Executive Board was revised in the course of the 2024 reporting year. From the 2025 financial year, the single-year bonus will be based not only on financial performance criteria such as EBIT, sales revenues and working capital, but also on the achievement of ESG targets (environment, social and governance), which were not taken into account in the previous version of the remuneration system. In line with the company's general sustainability strategy, these goals can include categories such as occupational safety, diversity, product safety, employee satisfaction or energy efficiency and greenhouse gas emissions. The target values are set before the start of each remuneration year. The Supervisory Board determines target achievement on the basis of the audited consolidated financial statements and the audited group sustainability statement of Vossloh AG for the respective remuneration year. If 100 percent of the target is achieved, the full target bonus is granted, which forms part of the total target remuneration.

The following table provides an overview of the processes Vossloh has implemented to identify, assess and manage the material sustainability-related impacts, opportunities and risks:

Core elements of due diligence	Disclosures in the Group Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2: pp. 58-59, ESRS 2 GOV-3: p. 59, ESRS 2 SBM-3: pp. 61-66
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2: p. 58, ESRS 2 SBM-2: pp. 60-61, ESRS 2 IRO-1: pp. 62, 66, ESRS S1-2: p. 102, ESRS S2-2: p. 126, ESRS S4-2: pp. 107-109
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1: pp. 61-67, ESRS 2 SBM-3: pp. 63-66, ESRS E1 SBM-3: p. 84, ESRS E1-5: p. 87, ESRS E3 SBM-3: pp. 87, ESRS E3-4: pp. 87-88, ESRS E5 SBM-3: pp. 90, 94, ESRS S4 SBM-3: p. 107, ESRS S1 SBM-3: p. 113, ESRS S2 SBM-3: pp. 125, 127-128, ESRS G1: p. 131, company-specific topic of cybersecurity: p. 135
d) Taking actions to address those adverse impacts	ESRS E1-3: pp. 80, 85, ESRS E1-5: p. 87, ESRS E5-2: pp. 91, 93, ESRS S4-4: p. 108, ESRS S1-4: pp. 115, 117, ESRS S2-4: pp. 125-129, ESRS G1-3: pp. 130-131, ESRS G1-2: pp. 135, ESRS G1-1: p. 135, company-specific topic of cybersecurity: pp. 135-136
e) Tracking the effectiveness of these efforts and communicating	ESRS E1-1: pp. 81-82, ESRS E1-3: p. 85, ESRS E5-2: pp. 91-93, ESRS S4-4: p. 108, ESRS S1-4: pp. 115, 117, ESRS S2-4: pp. 126, 128, ESRS G1-3: p. 133, company-specific topic of cybersecurity: p. 136

Like all nonfinancial risks and opportunities, the material sustainability impacts, risks and opportunities to which Vossloh is exposed are subject to scheduled internal monitoring, assessment and control. The results are regularly reported to the Executive Board. Risks may arise in relation to the material sustainability matters for the company with regard to the completeness and integrity of the data collected, the time at which information is available and, in particular, the availability of data on the upstream and downstream value chain. In order to prevent or limit these risks, they are included in the group-wide risk and opportunity management system. Its general mode of operation is described on pages 43 et seqq. (ESRS 2 GOV-5, 36). When assessing risks and opportunities, the same monetary thresholds are applied as for Vossloh's general financial risk assessment. No risks or opportunities exceed the financial materiality threshold for the reporting year or for 2025. The current impact of the identified material risks and opportunities on the company's financial position, financial performance and cash flow can therefore be classified as low overall.

The importance of sustainability for Vossloh's business model

Vossloh offers products and services that enable higher capacity utilization of rail tracks. The aim is to increase the availability of existing railroad lines, support the construction of new lines, enable efficient and trouble-free operation and reduce the life cycle costs of the rail infrastructure. This way, Vossloh is contributing to greater sustainability in the mobility of people and the transportation of goods. Rail is the safest, most efficient and most environmentally friendly mode of transport for both local and long-distance transit. Increasing rail transport is, therefore, a key prerequisite for achieving ambitious climate goals. The digital transformation in the rail industry is opening up considerable new opportunities for rail as a mode of transport to make even greater use of its ecological advantages. At the same time, customer awareness and willingness to take responsibility for achieving climate targets in the transport sector is also increasing. With its focus on sustainable management and resource conservation, Vossloh is opening up new opportunities to differentiate itself from the competition in this market environment. The company's business model (ESRS 2 SBM-1, 40 a) i and ii) is described in more detail on page 4 et seq. Information on the Vossloh Group's employees can be found in the Workforce section of the Combined Management Report (page 37) and in the Personnel strategy and personnel management section (from page 118) of this Group Sustainability Statement.

With its three divisions Core Components, Customized Modules and Lifecycle Solutions, Vossloh is active in various markets of the rail infrastructure business. Its direct customers are predominantly state and municipal providers of passenger and freight rail transportation. This means that a considerable proportion of the total population is affected by rail transport as end users and consumers. For their products and services the company's business units purchase from a large number of suppliers. Suppliers of steel and concrete as well as raw materials for the production of plastics and composites are particularly relevant here.

Vossloh is in continuous dialog with its internal and external stakeholders. Conversations also increasingly concern opinions on and experiences with sustainability issues. It is important to the company to address the individual stakeholder groups directly on this topic and to take their interests into account as much as possible. Stakeholder feedback can provide suggestions for change at all decision-making levels. The following table provides an overview of which topics are important when communicating with key stakeholders and which formats Vossloh uses for dialog:

Stakeholders	Topics	Dialog formats
Customers	<ul style="list-style-type: none"> – (New) products and services from Vossloh – The quality of products and services – Customized solutions for the respective task – Fast response to inquiries as well as order processing and logistics 	<ul style="list-style-type: none"> – Regular customer meetings – Publications (printed and digital) – Participation in trade fairs – Events for/with customers – System integration of customers through EDI (Electronic Data Interchange)
Suppliers	<ul style="list-style-type: none"> – New/alternative materials and substances – Framework conditions of the supply agreements – Communication about the specifications of the scope of delivery 	<ul style="list-style-type: none"> – Regular supplier meetings – Participation in trade fairs
Capital market participants	<ul style="list-style-type: none"> – Performance of the company – Current business development – Strategic orientation of the company – Corporate management in accordance with corporate governance rules – Commitment to sustainability 	<ul style="list-style-type: none"> – Financial reporting – Annual General Meeting – Investor conferences – Conference calls – Roadshows – Capital Markets Days – Website
Workforce	<ul style="list-style-type: none"> – Employment contract regulations – Company agreements – Internal communication – Exchange with the management level – Opportunities for further training and professional development – Talent development 	<ul style="list-style-type: none"> – Regular employee appraisals – The “inmotion” employee magazine – Employee surveys – Cross-country, cross-hierarchical and cross-divisional exchange forums and project teams – Vossloh Online Academy

The table shows that discussions and meetings with representatives of all key stakeholders take place as frequently and regularly as possible, as well as on specific occasions, through various channels and at many different sites in the company’s global network. Criticism, suggestions and proposals from stakeholders for improvements, including with regard to sustainability, are discussed within the company and – where appropriate and feasible – taken into account. Feedback from customers and suppliers, for example, flows into the further development of Vossloh’s products and services, while employees’ ideas often lead to changes in production processes and procedures. Topics addressed by capital market participants often provide indications of current or upcoming market developments. As part of structured internal reporting, corresponding information is also forwarded to the Executive Board and the Supervisory Board. The materiality analysis conducted in advance of this Group Sustainability Statement being compiled took into account the interests and viewpoints of the most important stakeholders in connection with Vossloh’s strategy and business model.

Material sustainability matters at Vossloh

Vossloh carried out a materiality analysis in 2021, which was significantly expanded for the current report in accordance with the requirements of the ESRS and meets the criteria of double materiality explained in the following passages. The results of the double materiality analysis – including the identified material impacts, risks and opportunities – are reviewed annually. A new full analysis is not currently planned, but may be carried out as part of the annual review if new developments or changes in the general conditions require significant adjustments to the main impacts, risks and opportunities.

As part of the preparation of the Group Sustainability Statement 2024, all categories included in the ESRS (E1, E2, E3, E4, E5, S1, S2, S3, S4 and G1) as well as several company-specific sustainability topics (cybersecurity, track availability and efficiency in rail transport, noise reduction on the track) were subjected to a double materiality analysis, namely

- with regard to the (positive and negative) impacts of Vossloh’s activities on people and the environment and
- with regard to the (financial) risks and opportunities from the sustainability-relevant matters for the company.

In order to identify actual and potential, positive and/or negative impacts as well as risks and opportunities, an analysis of all of the above categories and topics was carried out for the first time in accordance with ESRS requirements by selected internal stakeholders who are in close contact with Vossloh's most important external stakeholder groups – customers, suppliers and capital market participants – and their interests and viewpoints were incorporated into the analysis. The company's entire value chain was analyzed in order to identify the impacts, risks and opportunities along this value chain. Together with external experts and with the involvement of the Group's internal risk management and relevant functional areas which provided their feedback, the internal stakeholders assessed all identified actual and potential positive and negative impacts as well as risks and opportunities in order to determine their materiality. Both internal data and external, publicly accessible sources were used as input parameters, including reports and guidelines from the European Commission, the European Environment Agency (EEA), the Environmental Protection Agency (EPA) and the Sustainability Accounting Standards Board (SASB) as well as publications from international organizations such as the United Nations (UN), the World Wide Fund For Nature (WWF), the International Labour Organization (ILO) and relevant economic media. In addition, the impacts, risks and opportunities were classified according to their temporal relevance (short, medium or long term). The ratings were made on a scale of 1 to 4; all ratings of 3.0 or higher were classified as material. The assessments are based on assumptions and a combination of internal and external quantitative data and qualitative findings from meetings with internal stakeholders. Where relevant, site-specific aspects were also taken into consideration when assessing the impacts, risks and opportunities. The result of the analysis was presented to the Executive Board, which discussed and validated it.

Some of the important decisions in the process concerned the selection of internal stakeholder representatives and external experts as well as the assessment of all identified impacts, risks and opportunities by the respective stakeholder representatives. Internal controls were applied throughout the whole process, which were expressed in a regular review of the current materiality analysis status by employees from several departments. The control procedure included a detailed description of the impacts, risks and opportunities.

For the analysis, the impacts of Vossloh's activities on people and the environment were first categorized as negative or positive, and then as actual or potential. They were also prioritized according to their severity, scope, extent and probability of occurrence. The risks and opportunities were determined in a subsequent process step. The first step was to examine which (financial) risks and opportunities could be derived from the previously identified material impacts. In addition, further (financial) risks and opportunities were identified that could arise along Vossloh's value chain in the short, medium or long term. When analyzing risks and opportunities, the company also considered dependencies from supply chains, market requirements, regulatory requirements, resource consumption and climate-related risks in order to assess potential financial impacts. The subsequent assessment of the (financial) risks and opportunities resulting for the company from the impacts considered was based on the extent of the potential financial impacts and the probability of their occurrence. The assessments of the Group's internal risk management were included in the valuation. Finally, the time horizon in which all parameters will be relevant was classified. For the 2024 fiscal year, Vossloh has reported on all aspects that achieved at least a score of 3.0 on a scale of 1 to 4 in at least one respect when assessing impacts, risks and opportunities:

- Climate change mitigation (by reducing CO₂e emissions) (ESRS E1)
- Energy (ESRS E1)
- Water (ESRS E3)
- Resource outflows related to products and services (ESRS E5)
- Waste (ESRS E5)
- Working conditions (own workforce) (ESRS S1)
- Equal treatment and equal opportunities for all (own workforce) (ESRS S1)
- Working conditions (workers in the value chain) (ESRS S2)
- Other labor-related rights (workers in the value chain) (ESRS S2)
- Personal safety of consumers and/or end users (ESRS S4)
- Corporate culture (ESRS G1)
- Protection of whistleblowers (ESRS G1)

- Corruption and bribery (ESRS G1)
- Cybersecurity (company-specific topic)
- Track availability and efficiency in rail transport (company-specific topic)
- Noise reduction on tracks (company-specific topic)

The respective positive or negative impacts of Vossloh's activities on people and the environment as well as the (financial) risks and opportunities for the company arising from sustainability-related topics are presented in the following thematic chapters.

The following table provides an overview of the material impacts, opportunities and risks identified as part of the double materiality analysis:

Sustainability aspect	Standard	Impacts on people and the environment	Financial impacts		
Climate change mitigation (by reducing CO ₂ e emissions)	ESRS E1	Greenhouse gas emissions from direct emissions in the production process and upstream supply chains (Scope 3.1) that contribute to global warming without effective decarbonization measures.	⊖	↗	■ ■ ■ ■
		Promoting climate change adaptation by enabling sustainable rail mobility, which potentially could lead to lower emissions from private transport.	⊕	↗	■ ■ ■ ■
Energy	ESRS E1	Consumption of non-renewable energies in production processes, in particular natural gas and fossil-fuel electricity sources, which leads to the depletion of limited resources.	⊖	↗	■ ■ ■ ■
		Promote decarbonization by increasing the use of renewable energies in production in order to achieve Scope 1 and Scope 2 CO ₂ e neutrality by 2030 and significantly reduce the share of non-renewable energies.	⊕	↗	■ ■ ■ ■
Water	ESRS E3	Consumption of fresh water for surface treatment, cooling processes and the production of concrete ties, which affects local water resources.	⊖	↗	■ ■ ■ ■

Positive ⊕ Actual ↗ Medium and long term ■ ■ ■ ■ Long term ■ ■ ■ ■ Risk ⚡
 Negative ⊖ Potential ↻ Short and medium term ■ ■ ■ ■ Short term ■ ■ ■ ■ Opportunity !

Sustainability aspect	Standard	Impacts on people and the environment			Financial impacts		
Resource outflows related to products and services	ESRS E5	Environmental impact due to the use of insufficiently sustainable materials and inadequate recycling of concrete ties.	⊖	↗	■ ■ ■		
		Promotes the circular economy through a high proportion of unpackaged, recyclable products and increasing recycling rates.	⊕	↗	■ ■ ■		
Waste	ESRS E5	Increased waste intensity for products due to unavoidable generation of residual waste in the production process.	⊖	↗	■ ■ ■		
Working conditions (own workforce)	ESRS S1	The occurrence of work-related injuries and illnesses despite preventive measures at Vossloh can lead to the impairment of the workforce.	⊖	↗	■ ■ ■	⚡	■ ■ ■
		Significant severity of work-related injuries and illnesses in production facilities that have a long-term impact on the health and quality of life of employees.	⊖	↗	■ ■ ■		
		Inadequate workplace safety, which increases the risk of accidents and health damage to the workforce' health.	⊖	↗	■ ■ ■		
		Promotes compliance with labor laws and international standards that contribute to improved working conditions and workers' rights.	⊕	↗	■ ■ ■		
		Optimal staffing of positions based on skills and motivation, leading to higher productivity and workforce satisfaction.	⊕	↗	■ ■ ■		
		Succession planning and talent mapping promote growth potential by specifically identifying and developing skills and internal motivations.	⊕	↗	■ ■ ■	⚠	■ ■ ■
		Promoting a good work-life balance that contributes to improving workforce satisfaction and productivity.	⊕	↗	■ ■ ■	⚠	■ ■ ■
		Promoting personal and professional development significantly increases employee engagement and retention, and drives talent development and innovation	⊕	↗	■ ■ ■		
		High employee turnover could lead to a loss of knowledge, increased recruitment costs and lower productivity due to more frequent staff changes.					

Sustainability aspect	Standard	Impacts on people and the environment				Financial impacts		
Equal treatment and equal opportunities for all (own workforce)	ESRS S1	Competitive remuneration and additional benefits compared to the industry directly influence workforce satisfaction and loyalty and attract qualified employees.	⊕	↗	■ ■ ■	Higher salaries and additional benefits for employees could increase operating costs and put pressure on the Group's financial flexibility.	⚡	■ ■ ■
		Attractive remuneration helps to ensure a decent standard of living and supports the well-being of the workforce.	⊕	↗	■ ■ ■	Attracts a highly qualified workforce, which increases the Group's innovative strength and competitiveness.	⚠	■ ■ ■
		Ensures comprehensive social security benefits that contribute to the social security of the workforce.	⊕	↗	■ ■ ■			
		Promotes diversity in the workforce, for example, in terms of gender and nationality, which contributes to an inclusive working environment and greater innovative strength.	⊕	↗	■ ■ ■			
Working conditions (workers in the value chain)	ESRS S2	Incidents of misconduct among the workforce, but also along the value chain, could jeopardize the well-being of employees.	⊖	↻	■ ■ ■			
Other labor-related rights (workers in of the value chain)	ESRS S2	Potential violations of fundamental human rights in the supply chain, such as child labor or forced labor, which entail ethical and legal risks.	⊖	↻	■ ■ ■			
Personal safety of consumers and/or end users	ESRS S4	Inadequate health and safety standards of the products/ services could endanger the health of users.	⊖	↻	■ ■ ■	The risk of quality issues or customer complaints could damage trust in the brand and lead to negative legal and financial consequences.	⚡	■ ■ ■
		Development of durable products for rail infrastructure that help to reduce waste and resource consumption.	⊕	↗	■ ■ ■	The improvement and development of high-quality products offer the opportunity to exploit a higher willingness to pay for products with a better quality.	⚠	■ ■ ■
Corporate culture	ESRS G1	Clear roles and responsibilities and a proper segregation of duties promote efficiency, reduce risks and strengthen employees' confidence in the work processes.	⊕	↗	■ ■ ■			
Protection of whistleblowers	ESRS G1	Insufficient protection for whistleblowers – which makes it more difficult to uncover wrongdoing and jeopardizes ethical conduct – could undermine trust in the company.	⊖	↻	■ ■ ■			

Sustainability aspect	Standard	Impacts on people and the environment	Financial impacts				
Corruption and bribery	ESRS G1	Weak regulations and controls in the area of corruption and bribery could lead to illegal practices and jeopardize trust in the company and the integrity of the business.	⊖	↻	■ ■ ■		
Cybersecurity (Company-specific topic)		Inadequate protection of IT systems could lead to cyberattacks that jeopardize business continuity and the security of company data.	⊖	↻	■ ■ ■	⚡	■ ■ ■
						⚡	■ ■ ■
Track availability and efficiency in rail transport (Company-specific topic)		Greater track availability through the increased use of digital technologies could increase the efficiency in the rail network, reduce downtimes and optimize operational processes.	⊕	↻	■ ■ ■	⚠	■ ■ ■
		Development of innovative products and services that extend the service life of rail infrastructure components and therefore conserve resources.	⊕	↗	■ ■ ■		
Noise reduction on tracks (Company-specific topic)		Reduction of track-related noise and vibrations through innovative technologies that contribute to improving the quality of life in areas close to railroads.	⊕	↗	■ ■ ■		

All risks are of a potential nature and, therefore, currently have no financial impact on Vossloh. Furthermore, it is not expected that there will be a financial impact on Vossloh in the next reporting period. In the case of opportunities, however, it is not possible to quantify the financial impact in this or the next reporting period due to their predominantly medium and long-term nature. For this reason, no disclosures have been made regarding the current financial impact of the company's material risks and opportunities on its financial position, financial performance and cash flows.

For the identification of impacts, risks and opportunities related to environmental pollution (ESRS E2) as well as biodiversity and ecosystems (ESRS E4), the process described above was also applied using the same methods, assumptions and tools to identify and assess materiality. In each case, the company's own sites and business activities as well as the upstream and downstream value chain were reviewed. As part of the materiality analysis, information from exchanges with regionally affected communities was also taken into account. At the company's sites, there are no indications of complaints from the public or ongoing official proceedings in connection with environmental protection or biodiversity and ecosystems. The analysis did not identify any dependencies regarding biodiversity and ecosystems and their benefits either at the Vossloh sites or in the upstream and downstream value chain. None of Vossloh's sites are located in or near areas with biodiversity in need of protection. No risks and opportunities of any kind were identified in connection with biodiversity and ecosystems. For ESRS E2 and ESRS E4, the current materiality analysis therefore did not result in any impacts, risks and opportunities classified as material.

However, the company will continue to monitor potential developments in these areas and will reassess them if the general conditions change significantly. Despite being classified as non-material, the company remains committed to its responsibility to minimize potential impacts on pollution, biodiversity and ecosystems and to act in accordance with applicable regulations.

List of disclosure requirements in connection with ESRs 2 that are included in this Group Sustainability Statement in the topic-specific standards

Disclosure requirement	Page, paragraph
E1 Climate change	
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	p. 83, para. 2
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	
ESRS E1 SBM-3 18: Type of climate-related risk	p. 80, para. 6
ESRS E1 SBM-3 19: Description of the resilience of Vossloh's strategy and business model in relation to climate change	p. 83, para. 4 – p. 84, para. 4
ESRS 2 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	
ESRS 2 IRO-1 20: Description of the processes to identify and assess material climate-related impacts, risks and opportunities	p. 81, para. 2, p. 82, para. 3, p. 83, para. 4, p. 84, para. 1-para. 3, p. 85, para. 1, p. 85, para. 4 – para. 6, p. 87, para. 6
ESRS 2 IRO-1 21: Explanation of the climate-related scenario analysis and risk assessment	p. 83, para. 4, p. 84, para. 1
E3 Water and marine resources	
IRO-1 Description of the process to identify and assess material water and marine resources-related impacts, risks and opportunities	p. 89, para. 1 – para. 2
E5 Resource use and circular economy	
IRO-1 Description of the process to identify and assess material resource use and circular economy-related impacts, risks and opportunities	p. 90, para. 4 - para. 5
S1 Own workforce	
ESRS 2 SBM-1 40: Number of employees by geographical area	p. 119, Tab. 1
SBM-2 Interests and views of stakeholders	p. 113 para. 7 – p. 114 para. 1, p. 115, para. 1, p. 120, para. 1, p. 121, para. 2, p. 123, para. 1
S2 Workers in the value chain	
SBM-2 Interests and views of stakeholders	p. 126, para. 1 to p. 126, para. 4, p. 127, para. 1, p. 128, para. 3, p. 129, para. 3
S4 Consumers and end users	
SBM-2 Interests and views of stakeholders	p. 107, para. 5, p. 108, para. 5 to p. 109, para. 5
G1 Business conduct	
GOV-1 The role of the administrative, management and supervisory bodies	p. 130, para. 2
IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	p. 130, para. 1

An index of the disclosure requirements contained in this Group Sustainability Statement that have been fulfilled can be found on page 71 et seq.

Group-wide sustainability goals and initiatives

Vossloh has organized its sustainability activities into the following areas of action since 2021:

- Sustainability strategy and management
- Environmental and climate protection
- Safe and sustainable mobility
- Occupational health and safety
- Personnel strategy and personnel management
- Good Corporate Citizenship
- Sustainable supply chains and operations
- Business ethics

The overarching area, "Sustainability strategy and management" provides the framework for the seven other areas of action as well as for the Group's future orientation. The group-wide principles for all of Vossloh's sustainability activities and initiatives are set out in the Sustainability Guideline adopted in 2021. The guideline defines in particular the areas of action, as well as organization, responsibility and processes. The orientation and focus of sustainability activities are adapted to changing conditions and requirements with the help of regular reviews by the Executive Board.

Specific sustainability goals have been defined for the sustainability topics classified as material.

In the Good Corporate Citizenship action area, Vossloh did not classify any topics as material within the meaning of Section 289c HGB in the previous year or in the current reporting year as part of its annual materiality review. This decision reflects the limited impact and potential of this area compared to other sustainability topics and aspects of corporate activity. In addition, activities in this area have not yet been centrally coordinated and systematically recorded. Irrespective of this, Vossloh's business units continue to carry out several initiatives to support local communities.

Vossloh is currently pursuing the following group-wide sustainability goals:

- Climate neutrality in own business operations by 2030 (Scope 1 and Scope 2)
- Reduction in the frequency of accidents at work by 20 % annually
- 90 % sustainable strategic purchasing volume by 2025

The company is also pursuing other group-wide sustainability initiatives such as reducing the environmental footprint of Vossloh's products and services along the entire value chain, implementing the group-wide diversity, equality and inclusion policy and implementing the new value-based management principles.

The indicators disclosed in the Group Sustainability Statement are audited exclusively by the auditor and are not validated by another external body.

The following table assigns the sustainability topics assessed as material in 2024 to the defined areas of action and the existing group-wide sustainability targets::

Sustainability area according	Sustainability aspect according to Sec. 289c HGB	Field of action	Material matter	Standard	Existing Group targets
Environment	Environmental matters	Environmental and climate protection	Climate change mitigation (by reducing CO ₂ e emissions)	ESRS E1	Climate neutrality by 2030 (Scope 1 and Scope 2)
			Energy	ESRS E3	
			Water		ESRS E5
			Resource outflows related to products and services		
			Waste		
Social	Social matters	Safe and sustainable mobility	Personal safety of consumers and/or end users	ESRS S4	
			Track availability and efficiency in rail transport	Company-specific	
			Noise reduction on tracks		
	Employee interests and respect for human rights	Occupational health and safety	Working conditions (own workforce)	ESRS S1	Reduction in the frequency of accidents at work by 20 % annually
		Personnel strategy and personnel management	Working conditions (own workforce)		
			Equal treatment and equal opportunities for all (own workforce)		
		Sustainable supply chains and operations	Working conditions (workers in the value chain)	ESRS S2	90 % sustainable strategic purchasing volume by 2025
			Other labor-related rights (workers in the value chain)		
		Governance	Respect for human rights	Business ethics	Corporate culture
Combating corruption and bribery	Corruption and bribery				
	Protection of whistleblowers		Company-specific		
	Cybersecurity				

External assessments of Vossloh's sustainability performance

At the end of 2021, the company launched a group-wide sustainability initiative for each goal, which the Head of Corporate Sustainability is responsible for coordinating and monitoring. The initiatives were continued as planned in 2024. The implementation procedures and the extent to which the objectives have been achieved are reported in the respective thematic chapters. The Group Sustainability Committee and the Executive Board are regularly informed about group-wide initiatives and other activities.

Various rating agencies have regularly assessed Vossloh's sustainability performance for years. The company currently has a Prime status according to Institutional Shareholder Services (ISS) ESG, among others, which places the Vossloh Group in the top 10 % of its sector. Vossloh achieved Gold status with EcoVadis for the first time in 2024; according to the score received, Vossloh is among the top four percent of all companies rated by EcoVadis. MSCI ESG Research continued to rank Vossloh at the second-best AA rating level (on a scale from AAA to CCC) in the 2024 reporting year. In 2024, Vossloh received the National German Sustainability Award in the Mobility and Logistics category.

Such assessments play a special role for Vossloh: The Group was one of the first companies in Germany to place a sustainability-linked hybrid note at the beginning of 2021. The redemption amount of the note is linked to the company's sustainability performance as measured by ISS ESG and MSCI ESG Research ratings. In February 2024, Vossloh concluded an ESG-oriented syndicated loan in which the interest margin is linked to the compliance rate of revenue in accordance with the EU Taxonomy Regulation in the form of a bonus-malus regulation.

In addition, Vossloh has been an active participant in the United Nations (UN) Global Compact since 2020.

EU taxonomy underscores a sustainable business model

Vossloh has implemented the EU Taxonomy Regulation reporting obligations since the 2021 fiscal year. The EU Taxonomy Regulation provides a standardized classification system for defining environmentally sustainable economic activities. For the 2024 reporting year, 100 % of sales revenues were classified as taxonomy-eligible, as in the previous year. The share of environmentally sustainable and therefore taxonomy-aligned sales revenues, which mainly relate to sales revenues from electrified routes, amounted to 67 % in the reporting year (previous year: 63 %). Both values underline Vossloh's sustainable business model. Detailed information on the requirements of EU taxonomy, a comprehensive and detailed description of the implementation of these requirements at Vossloh as well as the required indicators according to Annex II to the Commission Delegated Regulation (EU) can be found in the section "EU taxonomy and its implementation at Vossloh" from page 95 et seqq.

Index of the disclosure requirements contained in the Group Sustainability Statement

	Disclosure requirement	Position
ESRS 2 General disclosures		
BP-1	General basis for preparation of sustainability statements	p. 58
BP-2	Disclosures in relation to specific circumstances	p. 58
GOV-1	The role of the administrative, management and supervisory bodies	p. 58
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	p. 58
GOV-3	Integration of sustainability-related performance in incentive schemes	p. 59
GOV-4	Statement on due diligence	p. 59
GOV-5	Risk management and internal controls over sustainability reporting	p. 60
SBM-1	Strategy, business model and value chain	p. 60
SBM-2	Interests and views of stakeholders	p. 61
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	pp. 61-66
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	p. 62
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	p. 71
E1 Climate change		
GOV-3	Integration of sustainability-related performance in incentive schemes	p. 83
E1-1	Transition plan for climate change mitigation	pp. 82/83
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	pp. 83-86
IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	pp. 81-87
E1-2	Policies related to climate change mitigation and adaptation	pp. 81-87
E1-3	Actions and resources in relation to climate change policies	p. 82
E1-4	Targets related to climate change mitigation and adaptation	p. 81
E1-5	Energy consumption and mix	pp. 87/88
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	p. 86
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	p. 86
E1-8	Internal carbon pricing	p. 86
E2 Pollution		
IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	p. 66
E3 Water and marine resources		
IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	pp. 89/90
E3-1	Policies related to water and marine resources	p. 89
E3-2	Actions and resources related to water and marine resources	pp. 89/90
E3-3	Targets related to water and marine resources	p. 89
E3-4	Water consumption	p. 90
E4 Biodiversity and ecosystems		
IRO-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	p. 66
E5 Resource use and circular economy		
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	p. 90
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Information incorporated by reference

The following information is incorporated by reference to other parts of the Management Report and the Annual Report:

Standard	Description of information	Position
ESRS 2 BP-1 Paragraph 5	Description of the scope of consolidation	Notes to the Consolidated Financial Statements, p. 159, para. 10 to p. 161, para. 6
ESRS 2 GOV-1 Paragraph 22	Information on administrative, management and supervisory bodies	Notes to the Consolidated Financial Statements, p. 208 et seq.
ESRS 2 GOV-5 Paragraph 36	Risk management, internal control system	Risk and Opportunity Report, p. 43, para. 1 to p. 53, para. 9
ESRS 2 SBM-1 Paragraph 40 a) i and ii	Significant groups of products and services and significant markets and/or customer groups	Combined Management Report, p. 4, para. 4 to para. 6, p. 16, para. 1, p. 18, para. 1, p. 19, para. 1
ESRS S4-3 Paragraph 25 a)	Procedures to mitigate material negative impacts on end users	Research and development, p. 38, para. 1

List of data points in general and thematic standards resulting from other EU legislation

Disclosure requirement and related data point	Page in the Group Sustainability Statement	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference
ESRS 2 GOV-1 Gender diversity in the management and governance bodies, paragraph 21 letter d	p. 58	Indicator no. 13 in Annex 1 Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 letter e	p. 58			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	p. 59	Indicator no. 10 in Annex 1 Table 3			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) i	Not applicable	Indicator no. 4 Table 1 in Appendix 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on environmental risks and Table 2: Qualitative information on social risks	Commission Delegated Regulation (EU) 2020/1816, Annex II	Regulation (EU) 2021/1119, Article 2 (1)
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii	Not applicable	Indicator no. 9 in Annex 1 Table 2		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	Not applicable	Indicator no. 14 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv	Not applicable			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14	pp. 82 et seqq.				Regulation (EU) 2021/1119, Article 2 (1)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)	Not applicable		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12(1)(d) to (g) and Article 12(2)	
ESRS E1-4 GHG emission reduction targets, paragraph 34	p. 81	Indicator no. 4 in Annex 1 Table 2	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Banking book – Climate change transition risk: Adjustment parameters	Delegated Regulation (EU) 2020/1818, Article 6	

Mandatory disclosure and associated data point	Page in the Group Sustainability Statement	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	p. 88	Indicator no. 5 in Annex 1 Table 1 and indicator no. 5 in Annex 1 Table 2			
ESRS E1-5 Energy consumption and mix, paragraph 37	p. 88	Indicator No. 5 in Annex 1 Table 1			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	p. 88	Indicator No. 6 in Annex 1 Table 1			
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	p. 86	Indicators No. 1 and 2 in Annex 1 Table 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5 (1), Article 6 and Article 8 (1)	
ESRS E1-6 Intensity of gross GHG emissions, paragraph 53 to 55	p. 88	Indicator No. 3 Table 1 in Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8 (1)	
ESRS E1-7 GHG removals and carbon credits, paragraph 56	p. 86				Regulation (EU) 2021/1119, Article 2 (1)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66	Transitional provision, not applicable			Delegated Regulation (EU) 2020/1818, Annex II, Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a)	Transitional provision, not applicable		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; template 5: Banking book - Climate change physical risk: Exposures subject to physical risk		
ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c)					
ESRS E1-9 Breakdown of the carrying amount of its real estate assets by energy-efficiency classes, paragraph 67 (c)	Transitional provision, not applicable		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Reporting form 2: Banking book – Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral		

Mandatory disclosure and associated data point	Page in the Group Sustainability Statement	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	Transitional provision, not applicable			Commission Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Not applicable	Indicator no. 8 in Annex 1 Table 1 Indicator no. 2 in Annex 1 Table 2 Indicator no. 1 in Annex 1 Table 2 Indicator No. 3 in Annex 1 Table 2			
ESRS E3-1 Water and marine resources, paragraph 9	p. 89 et seq.	Indicator no. 7 in Annex 1 Table 2			
ESRS E3-1 Dedicated policy, paragraph 13	p. 90	Indicator No. 8 in Annex 1 Table 2			
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Not applicable	Indicator no. 12 in Annex 1 Table 2			
ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	p. 89	Indicator no. 6.2 in Annex 1 Table 2			
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations, paragraph 29	p. 90	Indicator no. 6.1 in Annex 1 Table 2			
ESRS 2 SBM-3 E4 Paragraph 16 letter a (i)	Not applicable	Indicator No. 7 in Annex 1 Table 1			
ESRS 2 SBM-3 E4 Paragraph 16 letter b	Not applicable	Indicator No. 10 in Annex 1 Table 2			
ESRS 2 SBM-3 E4 Paragraph 16 letter c	Not applicable	Indicator no. 14 in Annex 1 Table 2			
ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24 (b)	Not applicable	Indicator No. 11 in Annex 1 Table 2			
ESRS E4-2 Sustainable oceans/seas practices or policies, paragraph 24 (c)	Not applicable	Indicator no. 12 in Annex 1 Table 2			
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	Not applicable	Indicator No. 15 in Annex 1 Table 2			

Mandatory disclosure and associated data point	Page in the Group Sustainability Statement	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	p. 94	Indicator no. 13 in Annex 1 Table 2			
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	p. 94	Indicator no. 9 in Annex 1 Table 1			
ESRS 2 SBM-3 S1 Risk of incidents of forced labor, paragraph 14 (f)	p. 126	Indicator no. 13 in Annex I Table 3			
ESRS 2 SBM-3 S1 Risk of incidents of child labor, paragraph 14 (g)	p. 120	Indicator no. 12 in Annex I Table 3			
ESRS S1-1 Human rights policy commitments, paragraph 20	p. 120	Indicator no. 9 in Annex I Table 3 and indicator no. 11 in Annex I Table 1			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21	p. 120			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	p. 120	Indicator no. 11 in Annex I Table 3			
ESRS S1-1 workplace accident prevention policy or management system, paragraph 23	p. 113 et seqq.	Indicator no. 5 in Annex I Table 3			
ESRS S1-3 grievance/complaints handling mechanisms, paragraph 32 (c)	p. 121	Indicator no. 5 in Annex I Table 3			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	p. 116	Indicator No. 2 in Annex I Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	p. 116	Indicator No. 3 in Annex I Table 3			
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	p. 125	Indicator no. 12 in Annex I Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b)	p. 124 et seq.	Indicator No. 8 in Annex I Table 3			

Mandatory disclosure and associated data point	Page in the Group Sustainability Statement	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	p. 120 et seq.	Indicator no. 7 in Annex I Table 3			
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a)	p. 120 et seq.	Indicator No. 10 in Appendix I Table 1 and Indicator No. 14 in appendix I Table 3		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1	
ESRS 2 SBM-3 S2 Significant risk of child labor or forced labor in the value chain, paragraph 11 (b)	p. 126	Indicators No. 12 and 13 in Annex I Table 3			
ESRS S2-1 Human rights policy commitments, paragraph 17	p. 126	Indicator no. 9 in Annex 1 Table 3 and indicator no. 11 in Annex 1 Table 1			
ESRS S2-1 Policies related to workers in the value chain, paragraph 18	p. 126 et seqq.	Indicators no. 11 and 4 in Appendix 1 Table 3			
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	p. 126 et seqq.	Indicator no.10 in appendix 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19	p. 126 et seqq.			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	p. 129	Indicator no. 14 in Annex 1 Table 3			
ESRS S3-1 Human rights policy commitments, paragraph 16	Not applicable	Indicator no. 9 in Annex 1 Table 3 and indicator no. 11 Annex 1 Table 1			

Mandatory disclosure and associated data point	Page in the Group Sustainability Statement	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17	Not applicable	Indicator no. 10 in appendix 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12 Paragraph 1	
ESRS S3-4 Human rights issues and incidents, paragraph 36	Not applicable	Indicator no. 14 in Annex 1 Table 3			
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	p. 107 et seqq.	Indicator no. 9 in Annex 1 Table 3 and indicator no. 11 in Annex 1 Table 1			
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	p. 107 et seqq.	Indicator no. 10 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12 (1)	
ESRS S4-4 Human rights issues and incidents, paragraph 35	p. 107 et seqq.	Indicator no. 14 in Annex 1 Table 3			
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	p. 131 et seqq.	Indicator no. 15 in Annex 1 Table 3			
ESRS G1-1 Protection of whistleblowers, paragraph 10 (d)	p. 135	Indicator no. 6 in Annex 1 Table 3			
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	p. 135	Indicator no. 17 in Annex 1 Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24 (b)	p. 131 et seqq.	Indicator no. 16 in Annex 1 Table 3			

Environment

In the area of the environment, Vossloh identified five topics as relevant in 2024 as part of the double materiality analysis (see page 61 et seq.):

- Climate change mitigation (by reducing CO₂e emissions)
- Energy
- Water
- Resource outflows related to products and services
- Waste

The company has a group-wide sustainability guideline and an EcoDesign guideline that cover various ecological aspects. However, a detailed analysis has shown that there are still no specific guidelines in the areas of environment, water management and waste management. To close these gaps and ensure a comprehensive approach in these areas, the company plans to develop and implement corresponding guidelines by 2025.

The main impacts, risks and opportunities are presented in more detail below. The group-wide sustainability target defined in this area since 2021 is:

- Climate neutrality in own business operations by 2030 (Scope 1 and Scope 2)

The following table summarizes the most important measures taken in 2024 to achieve this goal:

Measures	Description
Budgeting and tracking CO ₂ reduction against the 2030 climate neutrality target (Scope 1 and Scope 2)	Budgeting of CO ₂ emissions to ensure alignment with the goal of climate neutrality by 2030 and quarterly review of CO ₂ e-reduction performance of the business units against the target with the Executive Board of the Vossloh Group.
Switch to purchasing electricity from renewable energies	75 % of the electricity purchased for all units worldwide comes from renewable energy sources (since 2024 and ongoing).
Solar park in India	Solar park that covers 50 % of the electricity consumption of the Indian foundry for manganese crossings and reduces Scope 2 emissions by 50 % (since 2024 and ongoing).
Solar park in Poland	Construction of a solar park in cooperation with an energy specialist, which covers half of the electricity requirements of the turnout plant in Poland and is expected to avoid 2,000 metric tons of CO ₂ e annually (since 2024 and ongoing).
Solar panels on the roofs of Vossloh plants in China, Germany, Sweden, the Netherlands, Malaysia, Mexico and Serbia	Installation of solar cells on the roofs of Vossloh plants in China, Germany, Sweden, the Netherlands, Malaysia, Mexico and Serbia (since 2024 and ongoing).
Measurement of Scope 3	Measurement of the Vossloh Group's Scope 3 emissions. With the exception of category 14 (Franchise), which is not relevant for Vossloh, all other categories of the GHG Protocol are applicable.

Climate change mitigation (by reducing CO₂e emissions)

On this topic, the materiality analysis revealed:

- the following significant negative impacts: Greenhouse gas emissions from direct emissions in the production process and upstream supply chains (Scope 3.1) that contribute to global warming without effective decarbonization measures;
- the following significant positive impacts: Promotion of climate change adaptation by enabling sustainable rail mobility, which could potentially lead to lower emissions from private transport;
- the following significant risk: Stricter regulations to reduce greenhouse gas emissions could lead to potential cost increases due to the adaptation of production facilities, including investments in low-emission technologies and possible penalties for non-compliance (transition risk);
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seq.).

Particularly against the backdrop of the ambitious climate change mitigation targets of the Paris Agreement to limit global warming to 1.5 degrees on average, rail as a mode of transport is gaining enormously in importance. Moving greater levels of traffic onto the rail network is a core part of sustainable, environmentally and climate-friendly mobility. Vossloh produces durable products for rail infrastructure and provides services to improve the performance, reliability and service life of the rail infrastructure. The Group is continuously working to reduce the consumption of raw materials and minimize emissions, while at the same time ensuring the efficient use of resources and minimizing environmental impact. The continuous optimization of the use of energy, materials and personnel as well as the constant improvement of processes are an integral part of day-to-day business for business management reasons alone. Vossloh is also focusing on its declared general intention to reduce the environmental footprint of its products and services along the entire value chain (ESRS E5, see page 91 et seq.). This is another way in which the company is meeting national and international climate change mitigation targets. The whole Executive Board discusses current developments in the area of climate change mitigation, particularly with regard to greenhouse gas emissions and energy, with the heads of the business divisions and selected heads of the central departments at quarterly management meetings.

Vossloh aims to achieve climate neutrality in its own business operations (Scope 1 and 2) by 2030. This goal was incorporated into Vossloh's sustainability strategy at an early stage, as the climate risk assessment carried out by the Group's Sustainability Committee – involving all relevant stakeholders – confirmed that the technical levers for implementing climate neutrality in Scope 1 and 2 are progressing rapidly. This enabled Vossloh to start mitigating and adapting to physical and transitory risks associated with climate change at an early stage. This goal also enabled Vossloh to keep pace with developments with customers, markets and environmental requirements. The target of climate neutrality in Scope 1 and 2 by 2030 was approved by both the Sustainability Committee and the Executive Board of Vossloh AG.

Although this goal is not formally based on science, the company believes that the climate neutrality target for its own business activities is a contribution to supporting the goals of the Paris Agreement. The Agreement calls for limiting the global temperature rise to well below 2 degrees, ideally to 1.5 degrees, and requires greenhouse gas neutrality in the second half of the century. The planned climate neutrality in our own business operations (Scope 1 and 2) by 2030 is within this time horizon and helps to reduce the risks of climate change. Vossloh mainly uses the Greenhouse Gas Protocol (GHGP) and the international standard for energy management systems ISO 50001 to measure, report and control emissions, including the setting of targets. The determination of the climate neutrality target for 2030 (Scope 1 and 2) is based on assumptions regarding revenue development, which are based on Vossloh's rolling three-year plan and longer-term linear revenue growth. To achieve the goal of climate neutrality, Vossloh has been intensifying its measures to decarbonize the Group since 2021. Extending the calculation of emissions values to the upstream and downstream value chain in the 2024 financial year is a first step towards contributing to climate change mitigation beyond the defined target in the future.

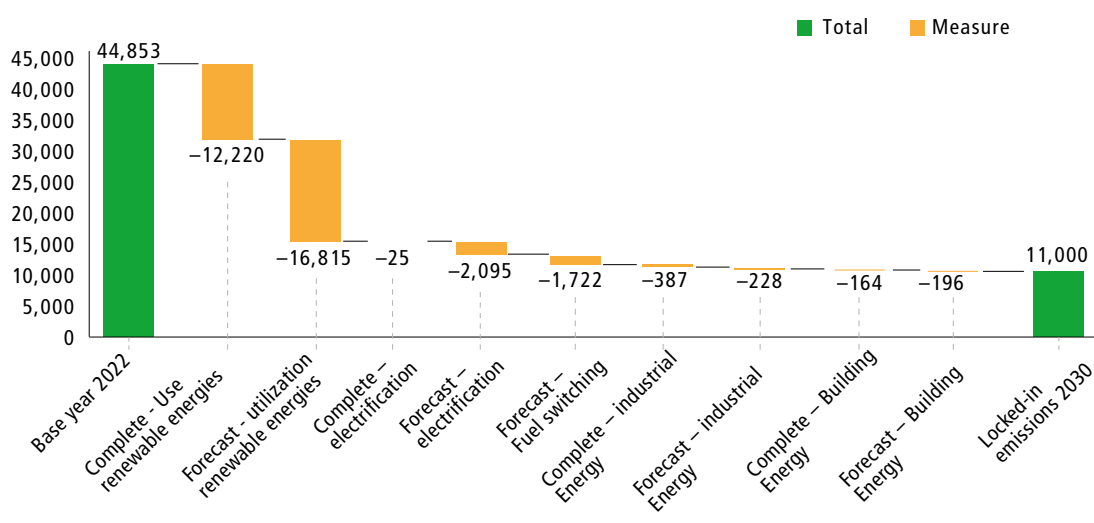
The transition plan for climate change mitigation drawn up in 2024 relates to the Scope 1 and 2 categories. It identifies four decarbonization levers across the Group: Using renewable energies, electrification, switching to less CO₂e-intensive fuels and improving energy efficiency in production. By far the greatest potential for saving CO₂e is the use of renewable energies, especially with the help of purchased green electricity and photovoltaic systems on site. In the Rail Services business unit and, to a lesser extent, in the Tie Technologies business unit, there is also a change in the fuel used. At Vossloh Rail Services, this involves the use of hydrogenated vegetable oils (HVO) instead of diesel for the engines of trains and machines used for maintenance services.

The transition plan for climate change mitigation is part of the budget approved by the Executive and Supervisory Boards for the divisions and Vossloh AG. The budget contains CO₂e intensity targets that are in line with Vossloh's goal of climate neutrality (Scope 1 and 2), as well as measures to achieve these targets. These measures result from the transition plan.

The measures included in the transition plan and budgeted in the company's financial planning to reduce CO₂e emissions for the period from 2025 to 2027 will require capital expenditure (CapEx) of € 8.77 million. A large part of the capital expenditure is attributable to the additional photovoltaic systems planned in the medium term. In addition, operating expenses (OpEx) are planned in the amount of €1.12 million. In 2024, capital expenditure (CapEx) to support Vossloh's 2030 climate neutrality target (Scope 1 and 2) amounted to €1.2 million (see page 14 for the Vossloh Group's total capital expenditure). These investments are relevant for industry 6.14 of the EU taxonomy (see section EU taxonomy on page 98, 6.14. Rail transport infrastructure). In the same year, the Vossloh Group spent €8.4 million (OpEx) on the purchase of electricity and heat from renewable energies (see page 11 for the cost of sales).

With the measures listed in the transition plan, Vossloh plans to save a total of 33,853 metric tons of CO₂e (Scope 1 and 2) by 2030 compared to the base year 2022. 2022 was selected as the base year for determining the reference value. In the selection process, care was taken to ensure that the base year reflected the company's typical activities and that no extraordinary external factors, such as extreme weather events, had a significant influence on the data. To achieve the target, over 86 % of the savings are to be achieved through the use of renewable energies. Progressive electrification accounts for around 6 % and the targeted fuel switch to HVO for a further 5 %. The company currently assumes that the amount of greenhouse gas emissions for which there is no possibility of elimination (locked-in GHG emissions) will amount to 11,000 metric tons of CO₂e in 2030. This takes into account, inter alia, the fact that there are currently no alternative energies available in sufficient quantities and at economic prices for the gas-powered furnaces for the heat treatment of tension clamps in Werdohl. In addition, Vossloh Rail Services' diesel-powered maintenance machines cannot be operated entirely with HVO due to engine limitations. From 2030, the remaining 11,000 metric tons of CO₂e emissions are to be offset annually. At the same time, new technological developments are continuously evaluated to check whether they can contribute to the reduction of locked-in GHG emissions. The aim is not to rely solely on offsetting in the long term, but to achieve an actual reduction in emissions through progressive solutions and therefore reduce the ecological footprint in the long term.

Transition plan



	2022 (base year)	2030 (target)
Greenhouse gas emissions (t CO ₂ e)	44,853	11,000
Use of renewable energies		-29,035
Complete (Scope 1)		-12,220
Forecast		-16,815
Scope 1		-3,203
Scope 2		-13,612
Electrification		-2,120
Complete (Scope 1)		-25
Forecast (Scope 1)		-2,095
Fuel switching		-1,722
Forecast (Scope 1)		-1,722
Industrial energy efficiency		-615
Done		-387
Scope 1		-220
Scope 2		-167
Forecast		-228
Scope 1		-4
Scope 2		-224
Building energy efficiency		-360
Done		-164
Scope 1		-104
Scope 2		-60
Forecast		-196
Scope 2		-196

Vossloh's economic activities are covered by the delegated regulations on climate change adaptation or climate change mitigation in accordance with the EU Taxonomy Regulation – see the explanations starting on page 95. Vossloh's sales revenues in the year under review were 100 percent taxonomy-eligible and 67 percent taxonomy-aligned, as the latter measurement essentially only applies to revenues relating to electrified rail lines. Whether and when rail lines will become electrified is not a decision to be made by Vossloh. The company can only react to decisions made by its customers and can therefore neither define targets nor plan capital expenditure for the transition from taxonomy-eligible to taxonomy-aligned activities in the long term.

Since the beginning of 2025, sustainability targets in environmental and climate protection have also been relevant for the remuneration of the Executive Board, after they were taken into account for the first time in the new remuneration system adopted for 2025 (ESRS 2 GOV-3, see page 59).

Environmental and climate protection is an integral part of Vossloh's operational processes. Environmental officers have been appointed at the Group companies' sites and corresponding reporting systems have been implemented. As at the reporting date of December 31, 2024, 79 % (previous year: 84 %) of employees worked for an ISO 14001 certified unit. The proportion of operating companies with corresponding certification was 64 % (previous year: 68 %). The decline is due to the companies acquired in the course of 2024 that have not yet been certified.

With standardized risk analyses that correspond to the hazards influenced by climate change in accordance with Delegated Regulation (EU) 2021/2139, Vossloh has been systematically examining the risks that could result for the company from the physical consequences of climate change, such as the more-frequent occurrence of extreme weather conditions, for the first time since 2024. Starting with the Group headquarters in Werdohl, the company is gradually subjecting all production sites to a risk analysis based on their GPS coordinates in order to assess the probability of natural disasters and their potential impact on the respective site. In the 2024 financial year, the 15 most important sites in the Group were analyzed. For example, the impacts of heat waves on infrastructure and the workforce or the dangers of severe storms and heavy rainfall are taken into consideration.

The risk analyses are based on the Intergovernmental Panel on Climate Change (IPCC). They look at three time periods (the years 2025, 2040, 2060) and three scenarios (limiting global warming to 1.5 degrees according to the Paris Agreement, achieving net zero by 2040, and emissions development without behavioral change). This covers both transitory and physical climate risks. At the same time, the scenarios take into consideration risks from all natural elements, i.e. water (heavy rain, floods, drought), earth (erosion, soil/mud avalanches), air (acute and chronic temperature changes, winds, storms, tornadoes, heat waves) and fire. The data used for the analyses comes from widely recognized national and supra-regional environmental authorities as well as from global meteorological models and seasonal mapping studies by scientific institutions. The CMIP6 data, inter alia, was used as the basis for the climate risks with the greatest influence on our current behavior that can be planned as best as possible. The Coupled Model Intercomparison Project (CMIP) coordinates climate model simulations worldwide as part of the World Climate Research Program (WCRP). The risks considered in 2025 represent acute risks that require immediate action. 2040 was chosen as the date for reaching the median path. 2060 forms the long-term horizon for strategic directions that can be influenced today.

The analyses are evaluated using artificial intelligence. The expert committees at the individual sites compare the gross risks determined in this way with the risk minimization measures already taken there. The results of the resulting resilience analyses are still pending. The first results are expected to be available in the course of 2025. The resulting net risks – taking into account minimizing measures – will be incorporated into strategic investment decisions in future. In addition, site-specific risk analyses and the resulting precautionary measures are to be integrated into the reporting cycle as part of the annual management review in future.

Compared to the physical risks due to the greater impact of global warming, Vossloh considers the transitory risks in the business model to be lower overall. With its products and services, the company supports the shift to a lower-emission transport model, utilizing the broad portfolio of its business units. This focus underlines the resilience of Vossloh's business model to short, medium and long-term climate-related changes. The company expects this positioning to ensure access to funding at an affordable cost of capital as sustainable mobility solutions are increasingly in demand.

In terms of their positive and negative impacts on climate change, greenhouse gas emissions are particularly relevant for Vossloh, measured in the form of CO₂e (CO₂-equivalent) emissions. The fact that the company causes such emissions was assessed negatively in the materiality analysis. Promoting the transition to environmentally friendly mobility through Vossloh's business model is positive. In general, there is a risk that countries in which Vossloh produces or provides services will tighten the greenhouse gas emissions requirements to be met by companies. This could make it necessary for Vossloh to adapt its production facilities, work processes and equipment accordingly, which would result in financial costs.

The achievement of climate neutrality (Scope 1 and 2) by 2030 is measured using the indicators CO₂e emissions, CO₂e intensity (metric tons of CO₂e/revenue in € million) and energy intensity (energy consumption in MWh/ sales revenues in € million). Energy intensity and CO₂e intensity are the indicators used by Vossloh to measure its progress in terms of energy efficiency and minimizing CO₂e emissions, while also taking the company's growth targets into account.

As part of the group-wide Carbon Neutrality 2030 initiative (Scope 1 and 2), a cross-divisional team led by the Head of Corporate Sustainability with the support of all business units drew up the transition plan described above for reducing energy consumption and CO₂e emissions in 2024. The implementation focused in particular on the most energy-intensive processes and systems and the most CO₂e-intensive energy sources.

At the level of the individual Group companies and sites, packages of measures were budgeted for the years up to 2027 and extrapolated up to 2030, with the help of which climate neutrality (Scope 1 and 2) is to be achieved. This corresponds to an average annual reduction in CO₂e intensity of 11 %, based on the assumption that the total reduction in CO₂e intensity in Scope 1 and 2 over the period from 2022 to 2030 is 100 %, which corresponds to a distribution over nine years. After significant decreases of 15 % (2022) and 19 % (2023), CO₂e intensity was reduced by 10 % in the 2024 financial year. Thanks to the positive development in recent years, the company is still in line with the reduction path to 2030. The most important measures implemented in 2024 related to changing the energy mix and improving energy efficiency. They are explained in more detail under the heading Energy (ESRS E1-5, see page 87). Based on the action plans, Vossloh intends to further reduce direct and indirect CO₂e emissions in relation to Group sales revenues in subsequent years. The main CapEx and OpEx items have already been mentioned in connection with the transition plan described above.

The implementation of the measures in the transition plan to achieve climate neutrality (Scope 1 and 2) in 2030 depends to a large extent on the availability and allocation of resources. Resources are needed, for example, to purchase green and CO₂-free electricity, for which a surcharge is payable in most cases. In addition, capital expenditure is required to install solar panels, insulate buildings or purchase more energy-efficient equipment.

The level of CO₂e and greenhouse gas (GHG) emissions in the Scope 1 and Scope 2 categories was determined by Vossloh, as in previous years, on the basis of the GHG Protocol (Greenhouse Gas Protocol). The quantities of Scope 3 emissions reported for the first time were determined by a specialized team with the help of an external consultancy, also in accordance with the GHG protocol. First, Vossloh's value chain was mapped in detail. This showed that 14 of the 15 categories of the GHG Protocol apply to Vossloh. As Vossloh does not engage in franchising, category 14 was excluded from Scope 3. This was followed by a comprehensive analysis to determine which categories have the greatest impact. To ensure completeness and accuracy, a detailed guideline was drawn up that transposes the requirements of the GHG protocol into the company's existing business processes.

As indicated in the guideline, the annual data for each applicable category was downloaded from internal company databases and converted using the relevant CO₂e emission factors. The resulting CO₂e emissions were then summarized by category and business unit and entered into the company's group-wide reporting system. Business units were instructed to use primary CO₂e emission factors wherever possible. When primary data was unavailable, average values from the Ecoinvent database were applied. If neither was available, spend-based emission factors were used. Due to limited availability of supplier-provided primary data, spend-based CO₂e factors were used in 90% of cases. The remaining 10% relied on either primary data (mainly for business travel and select purchased goods) or Ecoinvent averages (primarily for category 5 – production waste).

In addition, the company applied system boundary principles to include all relevant activities and harmonized its inventory with the organizational and operational boundaries defined for Scope 1 and Scope 2. Weekly coordination meetings were held to ensure consistency. In addition, two comprehensive reporting test runs were carried out, covering six and nine months of business activity, respectively.

The table below describes the recorded and categorized greenhouse gas emissions of the Vossloh Group, divided into the different emission areas (Scope 1, 2 and 3). The Group does not currently support any projects to reduce greenhouse gas emissions that are financed via CO₂ certificates and does not apply any internal CO₂ pricing systems. The emission factors for Scope 1 emissions were obtained from the Defra database. The emission factors for the location-based Scope 2 emissions were taken from the VDA database and take into account the global warming potential over 100 years (GWP100) and the greenhouse gases CH₄ and N₂O. Market-based Scope 2 emissions use emission factors from energy suppliers or, in their absence, the VDA database. Scope 3 emissions are based on primary data and the Ecoinvent and Carbon Saver databases, whereby GWP100, CH₄ and N₂O are also taken into account.

Greenhouse gas emissions	Review				Milestones and goals			
	Base-year ¹	2023	2024	% 2024 (N)/ 2023 (N-1)	2025	2030	(2050)	Annually % of the target/ base year ⁴
Scope 1 GHG emissions								
Gross scope 1 GHG emissions (t CO ₂ e)	19,319	20,685	21,113	102 %	20,046	11,000	0	104 %
Percentage of Scope 1 GHG emissions from regulated emissions trading systems (%)								
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (t CO ₂ e)			35,577					
Gross market-based Scope 2 GHG emissions (t CO ₂ e)	25,534	21,647	16,802	78 %	11,502	0	0	45 %
Scope 3 GHG emissions								
Total gross indirect GHG emissions (Scope 3) (t CO ₂ e) ^{2,3}			1,411,302					
1 Purchased goods and services			1,028,313					
2 Capital goods			33,660					
3 Fuel and energy-related activities			10,877					
4 Upstream transportation and distribution			35,508					
5 Waste generated in operations			21,865					
6 Business travel			8,006					
7 Employee commuting			4,634					
8 Upstream leased assets			150					
9 Downstream transportation			10,908					
10 Processing of sold products			17,358					
11 Use of sold products			111,799					
12 End-of-life treatment of sold products			107,439					
13 Downstream leased assets			4,330					
15 Investments			16,455					
Total GHG emissions								
Total GHG emissions (location-related) (t CO ₂ e)			1,467,994					
Total GHG emissions (market-based) (t CO ₂ e)	44,853	42,332	1,449,219					

¹ Base year for Scope 1 and Scope 2 is 2022.

² Base year for Scope 3 is 2024.

³ Scope 3 milestones and targets | 2025 | 2030 | 2050 | and annual percentage target/base year are not applicable as Vossloh measured its Scope 3 emissions for the first time in 2024 and has not yet set a Scope 3 reduction target.

⁴ The annual target is 2025.

The interim target for 2025 envisages an increase in Scope 1 emissions of 727 t CO₂e compared to the base year 2022, which corresponds to an increase of 3.8 %. The interim target for 2025 envisages a reduction in Scope 2 emissions of 14,032 t CO₂e compared to the base year, which corresponds to a reduction of 55.0 %. For the sum of Scope 1 and Scope 2 emissions, a reduction of 13,305 t CO₂e is expected in 2025 compared to the base year, which corresponds to a decrease of 29.7 %.

As part of Scope 1, Vossloh used 1,287 liters of hydrogenated vegetable oil in the reporting year, which generated 46 kilograms of biogenic emissions (CH₄ and N₂O only).

The market-based CO₂ emission factors provided by the utilities companies to calculate Scope 2 emissions do not specify the percentages of biogenic CO₂ from biomass, CH₄ and N₂O.

This information is therefore not currently available. The CO₂ emission factors used to record Scope 3 emissions (average and spend-based) do not take into account biogenic CO₂ emissions from the upstream and downstream value chain.

In 2024, 58.8 % of the green electricity used by Vossloh was purchased via bundled contracts.

Energy

On the subject of energy, the materiality analysis revealed:

- the following significant negative impacts: Depletion of limited resources through the consumption of non-renewable energies, particularly fossil fuels, in production processes;
- the following significant positive impacts: Promotion of decarbonization by increasing the use of renewable energies in production in order to achieve Scope 1 and Scope 2 climate neutrality by 2030 and significantly reduce the share of non-renewable energies;
- the following significant risk: An increase in operating expenses due to rising energy prices, therefore impairing competitiveness;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seq.).

The type of energy consumed (energy mix) and the efficiency of the energy used are factors that strongly influence the level of greenhouse gas emissions. With regard to Vossloh's goal of climate neutrality in the Scope 1 and Scope 2 categories by 2030, the materiality analysis resulted in a negative assessment because the company uses non-renewable energy from fossil sources in its production processes and therefore contributes to the depletion of finite resources. As decarbonization progresses, the use of energy from renewable sources is increasing. Vossloh is exposed to the risk that energy purchased in the future, regardless of its type, may become more expensive and therefore cause higher costs.

In order to increase the share of renewable energies in total energy consumption, Vossloh is equipping more and more of its factory buildings with photovoltaic systems and is purchasing green electricity at more and more sites. Corresponding activities are part of the transition plan drawn up in 2024, which is explained in detail on pages 81 et seq. Measures to improve efficiency include the use of process heat, the installation of modern, energy-efficient systems and better insulation of buildings. The most important lever for improvement in 2024 remained the use of electricity from renewable sources by expanding the company's own solar power generation. This was particularly evident in our foundry in India and in Poland with two new solar farms and in China with the expansion of the existing solar panel installations on the factories' roofs. In addition, the purchase of electricity from renewable sources was further increased.

The table below describes the Vossloh Group's energy consumption and energy mix. It is broken down into energy consumption from fossil fuels, nuclear and renewable energy sources and provides an overview of their share of total energy consumption.

Energy consumption and mix	2024
(1) Fuel consumption from coal and coal products (MWh)	
(2) Fuel consumption of crude oil and petroleum products (MWh)	34,301
(3) Fuel consumption from natural gas (MWh)	71,045
(4) Fuel consumption from other fossil sources (MWh)	
(5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	19,167
(6) Total consumption of fossil energy (MWh) (calculated as the sum of rows 1 to 5)	124,513
Share of fossil fuels in total energy consumption (%)	65.9
(7) Consumption from nuclear sources (MWh)	1,314
Share of consumption from nuclear sources in total energy consumption (%)	0.7
(8) Fuel consumption for renewable energy sources including biomass (MWh)	64
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	61,268
(10) Consumption of self-generated renewable energy that does not come from fuels (MWh)	1,679
(11) Total consumption of renewable energy (MWh) (calculated as the sum of rows 8 to 10)	63,012
Share of renewable energy sources in total energy consumption (%)	33.4
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	188,839

The following tables show the energy and CO₂e emissions in relation to the Group's total revenue. The sales revenues (€ 1,209.6 million) used to calculate the energy and CO₂e intensities can be found on page 152 in the Vossloh Annual Report:

t CO ₂ equivalents Scope 1 (Vossloh Group)	2024	2023
Gas consumption	15,028.7	15,130.6
Heating oil consumption	154.8	228.8
Fuel consumption	5,930.2	5,325.9
Scope 1	21,113.6	20,685.3
Scope 1 CO ₂ e intensity (metric tons CO ₂ e/€ million)	17.5	17.0

t CO ₂ equivalents Scope 2 (Vossloh Group)	2024	2024	2023
	Market-based	Location-based	Market-based
Electricity consumption	15,423.0	33,879.8	20,220.0
District heating consumption	1,379.5	1,676.2	1,426.8
Scope 2	16,802.5	35,556.0	21,646.8
Scope 2 CO ₂ e intensity (metric tons CO ₂ e/€ million)	13.9	29.4	17.8

As all of Vossloh's activities are part of the rail infrastructure sector, they are also part of the climate-intensive sector. The disclosed energy intensity and total energy consumption should therefore be understood as part of the climate-intensive sector.

Energy and CO ₂ equivalents Scope 1 and 2 (Vossloh Group)	2024	2023
Energy intensity (MWh/€ million)	156.1	155.2
CO ₂ e intensity (metric tons CO ₂ e/€ million)	31.3	34.9

Greenhouse gas intensity of Scope 1, 2 and 3 (Vossloh Group)	2024	2023
Total GHG emissions (location-based) CO ₂ e intensity (metric tons CO ₂ e/€ million)	1,213.6	–
Total GHG emissions (market-based) CO ₂ e intensity (metric tons CO ₂ e/€ million)	1,198.1	–

Water

On the topic of water, the materiality analysis revealed

- the following significant negative impacts: Impairment of local water resources due to consumption of fresh water for surface treatments, cooling processes and the production of concrete ties;
- no significant positive impacts for people and the environment;
- no significant risks for the company;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seq.). The company has reviewed its assets and business activities with regard to their impact on water resources. Here, water consumption data was analyzed and production processes evaluated. At the relevant sites, the company is in regular contact with local authorities to discuss potential risks in water management. Vossloh strives to optimize its water consumption in order to reduce negative impacts.

Water is a precious commodity, and Vossloh generally aims to use this elementary resource as efficiently as possible. Various measures have been taken at different sites in recent years, but their impact has not yet been centrally documented. In the course of preparing this report, the first step in 2024 was to expand the group-wide standardized and systematic collection of data on water beyond pure consumption data.

In a second step, the development of a group-wide concept on this topic began, which is intended to supplement the existing sustainability guidelines in 2025. The reason for the lack of a specific concept on water is that Vossloh has so far concentrated on other material sustainability matters when drawing up guidelines and concepts. It is planned that measures for more sustainable water use, particularly in areas with an increased risk of drought and high average water consumption, will also be developed as part of the group-wide concept. This will provide Vossloh with a basis for systematically tracking the effectiveness of the concepts and measures in relation to the material impact in the area of water in the future. The effectiveness of the measures taken is evaluated on the basis of the expanded data collection. In the reporting year, the company did not yet have defined targets and it is not yet meaningful to provide a base year for this topic.

In Vossloh's factories, water is mainly used for the surface treatment of products, as a cooling agent in various production processes and for the manufacture of concrete ties. With the exception of the Indian turnout plant which has natural springs, the production units obtain their water from the respective local public water suppliers. In the production areas of the Fastening Systems business unit and the Customized Modules division in particular, used water is therefore recycled in own facilities and fed back into the operating process. Some of the production units here work with closed water circuits. In contrast, the water used in the production of concrete ties in the Tie Technologies business unit remains bound in the products.

To date, none of the Vossloh Group's sites have collected rainwater to any significant extent and reused it in core processes. At the new Vossloh Switch Systems site in Bendigo, Australia, Vossloh will be using this on a large scale for the first time, drawing industrial water from rainwater reservoirs in accordance with the latest findings. Vossloh disposes of wastewater at all sites via the respective public wastewater systems. Industrial water that is heavily contaminated during production is first treated in the company's own wastewater treatment plants so that it at least meets the discharge standards of the public systems.

The following table shows the water consumption within the Vossloh Group, 98.7 % of which is via meters:

Vossloh Group	2024	2023
Water consumption (m³)	156,108	182,988
Water intensity	129.2	150.7

The following table provides further details on group-wide water consumption in the 2024 financial year:

Water consumption 2024			
	In areas without water risks	In areas with high water risks	Consumption of treated and reused water
Water consumption (m³)	64,760	86,887	4,460

Water consumption in the 2024 financial year was measured in all production units or verified by utility bills. The Indian turnout plant has its own natural springs. Their use has been approved by the Indian government, which also controls the specified withdrawal quantities. For office complexes, the Vossloh units only pay flat-rate advance payments to the landlords for their low consumption. This consumption corresponded to 1.3 % of the group-wide volume of water used, whereby assumptions about statistical consumption values per employee were used in accordance with EurEau specifications.

As part of the preparation of this declaration using the ESRS, Vossloh examined for the first time which of its sites worldwide are located in areas with high water stress. Such regions are those in which the percentage of water abstraction from the total water supply is high (40 % to 80 %) or extremely high (more than 80 %), as indicated in the Aqueduct Water Risk Atlas of the World Resources Institute (WRI). According to Aqueduct, 43 % of Vossloh's sites are currently located in areas with high water stress.

Resource outflows related to products and services

The materiality analysis of resource outflows in connection with products and services revealed

- the following significant negative impacts: Environmental impact due to the use of insufficiently sustainable materials and inadequate recycling of concrete ties;
- the following significant positive impacts: Promotion of the circular economy through a high proportion of unpackaged, recyclable products and increasing recycling rates;
- no significant risks for the company;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seqq.). Vossloh has reviewed its assets and business activities with regard to resource utilization and the circular economy. Here, material flows were analyzed and production processes evaluated. At the relevant sites, the company is in regular contact with local authorities to discuss, for example, potential impacts on regional resource availability, local waste management capacities and possible synergies in the circular economy. The company aims to optimize its use of materials and increase recycling rates.

Vossloh's main products, such as rail fastening and turnout systems or concrete ties, generally have a long service life (ESRS 2 SBM-1, 40 a) i and ii, see pages 16, 18 and 19). This is also generally characteristic of the rail infrastructure sector. Once installed, they remain in the track for years or decades and are largely maintenance-free during their service life. At the end of their service life, the products are also almost completely recyclable. Depending on the load and maintenance, turnouts and turnout crossings, for example, can be in use for 30 years, rail fastening systems for around 40 years. A service life of 40 to 50 years can be assumed for concrete and composite sleepers. Vossloh's services, such as rail grinding and milling or monitoring services, help to ensure that existing rail infrastructure can be used for longer.

However, raw materials are needed to manufacture the products, such as steel and plastic for rail fastenings and turnouts or concrete for sleepers. Grinding wheels are used for rail maintenance. The materiality

analysis negatively assessed the environmental impact caused by the use of insufficiently sustainable materials and the inadequate recycling of concrete ties in particular. Vossloh's existing approaches to promoting the circular economy, such as dispensing with product packaging, which is at least 100 % recyclable, if absolutely necessary, switching to more and more recyclable products and an overall increase in the recycling rate, were evaluated positively. Vossloh's products currently consist of over 97 % recyclable materials. For future product lines, this feature is an integral part of the development requirements right from the start.

Vossloh's Executive Board bears overall responsibility for the careful use of natural resources of all kinds within the company. This is a key aspect of the sustainability strategy pursued by the Executive Board. As part of this strategy, Vossloh has implemented a group-wide sustainability initiative. This initiative aims to reduce the environmental footprint of products and services along the entire value chain. On the one hand, the aim is to use natural resources of all kinds more sparingly. On the other hand, the demand for raw materials is to be reduced through reuse or recycling. Although the company has not yet defined specific, measurable targets for this intention, the determination of uniform group-wide data has been significantly expanded in the course of applying the ESRS in this area, so that local determination is possible. On this basis, and due to the expansion of the determination range of the greenhouse gas emissions volume to include the upstream and downstream value chain (Scope 3), measurable targets are to be defined in future and initiatives developed that can exploit further potential for improvement. This will provide Vossloh with a basis for systematically tracking the effectiveness of the concepts and measures with regard to the material impact in the area of resource outflows in the future. The effectiveness of the measures taken is evaluated on the basis of the expanded data collection. A reference period has not yet been defined.

For economic reasons alone, all Vossloh units strive to use resources as sparingly as possible. Material consumption and disposal volumes are recorded and monitored in the individual units. The documentation was standardized across the Group in 2024. Where technically possible and sensible, closed cycles and reprocessing plants reduce the consumption of valuable new raw materials to a minimum. Sustainability criteria have been incorporated into the development and design of new products and services for years. Since 2021, a group-wide innovation guideline (Innovation Playbook) has been in use, which harmonizes all innovation processes across business units and aligns the existing approaches and criteria for the sustainable design of products and services in the business units and links them to concrete recommendations for action. In particular, the sustainability aspects of low energy consumption (and therefore lower CO₂e emissions) or the non-use of problematic raw materials (see the explanations in the Sustainable supply chains and operations section on pages 125 et seqq.) are of central importance. The entire life cycle of a product, including recycling and/or disposal, is also considered from the outset. The same applies to the long-term impact of a service in the form of life cycle assessments in accordance with international standards such as ISO 14040, ISO 14044 or ISO 14067.

In all three divisions, Vossloh is preparing life cycle assessments (LCAs) for more and more products and services in line with the cradle-to-grave approach. The findings are integrated into the innovation and development process of products and services as EcoDesign principles in order to minimize their impact on the environment. Since December 2023, a group-wide guideline for the ecological design of products and services has supplemented the innovation guideline. When drawing up the EcoDesign guidelines, the interests of the most important stakeholders, in particular customers and suppliers, were taken into account through regular dialog. The guidelines are accessible to all employees via the intranet in order to support implementation in all relevant areas of the company. The focus of the guideline is on the design and construction phase, as these have the greatest influence on the ecological footprint of a product. The life cycle analyses carried out since then have shown that the following ecological design principles have the greatest impact on the ecological footprint of Vossloh's portfolio: The use of renewable and/or recycled materials, efficient use of materials, energy efficiency and efficient logistics/packaging. The development departments therefore pay particular attention to these four principles. In view of the product strategies of Vossloh's individual divisions, it is to be expected that these four principles will be confirmed by further LCAs. The views of customers and suppliers and their needs with regard to sustainability aspects are also

incorporated into the development process at an early stage in order to achieve a high product-market fit. Through the Fit 4 Future initiative and the Sustainability Awards, Vossloh employees' ideas and suggestions on sustainability are also systematically incorporated into research and development.

Key examples of products developed in-house with a focus on sustainability are the Engineered Polymer Sleeper (EPS), the M-generation tension clamps and the world's first crossing made of recycled manganese steel, with which Vossloh attracted a lot of attention at InnoTrans 2024 industry trade fair. The EPS consists of amalentic, an innovative material mix of secondary raw materials in industrial quality and additives, which is recyclable. Only green electricity is used to manufacture the EPS composite sleepers. One of the features of the M-clamps is their innovative, compact design, which reduces transportation costs. A new micro-steel alloy reduces CO₂ emissions in the manufacture of these clamps by up to 65 %. For the new turnout crossing, a circular economy model was developed together with customers, through which old manganese crossings can be reused. Recycling the material not only reduces CO₂e emissions, but also mitigates the environmental, health and social impacts associated with manganese extraction, therefore meeting Vossloh's sustainability goals. All the products mentioned are also maintenance-free.

Vossloh sees the Engineered Polymer Pads (EPP) presented for the first time at InnoTrans 2024 as a key sustainable product of the future. This is a new type of sleeper pad for heavily used tracks in the ballast bed. As an elastic layer between the concrete sleeper and superstructure, it enables a more even distribution of force and load on the ballast and improves track stability, which means that the ballast wears less quickly. The pads are made almost exclusively from recycled and recyclable plastics. Green electricity from solar energy is used for production in an extrusion process. At the end of their service life, the pads can be separated from the threshold again and completely recycled.

Waste

On the subject of waste, the materiality analysis revealed that

- as a significant negative impact: increased waste intensity for products due to the unavoidable generation of residual waste in the production process;
- no significant positive impacts for people and the environment;
- no significant risks for the company;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seq.).

The fact that there are waste-intensive processes in certain areas of Vossloh's production, such as the milling of cast blocks or the grinding and milling of rails, was assessed negatively in the materiality analysis.

By recycling, the company tries to minimize the amount of waste that ultimately has to be disposed of or sent to landfill. Thanks to economically sensible recycling programs and processes, particularly at the production sites, this quantity is falling steadily. To date, the data has not been recorded and documented in a standardized group-wide reporting system. Although Vossloh has not yet defined specific, measurable targets on this topic, data collection was systematically carried out for all sites for the first time in the course of preparing this 2024 report, which will make it possible to measure the recycling rates achieved against comparable targets in the future. The supplement to the sustainability guideline already mentioned under the topic of the environment on page 80 should also contain a group-wide approach to this topic, including the development of targets for a more sustainable handling of residual and waste materials. This will provide Vossloh with a basis for systematically tracking the effectiveness of the concepts and measures in relation to the material impact in the area of waste in the future. The effectiveness of the measures taken is evaluated on the basis of the expanded data collection. A reference period has not yet been defined.

Steel scrap and plastic, the main types of waste from production, are recycled at all Vossloh sites. At several sites, Vossloh Fastening Systems is using reusable transport containers. Vossloh Tie Technologies recycles process water on a large scale. Customized Modules processes the packaging material from the delivered raw materials in France and uses used turnout rib plates into the manufacture of new products. Downcycling, i.e. the reprocessing of materials without preserving their original quality, is another way to extend the lifecycle of a material. At Vossloh Rail Services, for example, residues from grinding wheels that cannot be reprocessed are used as an additive in slag production. This creates new raw materials that can be used for a wide range of applications. Production processes or the approach to services are usually redesigned for such solutions.

Vossloh's production units use separate, safe disposal routes for each type of waste. The selected disposal companies are regularly audited. In 2024, Vossloh recorded waste quantities and types for the first time group-wide according to uniform criteria. The quantities incurred for processing and disposal were documented and verified by invoices from the respective disposal companies and recycling partners. As invoices from waste disposal companies were still outstanding in some cases, provisions were recognized in some cases for the months of November and December, which were evaluated on the basis of the previous reporting periods. Here, the total amount of waste generated is divided into hazardous substances and non-hazardous waste, subsumed into waste that can be reused (recycling and treatment) and waste that must be landfilled or sent for thermal utilization.

The following table shows the waste volumes determined in the Group:

		Hazardous waste (in t)	Non-hazardous waste (in t)
Total amount of waste for recycling 2024			
Preparation for reuse		0	1,266
Recycling		2,348	9,035
Other recovery operations		1,035	12,700
Total	26,384 (70 %)	3,383	23,001
Total amount of waste for disposal 2024			
Combustion		107	947
Landfill		223	9,471
Other disposal		476	30
Total	11,255 (30 %)	807	10,448
Total waste volume 2024			
Total	37,639 (100 %)	4,190	33,449

Vossloh's foundries in the Customized Modules division use X-ray methods in quality control to check turnout crossings for defects before they leave the factory. This also generates small quantities of radioactive waste – 0.55 metric tons in total – which is disposed of in accordance with the applicable legal requirements.

EU taxonomy and its implementation at Vossloh

As part of the European Green Deal climate action initiative, the EU Commission aims to achieve the transition to a modern, resource-efficient and competitive economy and climate neutrality by 2050. A central component of this is the EU Taxonomy Regulation, a classification system for defining environmentally sustainable economic activities. The Regulation – which went into effect July 12, 2020 – defines six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

According to the EU Taxonomy Regulation, economic activities are environmentally sustainable if they

- make a substantial contribution to achieving one or more of the six environmental objectives listed (Substantial Contribution),
- do no significant harm (DNSH) to the achievement of the five other EU environmental objectives, and
- comply with minimum requirements for occupational safety and human rights (minimum safeguards).

The regulations differentiate between taxonomy-eligible and taxonomy-aligned activities. If activities can be assigned to the taxonomy criteria, they are taxonomy-eligible, regardless of whether the technical screening criteria are met. Activities are taxonomy-aligned if the taxonomy-eligible activities also meet the criteria.

Pursuant to the EU Taxonomy Regulation, Vossloh reports below on the share of sales revenues, capital expenditure (CapEx) and operating expenses (OpEx) of taxonomy-eligible and non-taxonomy-eligible economic activities.

Reporting for the 2024 financial year is carried out in accordance with the Taxonomy Regulation in the version dated June 18, 2020, the technical screening criteria of the delegated act on the Taxonomy Regulation of June 4, 2021 for environmental objectives 1 (climate change mitigation) and 2 (climate change adaptation) and the delegated act of June 27, 2023. The latter adds further sectors and economic activities to the taxonomy that contribute significantly to environmental objectives 3 (the sustainable use and protection of water and marine resources), 4 (the transition to a circular economy), 5 (pollution prevention and control) and 6 (the protection and restoration of biodiversity and ecosystems). When analyzing the activities, Vossloh focused primarily on their material contribution to the environmental goal of "climate change mitigation". No activities were identified that have a significant impact on environmental objectives 2 to 6.

Multi-stage audit of Vossloh's business activities

The analysis of all activities of the Core Components, Customized Modules and Lifecycle Solutions divisions revealed that all of Vossloh's business activities can be assigned to category "6.14 Rail infrastructure" of the Delegated Regulation. According to the regulation, this category includes the construction, modernization, operation and maintenance of railroad lines as well as the manufacture and installation of track material.

For economic activities to be classified as environmentally sustainable, they must meet the technical screening criteria for being taxonomy-aligned. The taxonomy-eligible activities were analyzed and the shares of taxonomy-aligned sales revenues, CapEx and OpEx were determined as follows:

- Substantial Contribution: Compliance with the technical screening criteria was checked individually for the activities of each business unit.
- Do no significant harm (DNSH): The DNSH criteria mainly relate to compliance with legal requirements and, in the case of the "transition to a circular economy" objective, to fundamental aspects of business activity. Against this background, an assessment of DNSH conformity at business unit level was regularly adequate.
- Minimum safeguards: A group-wide approach to ensuring compliance with the minimum safeguards was implemented here, which enables these requirements to be tracked properly and seamlessly.

Vossloh's business activities are generally considered to make a substantial contribution to climate change mitigation if they meet the technical screening criteria set out in the "Rail transport infrastructure" category. According to the regulation, Vossloh's activities are only considered to make a substantial contribution to climate change mitigation if they are carried out on electrified rail lines or on lines for which there is a plan for electrification, even if the electrification of the rail infrastructure is not within Vossloh's sphere of influence. This does not include rail lines that are only intended for the transportation of fossil fuels.

Next, the activities classified as climate change mitigation had to be assessed to determine whether they had a significant negative impact on one or more of the above-mentioned environmental objectives (DNSH criteria). With regard to the DNSH criteria for the EU environmental objective "climate change adaptation", there is no evidence that Vossloh's economic activities have an adverse effect on climate change adaptation.

The criteria for the EU environmental goal "the sustainable use and protection of water and marine resources" essentially refer to legal and official requirements that Vossloh is obligated to comply with. Many of Vossloh's business activities do not use water as a resource at all, for example, the milling of rails and turnouts, welding services, logistics activities or assembly work. Otherwise, the resource is used in Vossloh's factories primarily for the surface treatment of products, as a coolant in manufacturing processes and for the production of concrete ties. Contaminated wastewater is treated in the company's own wastewater treatment plants so that it at least meets the discharge standards of the public water supply (see also the explanations on page 89 et seq.).

With regard to the environmental goal of “The transition to a circular economy”, Vossloh products meet the requirements for durability and longevity, as most components are designed for a very long service life and are recyclable and recoverable at the end of their useful life. In addition, the service portfolio of the Lifecycle Solutions division contributes to extending the service life of rails and turnouts.

Vossloh also meets the requirements relating to the EU environmental goal of “pollution prevention and control”. A large number of Vossloh products and services contribute to the reduction of noise and vibrations on the track (see also the “Noise reduction on tracks” section on page 111 et seq.).

With regard to the EU environmental objective of the protection and restoration of biodiversity and ecosystems: Environmental impact assessments (EIA) and similar assessments are carried out by Vossloh if required. Vossloh is generally not subject to the EIA obligation when manufacturing products. Finally, by boosting track availability and enabling greater traffic through this land use, Vossloh is helping to minimize the land required for the construction of rail infrastructure, thereby contributing to the preservation of biodiversity.

Information on compliance with the minimum requirements regarding occupational safety and human rights can be found on pages 108 et seq., 113 et seq., 120 and 128 et seq. of this report.

Taxonomy-eligible and -aligned sales revenues, CapEx and OpEx

Based on this approach and the above assumptions and estimates, the Vossloh Group's taxonomy-eligible and taxonomy-aligned sales revenues, CapEx and OpEx are as follows

	2024			2023		
	Total (in € million)	Taxonomy-eligible (in € million / in %)	Taxonomy-aligned (in € million / in %)	Total (in € million)	Taxonomy-eligible (in € million / in %)	Taxonomy-aligned (in € million / in %)
Sales revenues	1,209.6	1,209.6/100	807.5/67	1,214.3	1,214.3/100	762.8/63
CapEx	93.6	64.8/69	43.5/47	74.5	58.2/78	40.2/54
OpEx	74.0	70.9/95	48.2/65	68.2	65.9/97	43.9/65

Sales revenues from taxonomy-aligned business activities exceeded the previous year's figure by 5.9 %. The increase is primarily attributable to the Switch Systems and Rail Services business units. The proportion of taxonomy-aligned sales revenues increased by 4 percentage points.

Capital expenditure (CapEx) for taxonomy-aligned activities was 8.2 % higher than in the previous year. The increase is primarily attributable to the Rail Services and Switch Systems business units. The Tie Technologies business unit also increased its investment expenditure marginally. The proportion of taxonomy-aligned capital expenditure fell by 7 percentage points to 47 %.

Operating expenses (OpEx) for taxonomy-aligned activities increased by 9.8 %. The increase is due in particular to higher maintenance and repair expenses. The proportion of taxonomy-aligned operating expenses remained unchanged at 65 %.

Further information on sales revenues, CapEx and OpEx

Sales revenues are defined as net sales revenues in accordance with IFRS, as reported in the statement of profit or loss, and therefore only relate to fully consolidated subsidiaries. The share of environmentally sustainable sales revenues is calculated by dividing the taxonomy-aligned net sales revenues by the total Group sales revenues. Further information on sales revenues can be found on page 163 of the Vossloh Annual Report.

Composition of the sales revenues numerator (taxonomy-aligned sales revenues)

€ million	2024	2023
Sales revenues from contracts with customers	807.5	762.8
Total	807.5	762.8

Capital expenditure (CapEx) comprises investments in non-current intangible or tangible assets, including goods acquired as part of asset or share deals, as shown in the Consolidated Statement of Financial Position. Capital expenditure is calculated on a gross basis, i.e. without taking into account scheduled and unscheduled depreciation. Further information on CapEx can be found on pages 173 et seqq. of the Vossloh Annual Report.

The numerator used to determine the taxonomy-aligned CapEx is calculated as follows:

Breakdown of the CapEx numerator

€ million	2024	2023
Additions to property, plant and equipment	29.6	35.1
Additions to intangible assets	2.3	2.0
Additions to investment property	0.0	0.0
Additions to rights of use	6.6	3.1
Additions to assets acquired in business combinations	5.0	0.0
Total	43.5	40.2

Operating expenses (OpEx) take into account non-capitalizable expenses recognized in the statement of profit or loss such as research and development, building renovation measures, short-term leasing, maintenance and repair and all other direct expenses from the maintenance of property, plant and equipment to ensure that the taxonomy-eligible assets are ready for operation.

The numerator used to determine the taxonomy-aligned OpEx is calculated as follows:

Breakdown of the OpEx numerator		
€ million	2024	2023
Research and development	9.5	7.8
Maintenance and repair expenses	35.1	32.8
Lease expenses	2.5	2.3
Training expenses	1.1	1.0
Total	48.2	43.9

EU taxonomy indicators according to Annex II to the Commission Delegated Regulation

Sales revenues

Economic activities	Code(s)	Absolute sales revenues	Proportion of sales revenues	Substantial contribution criteria						
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Environmental pollution (8)	Circular economy (9)	Biodiversity (10)	
		in € million	%	%	%	%	%	%	%	
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
6.14. Rail transport infrastructure	6.14	807.5	67	67						
Sales revenues from environmentally sustainable activities (taxonomy-aligned) (A.1)		807.5	67	67						
Of which enabling			67	67						
Of which transitional										
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)										
6.14. Rail transport infrastructure	6.14	402.1	33							
Sales revenues of taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		402.1	33							
Total (A.1 + A.2)		1.209.6	100							
B. Non-taxonomy-eligible activities										
Sales revenues of Taxonomy-non-eligible (B)		0.0	0							
Total (A + B)		1.209.6	100							

*Y – Yes, taxonomy-eligible activity that is taxonomy-aligned to the relevant environmental objective

N – No, taxonomy-eligible activity, but not taxonomy-aligned with the relevant environmental objective

DNSH criteria ("Does Not Significantly Harm")								Taxonomy-aligned proportion of sales revenues, year 2024	Taxonomy-aligned proportion of sales revenues, year 2023	Category (enabling activities)	Category (transitional activities)
Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Environmental pollution(14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)					
Y/N*	Y/N*	Y/N*	Y/N*	Y/N*	Y/N*	Y/N*		%	%	E	T
	Y	Y	Y	Y	Y	Y		67	63	E	/
								67	63		
	Y	Y	Y	Y	Y	Y		67	63	E	
											/
								67	63		

CapEx

Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria						
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Environmental pollution(8)	Circular economy (9)	Biodiversity (10)	
		in € million	%	%	%	%	%	%	%	
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
6.14. Rail transport infrastructure	6.14	42.0	46	46						
6.5 Transportation with motorcycles, passenger cars and light commercial vehicles	6.5	0.9	1	1						
7.3 Installation, maintenance and repair of energy-efficient appliances	7.3	0.2	0	0						
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in parking lots belonging to buildings)	7.4	0.1	0	0						
7.5 Installation, maintenance and repair of devices for measuring, regulating and controlling the overall energy performance of buildings	7.5	0.1	0	0						
7.6 Installation, maintenance and repair of technologies for renewable energies	7.6	0.2	0	0						
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		43.5	47	47						
Of which enabling			47	47						
Of which transitional										
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)										
6.14. Rail transport infrastructure	6.14	20.4	21							
6.5 Transportation with motorcycles, passenger cars and light commercial vehicles	6.5	0.9	1							
CapEx of taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		21.3	22							
Total (A.1 + A.2)		64.8	69							
B. Non-taxonomy-eligible activities										
CapEx of Taxonomy-non-eligible activities (B)		28.8	31							
Total (A + B)		93.6	100							

DNSH criteria ("Does Not Significantly Harm")								Taxonomy-aligned CapEx proportion, year 2024	Taxonomy-aligned CapEx proportion, year 2023	Category (enabling activities)	Category (transitional activities)
	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Environmental pollution(14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)				
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
		Y	Y	Y	Y	Y	Y	46	42	E	/
		Y	Y	Y	Y	Y	Y	1	1	/	/
		Y	Y	Y	Y	Y	Y	0	0	E	/
		Y	Y	Y	Y	Y	Y	0	0	E	/
		Y	Y	Y	Y	Y	Y	0	0	E	/
		Y	Y	Y	Y	Y	Y	0	0	E	/
								47	43		
		Y	Y	Y	Y	Y	Y	47	43	E	
											/
								47	43		

OpEx

Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Substantial contribution criteria						
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Environmental pollution (8)	Circular economy (9)	Biodiversity (10)	
		in € million	%	%	%	%	%	%	%	
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
6.14. Rail transport infrastructure	6.14	48.2	65	65						
6.5 Transportation with motorcycles, passenger cars and light commercial vehicles	6.5	0.0	0	0						
7.3 Installation, maintenance and repair of energy-efficient appliances	7.3	0.0	0	0						
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in parking lots belonging to buildings)	7.4	0.0	0	0						
7.5 Installation, maintenance and repair of devices for measuring, regulating and controlling the overall energy performance of buildings	7.5	0.0	0	0						
7.6 Installation, maintenance and repair of technologies for renewable energies	7.6	0.0	0	0						
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		48.2	65	65						
Of which enabling			65	65						
Of which transitional										
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities)										
6.14. Rail transport infrastructure	6.14	22.6	30							
6.5 Transportation with motorcycles, passenger cars and light commercial vehicles	6.5	0.1	0							
OpEx of taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned activities) (A.2)		22.7	30							
Total (A.1 + A.2)		70.9	95							
B. Non-taxonomy-eligible activities										
OpEx of Taxonomy-non-eligible activities (B)		3.1	5							
Total (A + B)		74.0	100							

DNSH criteria ("Does Not Significantly Harm")								Taxonomy-aligned OpEx proportion, year 2024	Taxonomy-aligned OpEx proportion, year 2023	Category (enabling activities)	Category (transitional activities)
	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Environmental pollution(14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)				
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
		Y	Y	Y	Y	Y	Y	65	65	E	/
		Y	Y	Y	Y	Y	Y	0	0	/	/
		Y	Y	Y	Y	Y	Y	0	0	E	/
		Y	Y	Y	Y	Y	Y	0	0	E	/
		Y	Y	Y	Y	Y	Y	0	0	E	/
		Y	Y	Y	Y	Y	Y	0	0	E	/
								65	65		
		Y	Y	Y	Y	Y	Y	65	65	E	
											/
								65	65		

Activities in the areas of nuclear energy and gas

Activities in the field of nuclear energy	Yes/No
The company is active in the research, development, demonstration and use of innovative power generation plants that generate energy from nuclear processes with minimal waste from the fuel cycle, financing of such activities or holding risk positions in connection with these activities.	No
The company is active in the construction and safe operation of new nuclear facilities for the generation of electricity or process heat – including for district heating or industrial processes such as hydrogen production – as well as improving their safety using the best available technologies, financing of such activities or holding risk positions in connection with these activities.	No
The company is active in the safe operation of existing nuclear facilities for the generation of electricity or process heat – including for district heating supply or industrial processes such as hydrogen production – as well as their safety-related improvement, financing of such activities or holding risk positions in connection with these activities.	No
Activities in the fossil-fuel gas sector	
The company is active in the construction or operation of plants for the generation of electricity from gaseous fossil fuels, financing of such activities or holding risk positions in connection with these activities.	No
The company is active in the construction, modernization and operation of plants for combined heat, power and cooling with gaseous fossil fuels, financing of such activities or holding risk positions in connection with these activities.	No
The company is active in the construction, modernization and operation of plants for heat generation that produce heat/cooling from gaseous fossil fuels, financing of such activities or holding risk positions in connection with these activities.	No

Social

Safe and sustainable mobility

In the area of "Safe and sustainable mobility", Vossloh identified three topics as relevant as part of the double materiality analysis:

- Personal safety of consumers and/or end users
- Track availability and efficiency in rail transport
- Noise reduction on tracks

The main impacts, risks and opportunities are presented in more detail below. Vossloh has not defined any group-wide sustainability targets for these topics.

Personal safety of consumers and/or end users

With regard to the personal safety of consumers and/or end users, the materiality analysis revealed:

- the following significant negative impacts: Inadequate health and safety standards for products or services could endanger the health of users;
- the following significant positive impacts: Development of durable products for rail infrastructure that contribute to the reduction of waste and resource consumption;
- the following significant risk: The risk of quality problems or customer complaints could damage trust in the brand and lead to negative legal and financial consequences;
- as a significant opportunity: The improvement and development of high-quality products offer the opportunity to achieve a higher willingness to pay for products with better quality.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seq.).

The company has decided not to set specific targets in the area of personal safety for consumers and end users. This decision is based on the fact that personal safety is already ensured by comprehensive measures. This includes strict internal quality controls, compliance with national and international safety standards and continuous improvement processes. The interests, viewpoints and rights of customers, including respect for their human rights, are a central component of the corporate strategy and business model. The company ensures that the reliability of its products and services has the highest priority and is guaranteed in all phases of the product life cycle – from development to production and use. In addition, feedback from direct customers is collected and integrated into the further development of products and services. As these aspects are firmly anchored in the operational processes, the company currently sees no added value in defining separate targets for this area.

The material impacts, risks and opportunities of Vossloh's business activities and its value chain affect a large part of the overall population and cannot be reduced to specific groups of people or specific age groups. Due to its long history, Vossloh has always been aware that people who use local and long-distance passenger trains can be affected by the negative impacts in the same way as residents living near passenger and freight rail lines, even if Vossloh's products themselves are not harmful to the people affected. Below is a description of how Vossloh counteracts potential safety and health hazards in rail transportation with its products and services.

Vossloh's customers are predominantly public, but also private operators of railroad lines. Vossloh provides these customers with comprehensive and precise product and service-related information, including manuals and technical documentation. This ensures proper use and avoids potentially harmful use of Vossloh products.

The company is only in indirect contact with end users. Vossloh therefore has no influence on the privacy, protection of personal data, freedom of expression or non-discrimination of end users. Therefore, no direct impacts on end users were identified in this context. Similarly, there are no direct customers of the company who would be particularly vulnerable to health or privacy impacts or to marketing and sales strategies, such as children or financially vulnerable people.

The company aims to make the greatest possible contribution to safe rail transportation. It bears great responsibility for the quality of its products and services, as rail infrastructure is highly relevant to safety. The materiality analysis revealed that the main negative and potential impact of Vossloh's activities in this area is that the company's products or services could endanger the health and safety of people. Accordingly, Vossloh's main risk is that quality problems or customer complaints could damage confidence in the brand and lead to negative legal and financial consequences. The company counters this risk with a strong focus on quality and safety at all sites.

In order to prevent, minimize or eliminate potential negative impacts, Vossloh's products and services are subject to detailed technical specifications and standards that must be complied with. All of the company's main production sites have a quality management system in accordance with ISO 9001 or a comparable national standard such as the U.S. AAR M1003, which is subject to regular audits by recognized testing organizations. Newly acquired units are brought up to these standards as quickly as possible. The effectiveness of this action is measured by the proportion of Vossloh's workforce who are employed by a unit certified in this way and by the proportion of operating companies with corresponding certification. As at the reporting date of December 31, 2024, 92 % (previous year: 96 %) of Vossloh's workforce worked for a unit certified in this way. The proportion of operating companies with corresponding certification was 91 % (previous year: 94 %). The slight decline is due to the companies acquired during the course of the year that do not yet have the relevant certification. Compliance with the certification is the responsibility of the operating units. There are currently no additional measures or initiatives that primarily serve to make a positive contribution to better social outcomes for consumers or end users.

Vossloh uses structured risk management and continuous monitoring processes to identify suitable measures to reduce potential negative impacts. This includes regular risk analyses, the systematic recording and evaluation of quality and safety indicators and close communication with customers and operators (also see the information on the CRM tool on the following page). To protect the health and safety of end users, Vossloh adheres to the highest safety standards in product design, which are also subject to strict certification and approval procedures. The question of ensuring effective mitigation measures does not arise for Vossloh, as the company is subject to comprehensive certified quality and safety standards where the compliance with which is regularly monitored. The relevant procedures and processes are an integral part of certification in accordance with international standards. These standards require that measures to identify, assess and eliminate significant negative impacts are in place and effective, and are continuously reviewed.

Respect for human rights is an integral part of Vossloh's corporate policy and culture (ESRS G1, see also pages 130 et seqq.). This also includes the human rights of indirect end customers. Although the company primarily works with railroad line operators as direct customers, its safety-related products and services make a significant contribution to the safe and reliable use of rail infrastructure. In this respect, the company attaches particular importance to the right to health and safety. By developing, producing and supplying high-quality and safety-relevant rail infrastructure products, Vossloh ensures that rail infrastructure meets the highest safety standards. This helps to minimize the risk of accidents or disruption for passengers, railroad staff and other parties involved. End users are involved indirectly through a close exchange with customers. Vossloh's aforementioned quality assurance mechanisms for identifying potential negative impacts at an early stage and taking appropriate measures therefore also relate to human rights.

The concepts for reducing the potentially negative impacts or strengthening the positive impacts in the area of personal safety of consumers or end users are not explicitly based on the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises. No cases of non-compliance with the aforementioned international guiding principles in the downstream value chain affecting consumers or end users were reported to Vossloh during the reporting period.

To minimize possible issues jeopardizing the safety of its products and services, Vossloh is very careful in its choice of suppliers. All partners with whom Vossloh works are assessed at different intervals by the individual operating units according to defined criteria, in particular, with regard to the quality of the goods or services supplied. Contracts are only awarded to companies on the list of approved suppliers. Vossloh suppliers must generally be able to guarantee at all times that their goods and services meet the applicable regulatory and statutory requirements.

The products and services generally undergo thorough testing that often lasts for years before they are applied to the tracks. This is performed on the company's own test benches and in its own testing laboratories, with test usage by the customers and as part of the complex approval process of certified testing organizations. All Vossloh business units have research and development departments in which specialized employees work (ESRS S4-3 20 a). See the Research & Development chapter on page 38.

The business relationships between Vossloh and its customers sometimes last for decades and in some cases also include joint research and development projects. A central element of this cooperation is the structured customer feedback that Vossloh actively obtains from its customers. The rail infrastructure operators are in direct contact with rail users and end users and incorporate their praise and criticism into their feedback to Vossloh (see description of Vossloh's dialog with its most important stakeholders, page 60 et seq.). The Vossloh units therefore attach great importance to structured customer feedback – also in order to learn from any mistakes. To this end, work began in 2024 on setting up a customer satisfaction system as a tool for the standardized customer relationship management (CRM) software that has since been rolled out across the Group. Once installation is complete in the first quarter of 2025, it will be used in all business areas. The reports submitted and received will then be systematically tracked and monitored. This is to be achieved by regularly evaluating the feedback collected. The customer satisfaction system also makes it possible to analyze recurring problems so that targeted measures can be taken and their impacts tracked. However, there is currently no formal procedure for assessing the effectiveness of mitigation measures. To ensure that customers are aware of and trust the existing feedback mechanisms, Vossloh will focus on active, transparent communication and targeted information measures once the CRM system has been rolled out. Vossloh does not consider it necessary to establish specific guidelines to protect customers from consequences. Anonymization of the surveys, for example, does not make sense. Nevertheless, all customer feedback is of course treated confidentially.

The materiality analysis identified the longevity of Vossloh's products as a significant positive impact. The high-quality design of the products is the result of the consistent pursuit of quality. This is supported by the guidelines for the ecological design of products and services already described in the topic of resource outflows related to products and services (ESRS E5-5, page 91 et seq.) and the EcoDesign principles for the development of products derived therefrom. The improvement and development of high-quality products offer the company the opportunity identified in the materiality analysis to achieve a higher willingness to pay for products with better quality.

Track availability and efficiency in rail transport

On the subject of track availability and efficiency in rail transport, the materiality analysis revealed:

- no significant negative impacts for people and the environment;
- as significant positive impacts:
 - a) Higher track availability through the increased use of digital technologies could increase efficiency in the rail network, reduce downtimes and optimize operational processes.
 - b) Development of innovative products and services that extend the service life of rail infrastructure components and therefore conserve resources.
- no significant risks for the company;
- as a significant opportunity: Optimizing operations through digital technologies could lead to more efficient use of infrastructure and improved customer satisfaction.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seqq.).

The transportation sector is a major emitter of CO₂ emissions and, according to the EU, is responsible for around 29 % of all CO₂e emissions in the EU. Transporting more people and goods by rail – an environmentally friendly mode of transport – is an important contribution to achieving the EU's goal of climate neutrality by 2050, as agreed in the Paris Agreement. In view of limited investment budgets and long planning and approval times for new railroad lines, the more efficient use of existing railroad lines is becoming increasingly important. This can be achieved, for example, through higher capacity utilization, higher travel speeds or longer trains. However, the higher the load of the rail infrastructure, the greater the wear and tear and the more important its permanent monitoring and maintenance become in order to avoid breakdowns.

As Vossloh has no direct influence on the decisions of rail operators as to which products are installed in the track and how the lines are maintained – as already described in the previous topic – the company cannot define any targets on this topic and does not plan to set such targets in the future. However, it makes significant contributions to increasing the availability of the rail infrastructure, for which the entire Executive Board bears responsibility: on the one hand, through the development and manufacture of increasingly durable and low-maintenance products and, on the other, through more efficient and cost-optimized maintenance of the rail network. In turnout and rail maintenance, Vossloh covers a wide range of requirements from preventive grinding to corrective milling. With High Speed Grinding (HSG), VTM performance, VTM compact and the Flexis system, the company offers tailor-made solutions for every type of railroad line and turnout to extend the service life and usability of the rail infrastructure. Vossloh also offers welding services and logistics expertise ranging from rail and turnout replacement to the complete renewal of track sections.

Even if no targets are defined in this area, Vossloh monitors the effectiveness of this approach with regard to the material sustainability-related impacts, risks and opportunities. One of the ways it does this is by using its innovative maintenance machines in combination with diagnosing the condition of the infrastructure. In Germany in particular, an HSG train is responsible for the preventive maintenance of at least 13,000 kilometers of rail network every year on behalf of a subsidiary of Deutsche Bahn AG. The contract runs until 2027 and offers the possibility of a further extension. In this area in particular, Vossloh's understanding of systems in conjunction with digitalization opens up considerable potential, especially for condition-based and, in the future, predictive maintenance. Trackside condition data from tracks and turnouts is supplemented by the diagnostic data provided by the grinding machines equipped with measuring technology. In this way, the maple application combines measurement, analysis and maintenance in order to suggest suitable measures to prevent or rectify damage. Smart maintenance is based on actual maintenance requirements instead of following fixed intervals, as was previously the case. At the same time, Vossloh's high-speed grinding machines (HSG) are designed to be incorporated into scheduled traffic. This means that routes no longer have to be closed for maintenance.

With the acquisition of RailWatch GmbH's monitoring technology, Vossloh has expanded its expertise in the areas of sensor technology, computer vision and cloud computing. The solutions available via the cloud-based Vossloh connect platform enable real-time monitoring, providing immediate insights into the performance of rail network components and the condition of the assets, as well as relevant information for predictive maintenance. The platform was launched on the market at the end of 2023. Over the course of 2024, further partnerships were established to supplement the offering. A continuous expansion of the solutions available on the platform is planned for the coming years. This is to be achieved both by developing our own products and by involving external partners. The aim is to continuously expand the platform's range of services and adapt it to evolving market requirements. In addition, the platform provides access to analysis and warning systems to reduce the risk of malfunctions (e.g. accidents or material failure). Some of the solutions developed by Vossloh itself, such as Smart Turnout or Smart Point Machine will focus on turnouts – one of the most technically complex and error-prone elements of the rail system – with the aim of preventing point machine failures. Solutions for data-based turnout monitoring, for example, have been used on a large scale in Sweden for several years. As part of a strategic partnership, the Swedish digitalization specialist Predge is also making its analytics expertise available for this purpose.

Vossloh connect is also open to selected partners to offer complementary products and solutions via this platform. Strainlabs, for example, contributes its expertise in the field of smart screws, and Cervello specializes in cybersecurity solutions for the rail industry.

The fact that Vossloh's innovative products and services increase the service life of rail infrastructure and that digital solutions in particular improve track availability are positive impacts of the Group's activities identified in the materiality analysis. At the same time, they should be seen as an opportunity to increase efficiency and enable higher track availability and longer service lives. This enables Vossloh to meet its customers' key needs and position itself as a preferred partner with innovative solutions. The company demonstrated its expertise in this area at the InnoTrans 2024 trade fair for transport technology. Among other things, an AI-driven wayside monitoring system for freight trains in ports and on industrial sites was on display. This enables operators of such infrastructures to optimize operating processes, reduce downtimes and derive loads on the respective infrastructure as input for predictive maintenance.

Some of the solutions are used globally and benefit rail operators, passengers and freight customers. The provision and further development of these solutions is an ongoing process that will continue in the long term in order to contribute to the continuous improvement of rail infrastructure and increase the efficiency of rail transportation worldwide.

Noise reduction on tracks

On the subject of noise reduction on tracks, the materiality analysis revealed:

- no significant negative impacts for people and the environment;
- the following significant positive impacts: Reduction of track-related noise and vibrations through innovative technologies that contribute to improving the quality of life in areas close to railroads;
- no significant risks for the company;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seq.).

Quieter rail traffic – in the interests of people who live or work near rail lines – has been a concern of Vossloh for many years. In 2024, the company's research and development work continued to focus on reducing noise in rail traffic and improving rail acoustics (see the Research & development chapter on pages 38 et seq.). The materiality analysis revealed that the main positive impact of Vossloh's activities is that the reduction of track-related noise and vibrations through innovative technologies contributes to improving the quality of life in areas close to railroads. However, as with the two previous topics, Vossloh has no direct influence on the decisions of rail operators as to which products are installed in the track and how the lines are maintained. Vossloh is therefore unable to define any targets in this area and has no plans to set such targets in the future. Nevertheless, Vossloh uses customer feedback to monitor the effectiveness of this approach in terms of its material sustainability impact. However, there are no defined targets or qualitative or quantitative indicators for assessing progress.

In order to combat noise particularly effectively at its source, Vossloh is optimizing the wheel-rail contact in the track. The company offers suitable products and services in all divisions that can reduce rail noise on a sustainable basis. The scope of application covers the downstream value chain and, in principle, all geographical areas in which Vossloh operates. Responsibility for this lies with the entire Executive Board.

The company is implementing several main measures for noise reduction on tracks. These include, for example, the production of cellentic components and rail fastening systems with a high proportion of plastic, which dampen structure-borne noise, sleeper pads to reduce vibration in the track, the so-called whisper turnout [Flüsterweiche], which significantly minimizes noise when passing over the turnout, and rail processing technologies (grinding, milling) to restore a smooth and therefore quiet surface. Vossloh's rail and turnout processing machines ensure noise reduction, so that noise pollution for residents is limited even during a night shift. The Flexis machines for preventive turnout maintenance are electrically operated. When Vossloh replaces rails or turnouts, the work is carried out efficiently, with the logistics of material replenishment organized according to the just-in-time principle. This approach means that construction sites can often be completed quickly, which can help to reduce noise pollution. These solutions are part of the company's product and service portfolio and are used globally, benefiting rail operators, residents and local authorities. The provision and further development of these products is an ongoing process that will continue in the long term in order to contribute to the steady reduction of noise pollution on railroad lines worldwide.

Working conditions (own workforce)

In the area of "Working conditions (own workforce)", Vossloh identified three topics as relevant as part of the 2024 double materiality analysis:

- Occupational health and safety
- Personnel strategy and personnel management
- Equal treatment and equal opportunities for all (own workforce)

The main impacts, risks and opportunities are presented in more detail below. The group-wide sustainability target defined for this area since 2021 is:

- Reduction in the frequency of accidents at work by 20 % annually

The following table summarizes the most important measures taken in 2024 to achieve this goal:

Measures	Description
Training 'See Something – Say Something'	Interactive safety training for the workforce and temporary workers within the company's own value-adding activities, which illustrates the connection between reducing safety risks and reducing the number of accidents, raises awareness on the different types of safety risks and shows how they can be mitigated. The measure affects all activities worldwide and is to be implemented by the end of 2025.
Group guideline for the investigation of incidents	Alignment of all companies in the Vossloh Group with a uniform and improved incident investigation policy by the end of 2025.
Group guideline for risk assessment	Development and deployment of an improved workplace risk assessment policy in all Group companies by the end of 2026.

Occupational health and safety

With regard to occupational health and safety, the materiality analysis revealed:

- as significant negative impacts:
 - a) The occurrence of work-related injuries and illnesses despite preventive measures by Vossloh can lead to impairment of employees;
 - b) significant severity of work-related injuries and illnesses in production facilities that have a long-term impact on the health and quality of life of employees;
 - c) inadequate workplace safety, which increases the risk of accidents and damage to employees' health;
- the following significant positive impacts: Promoting compliance with labor laws and international standards that contribute to improved working conditions and workers' rights;
- no significant risks for the company;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seqq.).

The Vossloh Group includes all materially affected members of its own workforce in the disclosure in accordance with ESRS 2. These impacts relate primarily to individual incidents, such as accidents at work, and not to widespread or systemic problems.

For this reason, occupational health and safety is a high priority at Vossloh, alongside the duty of care and applies to the entire workforce and all persons on the company premises. It should be noted that employees in administrative roles (e.g. office workers) are exposed to different risks than employees in operational or manual roles (e.g. production or field staff). While office workers are more likely to be affected by psychological burdens such as stress, production and field staff are more exposed to physical risks such as injuries or work-related illnesses. Vossloh has developed a sound understanding of these risks by introducing two processes that help to identify measures to eliminate or mitigate actual or potential negative impacts on its own workforce.

The first procedure is the risk assessment for occupational safety, which aims to systematically identify hazards in the workplace, evaluate and classify the associated risks and take measures to limit damage. This is in accordance with the generally accepted hierarchy of controls. The second process, which complements the first, is the "ad hoc" reporting of unsafe conditions using the company's own SAFE+ application (see also page 117).

To ensure that Vossloh's practices do not have a significant negative impact on its own workforce, the company complies with the ISO 45001 standard and in particular with the part that requires organizations to assess occupational health and safety risks associated with new or changed hazards before corrective action must be taken. This proactive assessment helps to prevent potential risks when implementing corrective measures. This principle also applies to corrective measures for investigations into incidents within the Group. The company has developed a sound understanding of these risks through regular employee surveys, risk assessments and exchanges with works councils and safety officers. In particular, Vossloh has found that employees engaged in high-risk tasks such as track work, material handling and the use of hand tools are more susceptible to work-related injuries and illnesses. In addition, workforce employees who have been with the company for less than three months are more prone to accidents due to a lack of risk awareness and experience. These findings flow directly into targeted protection and support measures as well as safety training and further education measures to ensure the safety and well-being of all employees.

The corporate policy on occupational health and safety sets out Vossloh's commitment to continuous improvement in this area, the company's zero-accident target, the guiding principles and other binding requirements. In the interests of a structured and sustainable management system for occupational health and safety, the Group aims to have as many companies as possible certified in accordance with the internationally recognized ISO 45001 standard, which has replaced the previously more common OHSAS 18001 standard (Occupational Health and Safety Assessment Series). The proportion of operating companies with corresponding certification at the end of 2024 was 76 % (previous year: 81 %). These units employed 84 % of Vossloh's workforce (previous year: 89 %). The slight decline is due to the companies acquired during the course of the year that do not yet have the relevant certification. Vossloh's fundamental aim is to certify new units that join the Group to ISO 45001 as quickly as possible.

The introduction of an ISO 45001 management system and its certification provide the company with suitable tools and measures to integrate occupational health and safety into its processes. The prescribed audits by independent external auditors ensure that the legal obligations and requirements are being complied with. For the managers of the operating units, attainment of the defined occupational safety performance indicators is an integral part of their pay-related target agreements. Since 2021, an occupational health and safety training module has been available to all employees via the Vossloh Learning Platform (VLP).

There has been a permanent group-wide occupational safety committee within Vossloh since 2012 in the form of the Work Safety Committee (WSC). In recent years, together with the WSC – which is headed by the Head of Corporate Sustainability – and in close consultation with the Group Works Council, important steps have been taken to improve and harmonize occupational health and safety conditions in the various divisions. For example, a uniform occupational health and safety policy has been developed that is binding for all companies worldwide. This policy defines the vision of a zero-accident strategy.

The WSC has also developed and introduced the Group's own SAFE+ app for reporting safety risks and accident prevention. It is in use at numerous Vossloh sites and was recognized as an outstanding initiative by the German Administrative Professional Association [deutschen Verwaltungs-Berufsgenossenschaft, VBG] in 2022.

One of the current Group's sustainability objectives is to reduce the frequency of workplace accidents by 20 % each year. Relevant indicators for goal achievement are the internationally used indicators Lost Time Accidents (LTA), Lost Time Accidents Frequency Rate (LTAFR) and Lost Time Accidents Severity Rate (LTASR) as well as the number of potential accident risks reported and minimized via the SAFE+ app.

The targets for the frequency and severity of accidents with injury-related absence from work are based on the average of the actual performance of the best two of the last three years. In line with Vossloh's goal of improving safety performance by 20 percent annually, this average will be reduced by 20 percent. The value determined in this way is the target for the coming year. There is an exception to this rule if a business area has not achieved its target for the current year. In this case, the target remains unchanged. As achieving the target is part of the bonus package, the business units have an additional monetary incentive to achieve their targets.

The WSC plays a central role in achieving the goal of significantly reducing accidents at work. In addition to various measures and programs to improve occupational safety at Vossloh, the WSC focused on further raising the workforce's awareness, prevention and communication in the 2024 fiscal year. The See Something – Say Something campaign – a 45-minute interactive on-site training session – was developed for this purpose. It consists of ten activities to raise the workforce's risk awareness, clarify the link between risks and accidents and explain why the more safety risks are reported and mitigated, the fewer accidents there are. Live exercises also enable training participants to carry out constructive safety interactions and learn to accept feedback. The training was deployed throughout Vossloh and in all languages spoken in the Group. The Work Safety Committee 2024 also prepared further measures. New processes, tools and training for accident investigation and risk assessment are to be introduced in the course of 2025.

Workplace accidents are documented on the basis of uniform criteria, over and above what is required by law. Occupational accidents that require an ambulance with a doctor on the company's premises are considered serious accidents and are reported directly to the Executive Board. In addition, the Executive Board, the heads of the business units and some central functions, including the Corporate Sustainability department, discuss current developments in the area of occupational safety, the frequency, severity and causes of accidents at work and the preventive and corrective measures taken at quarterly management meetings.

Indicators	2024	2023
Percentage of people in our own workforce covered by a health and safety management system based on legal requirements and/or recognized standards or guidelines	100 %	100 %
Number of fatalities in our own workforce due to work-related injuries and work-related ill health	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0	0
Number of reportable work-related accidents in the company's own workforce ^{1,4}	115	129
Rate of recordable work-related accidents for own workforce ^{2,4}	12.9	14.9
Number of cases of recordable work-related ill health for employees	Not currently measured	Not currently measured
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees ⁴	Lost Time Accident Severity Rate ³ : 2.55. Working hours lost due to work-related accidents: 22,718. Lost workdays due to work-related accidents: 2,840	Lost Time Accident Severity Rate ³ : 2.44. Working hours lost due to work-related accidents: 21,161. Lost workdays due to work-related accidents: 2,645
Number of cases of recordable work-related ill health of non-employees	Not currently measured	Not currently measured
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to non-employees	Not currently measured	Not currently measured
Percentage of own workforce covered by a health and safety management system that is based on legal requirements and/or recognized standards or guidelines and which has been audited internally and/or audited or certified by an external party	At the end of 2024, the proportion of operating companies with ISO 45001 certification was 76 %. These units employ around 84 % of Vossloh's workforce	At the end of 2023, the proportion of operating companies with ISO 45001 certification was 81 %. These units employ around 89 % of Vossloh's workforce
Description of the underlying standards for internal audit or external certification of the health and safety management system	Company policy – Serious Incident Report and Vossloh Health and Safety Policy	Company policy – Serious Incident Report and Vossloh Health and Safety Policy
Number of fatalities in our own workforce due to work-related injuries	0	0
Number of fatalities in own workforce due to work-related ill health	0	0
Number of fatalities as result of work-related injuries of other workers working on undertaking's sites	0	0
Number of fatalities as result of work-related ill health of other workers working on undertaking's sites	Not currently measured	Not currently measured
Number of cases of recordable work-related ill health detected among former own workforce	Not currently measured	Not currently measured

¹ Accidents resulting in injury-related absence of employees or temporary staff involving lost time of at least 1 hour.

² Frequency of accidents resulting in injury-related absence of employees or temporary workers with at least 1 hour of absence from work, measured by the number of occupational accidents in relation to cumulative actual working hours, based on 1 million working hours.

³ Severity of accidents resulting in injury-related absences of workforce or temporary staff with a loss of work of at least 1 hour, measured by the duration of the loss of work in hours in relation to the cumulative actual working time, based on 1,000 working hours.

⁴ The companies STG and FAS – which were acquired during the course of the year and have only been included in the scope of consolidation since July and August 2024 respectively – are not yet included in the figures presented.

As in previous years, there were no work-related fatalities in the Vossloh Group in 2024.

Both accidents with and without lost time and near-misses are analyzed at Vossloh in order to learn from them for the future and reduce the number of accidents at all the company's sites. Prevention is a matter of importance to the company in order to stop workplace accidents from happening in the first place. This includes regular behavior-oriented safety inspections to raise employees' safety awareness, regular safety briefings and training for the whole workforce, online training on safety-related topics, the provision of comprehensive protective equipment, safety signs at workstations and awareness campaigns. Instructive videos or safety flashes (anonymized summaries) of accidents are also frequently used. Many Vossloh sites celebrated World Day for Safety and Health at Work with specific campaigns.

The SAFE+ app plays an important role at Vossloh in minimizing potential risks and consequently achieving the goal of reducing the frequency of workplace accidents by 20 % annually across the Group. It was further improved in 2024 and is now available in eight languages (English, French, German, Dutch, Swedish, Serbian, Polish and Chinese). Vossloh employees can and should use the app to report safety risks identified in their day-to-day work in order to systematically reduce hazards at all sites and in all areas. Over the course of 2024, the workforce reported a total of 4,338 safety risks, 2,823 (approx. 65 %) of which were immediately eliminated or mitigated. The SAFE+ app is to be further developed in 2025 and will receive an improved user dashboard in particular.

If employees have to travel internationally for their work for Vossloh, they can make use of the Group's travel safety management system. They will then receive comprehensive support with regard to medical and safety aspects of their trip, as well as precautions for possible emergencies. The company's Travel Security Managers and worldwide Assistance Centers, in addition to a service provider's assistance app, are available for this purpose.

Vossloh's occupational health management aims to provide the whole workforce with opportunities to protect and promote health. This includes the aforementioned occupational safety measures, ergonomics in the workplace, driver safety training and company medical care, as well as a daily fruit offering, nutritional advice, company sports (including running and cycling groups, table tennis, badminton, various ball sports, yoga), support to quit smoking and preventive offerings (including bowel cancer screening, flu vaccinations, vitality screenings, tips for staying healthy). The "Vossloh stays healthy" [Vossloh bleibt gesund] initiative was an important part of Brand Week 2024 in terms of occupational health and safety. The focus was on how the workforce can avoid stress and its physical and mental impacts.

Personnel strategy and personnel management

With regard to personnel strategy and personnel management, the materiality analysis revealed:

- no significant negative impact on the entire Vossloh workforce (including external employees, such as persons provided by third-party companies and self-employed persons);
- as significant positive impacts:
 - a) optimal staffing of positions based on skills and motivation, leading to higher productivity and employee satisfaction;
 - b) Succession planning and talent mapping promote growth potential by specifically identifying and developing skills and internal motivations;
 - c) Promoting a good work-life balance that contributes to improving employee satisfaction and productivity;
 - d) Promoting personal and professional development significantly increases employee engagement and retention and drives talent development and innovation;
- as significant risks: A high staff turnover could lead to a loss of knowledge, increased recruitment costs and lower productivity due to more frequent staff changes;
- as significant opportunities:
 - a) Better working conditions create the opportunity to attract highly qualified employees in order to increase the company's innovative strength and efficiency;
 - b) Improved working conditions offer the opportunity to attract and retain talented employees in the long term in order to promote the stability and productivity of the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seq.). The company has not currently set any measurable, results-oriented targets for the area of HR strategy and HR management. The definition of such targets has not yet been scheduled, as priorities and resources are currently focused on other strategic initiatives. Nevertheless, the company monitors the effectiveness of its strategies and measures through regular employee surveys on satisfaction and commitment as well as regular reviews of fluctuation rates and training figures, among other things. Progress is evaluated using qualitative indicators such as employee feedback and quantitative indicators such as the development of employee satisfaction and fluctuation rates.

As at December 31, 2024, Vossloh employed a total of 4,509 employees, which corresponds to a total of 4,321 full-time equivalents (FTE) (2023: 4,017 FTE). The following table shows some HR indicators, which should be viewed in the context of Vossloh's status as a global industrial manufacturing Group:

Region	Number of persons		Full-time equivalent ¹	
	12/31/2024	Average 2024	12/31/2024	Average 2024
Rest of Europe	1,549	1,444	1,499	1,411
Germany	1,073	1,041	977	954
France	819	792	784	762
Asia	535	538	530	532
North America	342	334	342	334
Australia	191	204	189	201
Total	4,509	4,353	4,321	4,194²

The number of employees as at the reporting date of 12/31/2024 is stated in terms of headcount (including apprentices/trainees) and full-time equivalents (excluding apprentices/trainees). The average is calculated over four quarters in each case.

¹ FTE (Full-Time Equivalent) is defined on a site-specific basis. One FTE corresponds to a full working week at the respective site.

² Also see the table in the section "Costs of the functional areas" in the Notes to the Consolidated Financial Statements, page 164 of the Vossloh Annual Report.

	Full-time and part-time Number of employees 12/31/2024		Gender Number of persons 12/31/2024		Number of persons 12/31/2024
Region	Full-time	Part-time	Male	Female	Total
Germany	949	124	861	212	1,073
France	803	16	683	136	819
Rest of Europe	1,470	79	1,355	194	1,549
Asia	533	2	468	67	535
North America	342	0	291	51	342
Australia	179	12	153	38	191
Total	4,276	233	3,811	698	4,509

Personnel structure ¹ in the Vossloh Group (as of December 31)	2024	2023
Proportion of women in the total workforce (in %)	15.5	15.6
Age structure		
< 31 years	17.5	15.9
31–50 years	53.6	54.4
> 50 years	28.9	29.7
Length of service		
0–10 years	64.5	62.3
11–20 years	18.6	19.2
> 20 years	16.9	18.5
Distribution by region		
Germany	23.8	23.9
France	18.2	19.3
Rest of Europe	34.3	31.8
Asia	11.9	12.8
North America	7.6	6.3
Australia	4.2	5.9

¹ Number of employees based on the actual headcount (number of persons).

The total fluctuation rate² in the reporting year was 15.1 % (657 people), while the voluntary fluctuation rate was 8.0 % (349 people). The company employed additional external staff in 2024. At the end of the year (December 31, 2024), there were 584.6 FTE external employees. Of these, 6 % were self-employed or freelancers and 94 % were employees of personnel service providers, who are often hired for work in production when the order situation is high.

A committed and inspired workforce is the foundation of the company's long-term success. Vossloh puts high emphasis on fair work conditions. Key topics in this regard are equal opportunity, continuing professional development opportunities in all areas, fair remuneration, additional company benefits (beyond the statutory and/or tariff-based arrangements), and a supportive & motivating working environment. Detailed information on Vossloh's corporate culture (ESRS G1) can be found on page 130 et seq.

² Fluctuation rate: Total number of departures in 2024 (in number of employees) divided by the average total number of employees in 2024 (in number of employees).

Vossloh's corporate culture promotes a continuous exchange between management and employee representatives. In this way, potentially negative impacts on the workforce can be identified at an early stage and positive opportunities seized. The employee representatives on the Supervisory Board, the European Works Council as well as Group and site works councils and the HR departments offer opportunities for social dialog at local and international level. In total, 69.3 % of the entire workforce is covered by local collective agreements and 60.5 % is represented by an employee representative body. In the European Economic Area (EEA), 81.6 % of employees are covered by different collective agreements and 73.9 % are represented by an employee representative body. In Germany, 60.4 % of the workforce is represented by a site works council, in France 92.4 % and in Poland 73.9 %. More than 10 % of the total workforce is employed in each of these three countries. In the non-European Economic Area, 35.8 % of employees are covered by different collective agreements. In Asia, 36.4 % of the workforce is covered by collective agreements, in Australia 56.5 %, in North America 0.0 % and in Europe outside the EEA 67.2 %. The company offers comparable working conditions for employees who are not covered by a collective agreement. Employees at Vossloh therefore have a wide range of opportunities to put forward and contribute their interests, also with regard to changes resulting from the transition to more sustainable production. Among other things, the Vossloh Fit 4 Future initiative offers opportunities for direct exchange with the management team on innovative improvement approaches for the company.

The general principles for working at Vossloh are summarized in a Code of Conduct, which all employees acknowledge by signing it when they join the company. The principles defined in the Code of Conduct are a binding guideline and benchmark for the daily work of all employees. The Code explicitly addresses mutual respect and equal opportunities (Section 8) as well as the protection of human and employee rights (Section 10). The company is committed to respecting international human rights and strictly rejects all forms of forced and child labor. In its business activities, Vossloh accepts local legal regulations as well as internationally agreed norms and standards (see Compliance on pages 131 et seq.). The UN Global Compact principles are an example of international standards. Vossloh has been an active participant of the UN Global Compact since 2020. The global initiative supports companies in dealing responsibly with issues such as human rights, labor standards, environmental protection and corruption in practice. The Code of Conduct is available on the website www.vossloh.com > Investor Relations > Corporate Governance > Compliance. Further information on the Code of Conduct can be found in the Governance chapter (ESRS G1, on pages 130 et seq.). The fact that the same principles apply and are observed throughout the Vossloh Group was assessed as a significant positive impact in the 2024 materiality analysis.

To minimize the risk of child labor, Vossloh, as a rule, does not employ anyone under the age of 14 or 15 (depending on the legal provisions in the different countries). During the application process, the application documents are checked for this information. In the case of countries where no information is required on the CV, the information is checked before recruitment. In addition, the majority of Vossloh's production facilities are located in Europe. Employees under the age of 18 are usually apprentices/trainees. The instructors responsible for them are duty-bound to observe all the relevant labor law and occupational safety rules and provisions.

The protection of personal data is a matter of importance to Vossloh. In accordance with the European General Data Protection Regulation (GDPR), the company significantly revised its data protection management system in 2018 and has continuously adapted it to the legal requirements since then. It is binding for all Vossloh companies and all the whole workforce worldwide, even outside the European Union. Compliance with the Vossloh Data Protection Policy is monitored by appointed data protection officers and data protection coordinators, as well as a data protection committee at the Vossloh AG level that regularly meets.

Regular training sessions are held to prevent legal violations of all kinds and discrimination. A whistleblower hotline is available in order for possible misconduct to be reported. The process for receiving, processing and documenting whistleblower reports was adopted by the Executive Board of Vossloh AG on February 23, 2022 as a further development of the Vossloh Compliance Management System (CMS) and is therefore a binding component of the CMS (ESRS G1-3, see page 131 et seqq.). In the 2024 financial year, two reports were received by the ombudsperson and two more were reported to the internal whistleblower hotline. The ombudsperson were contacted once in 2023. After the reports were checked and investigated, the possibility of discrimination or harassment was ruled out. The contact details of the independent ombudsperson appointed by Vossloh are provided to the whole workforce together with the Code of Conduct and can be found on the Vossloh intranet and on the company's homepage. In addition, the Code of Conduct contains a description and instructions for the application of this whistleblowing process. The Code of Conduct stipulates that incoming reports to the ombudspersons may be forwarded to the chief compliance officer in anonymized form at the request of the whistleblower. The latter then investigates every complaint. All notes, audit procedures and any consequences are documented (for further information, see page 135, ESRS G1-1).

Another positively assessed impact of the materiality analysis was the opportunity for a work-life balance for employees at Vossloh, i.e. the possibility of combining work and family or private interests. The prerequisite for this is the life-phase-oriented personnel policy practiced at Vossloh. The issue of work-life balance is discussed constructively between employee representatives and management. For example, all French companies in the Vossloh Group have a so-called social pact for a better balance between professional and private concerns, including privileges for parents and employees who care for their relatives at home. The German Vossloh companies are certified in accordance with the "Beruf und Familie" audit. To ensure a good work-life balance, employees at almost all sites have the option of taking family-related leave (e.g., parental leave and special leave days). In 2024, an average of 94.5 % of the workforce was entitled to apply for family-related leave. On average, 17.0 % exercised this right, of which 13.7 % were men and 3.3 % women.

Two further positive impacts from the materiality analysis relate to the comprehensive training and development measures at Vossloh. On the one hand, they open up growth potential for the company and, on the other, they give employees the opportunity for personal development. The training courses raise the overall level of qualifications in the Group. Skills development trains leaders who already know the company well. Together with the Vossloh management principle *We are close to people* (ESRS G1-1, see page 130) as an expression of the appreciation of the workforce as the most important asset in the company, it also offers the opportunity to strengthen employee loyalty to the company.

Vossloh places great emphasis on providing development opportunities for employees. The company specifically promotes talent by striving to offer employees attractive jobs. Among other things, employees are given the opportunity to work internationally, project-based and digitally. In annual review meetings, various measures are agreed upon to provide employees with customized training while taking operational needs into account. Proper implementation of these measures is closely monitored and evaluated by the HR departments. In addition, managers and employees sit down for bi-annual reviews to discuss the level of attainment for the agreed goals, development items and to make any necessary adjustments.

As part of the People Review Process (PRP) for managers and nontariff employees, not only individual targets and development measures are agreed, but also how these measures and targets are to be achieved in line with the corporate values and management principles. In the course of 2024, 91.5 % of all managers and nontariff employees went through this process (previous year: 91.0 %). With this key figure, it should be taken into account that employees join and leave the company during the year, which is why these employees did not take part in a People Review Process. Managers and employees are supported by a blended learning approach consisting of e-learning, training and case studies as part of an experience exchange. Annual follow-ups using the People Review Process and the roundtables explained in the following paragraph are used to check whether both topics are achieving the intended effect. In the course of 2024, a total of 110 managers were trained on the PRP in a total of 483.5 hours.

Training sessions for the Group's top management on the aligned group-wide talent and succession process in place since 2021 were also completed in the reporting year. Round tables were held in all units in which the members of the top two management levels carried out evaluations of the workforce in accordance with the new requirements. Over the course of 2024, a total of 50 managers were trained to successfully implement the global talent and succession process.

The wide range of training measures for Vossloh employees in all areas of expertise includes external and internal training measures, such as workshops, participation in projects and coaching, and increasingly digital learning opportunities. Vossloh also promotes its own employee qualification initiatives, such as part-time studies. In addition, there are cross-divisional development programs that prepare high-potential employees and technical experts for more advanced tasks.

Since 2022, Vossloh has been constantly working on the development of global talent programs. There are also local initiatives to develop talent and high-potential employees. The spectrum ranges from initial orientation to training for experienced managers and executives. In addition, the Vossloh Online Academy (VOA) provides the digital environment for continuous learning ("Learn"), sharing ("Share") and growth ("Grow") within the company. The platform is designed to create an inspiring and motivating learning culture that all employees can contribute to and benefit from. The VOA is an example of how learning takes place every day and in many different ways. The VOA is available to the whole workforce worldwide in a variety of languages. In 2024, a total of 3,245 employees took part in online training courses and face-to-face training events. The number of participants increased by 25.5 % compared to the previous year.

	Women	Men	Total
Number of employees participating in training in 2024 (in number of people)	696	2,548	3,244
Average training participation of the entire workforce (in hours)	9.89	6.97	7.62

Ageing societies in industrialized countries, a shortage of skilled workers in many parts of the world, increasingly digital working environments, global competition for well-trained engineers, changing expectations of employers among the younger generation: These are just some of the challenges in the area of human resources that Vossloh has to face. The company empathizes to offer employees a supportive & motivating working environment. Being a sustainably oriented company in a crisis-proof industry is an important component of employer branding activities. Modern IT equipment, canteen facilities, daily fruit offerings, free mineral water, surprise gifts on special occasions (such as Christmas, Easter, and Thanksgiving in the USA), team events, gym facilities or joint employee sports groups are all standard additional offerings for all employees at Vossloh.

Vossloh Group companies assess employee satisfaction by means of regular surveys regarding various focal issues. The results are used to derive measures that contribute to the further development of the company. As part of the InnoFact brand survey, employees were asked about the company's values in 2024. 475 people took part in this survey. The survey results show that 84 % of respondents can identify with the company and its values.

In the 2024 fiscal year, Vossloh received recertification in Germany and certification from the Top Employers Institute in France. The certification demonstrates our commitment as an organization for a better working world. The Top Employers Institute program evaluates organizations on the basis of participation and the results of an HR best practice survey. This survey covers six HR areas (Steer, Shape, Attract, Develop, Engage & Unite) with 20 topics including people strategy, work environment, talent acquisition, learning, diversity, equity and inclusion, wellbeing and more.

Equal treatment and equal opportunities for all (own workforce)

With regard to equal treatment and equal opportunities for all (own workforce), the materiality analysis revealed:

- no significant negative impact on the entire Vossloh workforce (including external employees);
- as significant positive impacts:
 - a) Competitive remuneration and additional benefits compared to the industry directly influence employee satisfaction and loyalty and attract qualified employees;
 - b) Attractive remuneration helps to ensure a decent standard of living and supports the well-being of employees;
 - c) Ensuring comprehensive social security benefits that contribute to the social security of employees;
 - d) Promoting diversity in the workforce, for example, in terms of gender and nationality, which contributes to an inclusive working environment and greater innovative strength;
- the following significant risk: Higher salaries and additional benefits for employees could increase operating costs and put a strain on the company's financial flexibility;
- as a significant opportunity: Gaining highly qualified employees, which strengthens the company's innovative capability and competitiveness.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seq.).

Vossloh promotes employees regardless of gender, age, ethnicity, skin color, religion, ideology, gender orientation or disability. Cultural, ethnic or national origin as well as political and philosophical convictions also have no influence on decisions. These principles of conduct and the handling of cases of discrimination, harassment and insult are set out in the Code of Conduct and anchored in the Diversity, Equality and Inclusion Policy. Vossloh sees a diverse workforce as one of the most important pillars of a sustainable corporate culture. It is the multitude of experiences and expertise resulting from different cultures, different age groups, different genders and different backgrounds that gives the company the opportunity to optimize products and work processes. This diversity was rated just as positively in the materiality analysis as the social security and salary levels at Vossloh. Although this entails the risk that the Group will have to invest more money in its workforce than comparable companies, it also opens up the opportunity for Vossloh to be perceived as a potential employer by qualified leaders.

Vossloh employees are covered in the event of a loss of income or a reduction in income due to illness, accidents at work and the resulting possible incapacity to work, retirement, parental leave or unemployment. This social protection can be regulated by government requirements or by the company's internal programs. At all Vossloh companies, the six reasons mentioned are covered for the entire workforce. Only in Malaysia is social protection not guaranteed in the event of loss of income due to sudden unemployment. Vossloh also offers additional support in the form of social measures in the event of sudden and tragic loss, for example, in the event of the death of employees, particularly in countries where social protection is not guaranteed.

As a supplement to the Code of Conduct, the Diversity, Equality and Inclusion Policy forms the group-wide framework for various initiatives in this area, for example, in raising awareness among managers, in selecting employees for high-potential programs, in filling vacancies or in the context of life-phase-oriented personnel policy. Diversity officers have been appointed for each business unit since 2022. They not only act as a point of contact, but are also tasked with initiating or implementing corresponding projects such as training measures in their respective business units.

Vossloh pays fundamental attention to gender equality. The "All on track" initiative launched in 2019 is having an impact in the Customized Modules division. This initiative is a network for diversity and inclusion. The initiative was promoted by the fact that in France, companies with more than 50 employees are obligated to publish annual indicators relating to professional equality between men and women. Vossloh Cogifer S.A. is also a partner of the French organization Elles bougent, which encourages women to choose scientific and technical courses of study and to pursue a career in this field. In Germany, the Rail Services business unit is a corporate sponsor of protechnicale e.V. – an association that specifically promotes young women in the technical field. In addition, the Diversity and Inclusion Policy, together with the network of diversity officers, promotes global exchange for further initiatives and collaborations.

At the end of 2024, the proportion of women at the first management level (below the Executive Board) at Vossloh AG was 30.8 percent (four people) and the proportion of men was 69.2 percent (nine people). At the second management level, the proportion of women was 40.0 % (two people) and the proportion of men was 60.0 % (three people). The target of 25 % women at the first and second management levels was therefore achieved again in 2024.

In the reporting year, Vossloh employed women and men from different nations, qualifications, educational backgrounds and training paths as well as different professional experience and length of service across all hierarchical levels. The diversity guideline does not stipulate any quotas. Applicants are always selected who are best suited to the advertised positions. Factors such as skin color, gender, age, religion or origin have no influence on the decision. A structured interview is conducted in order to objectively assess which candidate is the most suitable. In this interview, the necessary skills for the position will be assessed.

All employees in the Vossloh Group are remunerated appropriately and in accordance with the applicable reference values. Annual salary reviews ensure that remuneration remains competitive and that employees' performance is recognized. There is also a strong awareness of the need to avoid gender pay gaps. In 2024, there was an unadjusted gender pay gap of 9.90 % at Vossloh. This means: On average, men earn 9.90 % more than women. In order to be able to make well-founded disclosures about the adjusted gender pay gap in the future, the group-wide job grading initiative was launched. In future, a global job evaluation system will be used to determine gender pay gaps for equivalent positions.

The ratio of remuneration between the highest-paid individual and the median remuneration of employees at Vossloh was 25.0 in 2024. This figure is based on data from three countries (Germany, France and Poland), which account for the largest proportion of employees and together represent more than 50 % of the total workforce. Awareness of fair pay is supported by the requirements of the Code of Conduct, existing collective agreements and, in some cases, local job evaluation systems.

The Vossloh sites in France are participating in the nationwide TREMPILIN initiative (translation: Springboard; abbreviation for TRAnsport EMPLOi INnovation). It aims to reduce the shortage of skilled workers in the transport and logistics industry by encouraging and supporting people with disabilities to apply for jobs. In 2024, the proportion of employees with a disability status across the Group averaged 1 %. However, it should be noted that the information on disability status is voluntarily provided by the employee and that the definitions of disability grade may vary from country to country. In countries such as Germany or the Netherlands, the degree of disability status is often declared by employees, as there are legal advantages such as additional vacation days (Germany) or a wage cost subsidy for the employer (Netherlands). In other countries (e.g. Sweden and Australia) there is no meaningful data as this information is not collected. Vossloh Rail Services offers internships and apprenticeships for socially disadvantaged young people as part of a young talent campus. There are also several refugees among the business unit's apprentices/trainees.

Sustainable supply chains and operations

In the area of "Sustainable supply chains and operations", Vossloh identified two topics as relevant as part of the materiality analysis:

- Working conditions (workers in the value chain)
- Other labor-related rights (workers in the value chain)

The main impacts, risks and opportunities are presented in more detail below.

Vossloh is pursuing the group-wide sustainability goal in this area

- 90 % sustainable strategic purchasing volume by 2025

The following table summarizes the most important measures taken in 2024 to achieve this goal:

Measures	Description
Improving the quality of ESG input from suppliers	Standardization and improvement of the review and qualification of ESG information from strategic suppliers (upstream value creation). Using the knowledge of procurement managers to advise suppliers to improve their disclosures on the supplier's ESG systems and policies. The measure affects all strategic suppliers worldwide and is to be implemented in 2025.
Improvement of ESG data processing	Improving the correspondence between in-house procurement databases and external ESG input for fully automated ESG data qualification and evaluation. The measure affects all strategic suppliers worldwide and is to be implemented in 2025.

Vossloh has made a voluntary commitment to responsible procurement as part of the sustainability initiatives mentioned above and in line with the assumptions and objectives of its sustainability strategy. Specifically, the following principles have been integrated into the procurement processes: Protection of the environment and natural resources, respect for human rights, compliance with recognized labor standards, conduct as a law-abiding participant in the global market and as a good corporate citizen. Since 2021, the goal of expanding sustainability in the supply chain and increasing the proportion of sustainably purchased strategic purchasing volume to 90 % by 2025 has been defined with the involvement of the heads of procurement/purchasing of the Business Units as internal representatives and knowledge carriers with insight into the working and social conditions at the respective suppliers. The Executive Board of Vossloh AG is committed to the basic principle of the highest environmental, social and governance standards in procurement decisions. In December 2022, it published the Responsible Sourcing Commitment on the website www.vossloh.com (Investor Relations > Sustainability > Sustainable supply chains and operations).

To manage sustainable procurement, the Vossloh Group has set up a corresponding management system, which is described in the Responsible Sourcing Guideline adopted by the Executive Board in December 2022. In preparation for this, an ESG criteria-based (environment, social, governance) risk assessment of suppliers was carried out in cooperation with an independent auditing company at 15 Group companies that manage suppliers identified as strategic. For the activities in India, a market-related widespread, increased risk was identified of child labor in the downstream value chain for workers in the area of material disposal and for the activities in China a market-related systemic increased risk of forced labor in the area of the upstream value chain for production employees or unskilled workers in the area of material and component supply from the local market. Other possible negative impacts on workers in the value chain were also the subject of this risk assessment. The Responsible Sourcing Management System implemented in 2023 is intended to ensure that sustainability criteria are given significant consideration when commissioning and working with strategic suppliers. Implementation is monitored by the Responsible Sourcing Team in charge the entire Group, which is headed by the expert responsible for that voluntary sustainability initiative. The team includes the heads of procurement/purchasing of the individual Business Units, the Head of Corporate Sustainability, the Corporate Senior Compliance Officer and the General Counsel of Vossloh AG. If necessary, the team can involve other specialists. The team discusses developments and progress towards the target of achieving 90 % sustainable strategic purchasing volume, including improvements in working and social conditions at strategic suppliers, at least every six months and reports the results to the Executive Board.

In order to achieve this goal, Vossloh maintains an intensive dialog with its suppliers at global and local level that goes beyond the legal requirements. The company evaluates and assesses the sustainability performance of its suppliers in a transparent and cooperative process, including through direct discussion of the self-disclosure on sustainability issues between the responsible purchasing department and the suppliers. The focus here is on so-called strategic suppliers. Vossloh defines suppliers as such if they play a key role in the market success and competitiveness of Vossloh's products and services due to their technical expertise, the duration of the cooperation, the irreplaceability of their products and services or due to the high delivery volume. Vossloh has been working with many of its strategic suppliers for a long time, in some cases carrying out joint research and development projects.

In 2024, a total of 216 suppliers were identified as strategic and are the subject of the ESG assessment. With €375.4 million, they represent around 48 % of the Vossloh Group's purchasing volume in the 2024 fiscal year. Since 2023, Vossloh has required strategic suppliers to provide information on relevant KPIs and existing regulations, measures and processes to ensure environmental, social and governance standards, with a particular focus on safeguarding the rights of workers in the value chain. The purchasing departments create sustainability profiles for these suppliers based on this self-disclosure and the corresponding evidence. The employees responsible for this in the Vossloh units were trained accordingly. A tool is available throughout the Group for this assessment process, which is used to query and document key measures relating to ESG criteria at suppliers. The assessment criteria include, inter alia, the level of GHG emissions as well as energy and water consumption, compliance with fair working conditions and health

and safety regulations for employees, the existence of an effective compliance management system and compliance with export control law. To this end, the Responsible Sourcing Team has developed a standardized format with a uniform list of questions which, in addition to a general section of questions, contains six questions on the environment, eight questions on working conditions and social issues, four questions on governance as well as a supplementary question on ensuring ESG requirements in the supplier's own supply chain. In the assessment, a maximum of 37 points can be achieved for the environment sub-section, 41 points for the working conditions and social sub-section and 14 points for the governance sub-section. There is no additional weighting of these points. A total score of 50 % of the maximum achievable points was set as the ESG minimum standard. Suppliers with at least 66 % of the maximum achievable score qualify as sustainable. Every year, Vossloh subjects at least three strategic suppliers to an on-site audit according to a uniform audit plan with queries on the three sub-sections mentioned. If strategic suppliers violate Vossloh's ESG requirements, the responsible purchasing department can respond with graduated mitigation and sanction measures: from warning notices and requests for training to blacklisting.

Vossloh's contracts with non-strategic suppliers also contain ESG criteria through reference to the Code of Conduct for Business Partners. These supplier relationships are also continuously monitored for compliance with these criteria. Vossloh reviews compliance with obligations recognized by suppliers as part of regular audits on the basis of a risk profile that takes ESG criteria into account. In the future, country-specific risks of the supplying production site will be given increasingly greater weighting in the selection of suppliers to be audited. If a business partner does not meet the expectations placed on it, Vossloh aims at working towards improvements, in particular through internal training and the creation of binding internal guidelines and standards in the areas concerned. In the event of serious violations of the obligations under the Vossloh Code of Conduct for Business Partners or repeated unwillingness to demonstrate appropriate mitigation measures, the business relationship may be terminated. After four audits in the 2023 financial year, five audits were carried out in the 2024 financial year, in which compliance with ESG criteria was part of the audit scope. There were no material negative ESG-related findings in any of the audits.

Another aspect of sustainable procurement is the ban on the purchase of so-called conflict minerals (3TG, after the names tin, tantalum, tungsten and gold). The company published a statement to this effect on its website www.vossloh.com in 2022 (Investor Relations > Sustainability > Sustainable supply chains and operations). Vossloh itself does not knowingly use any 3TG minerals originating from conflict-affected and high-risk areas (CAHRAs) for the manufacture of its products or the provision of its services, where the acquisition of which could directly or indirectly finance or otherwise facilitate armed conflicts. Ensuring the prohibition of the procurement of such raw materials is part of the supplier selection process at Vossloh and part of the obligations of suppliers in the Code of Conduct for Business Partners.

Working conditions (workers in the value chain)

On this topic, the materiality analysis revealed:

- the following significant negative impacts: Incidents of misconduct among the workforce, but also along the value chain, could jeopardize the well-being of employees;
- no significant positive impacts for people and the environment;
- no significant risks for the company;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seq.).

Vossloh expects its suppliers to also attach great importance to sustainability as part of their business activities and to establish internal measures to ensure this. Furthermore, in order to supply Vossloh, suppliers must generally meet a minimum level of sustainability defined in a uniform points system as part of the ESG assessment, as shown on page 127. In its cooperation with suppliers, Vossloh also works towards the continuous improvement of environmental and social conditions, in particular labor standards. Significant recent cooperation agreements, at least since 2019, such as joint venture agreements, generally include the Vossloh Code of Conduct as binding. The same applies to contracts with intermediaries (e.g. commercial agents and distributors). Incidents of misconduct among the workforce, but also along the value chain (suppliers, cooperation partners, intermediaries) could jeopardize the well-being of employees. This resulted from the materiality analysis as a negative impact of Vossloh's activities.

The Group also requires strategic suppliers to recognize the Vossloh Code of Conduct for Business Partners. It has been available in a revised form since 2023 and, taking into account the requirements of the UN Global Compact, the UN Charter on Human Rights and the requirements of the International Labour Organization (ILO), includes key obligations to protect employee rights. It defines binding rules for sustainable operation for Vossloh's business partners, to which the company itself is also committed: Compliance with applicable laws, in particular compliance with global labor rights, health and safety standards, environmental protection, transparency in the supply chain and the responsible procurement of minerals. The Code of Conduct for Business Partners is publicly available on the company's website at www.vossloh.com > Investor Relations > Sustainability > Sustainable supply chains and operations. The contacts for whistleblower reports in the event of misconduct are also linked on the same page.

Employees, business partners and third parties can report possible violations of the Code of Conduct for Business Partners to the responsible internal departments at Vossloh or (anonymously, if desired) to the Compliance ombudspersons (ESRS G1-3, see the Governance section on pages 130 et seq.). In the 2024 financial year, there were no whistleblower reports regarding a violation of the Code of Conduct for Business Partners. If violations of the Code of Conduct for Business Partners are reported via the whistleblower channels, Vossloh will ensure that any whistleblowers are protected from sanctions by an employer by maintaining confidentiality to the greatest extent possible. Vossloh does not maintain any structures or procedures to verify that employees in the value chain are aware of Vossloh's whistleblower channels and are assured of confidentiality and protection from sanctions. Beyond the contact options mentioned, there are currently no exchange formats with workers in the value chain or their representatives.

As part of the further development of the sustainable procurement system, the inclusion of the interests of workers in the value chain or their representatives should be taken into account and suitable formats considered.

Other labor-related rights (workers in the value chain)

The materiality analysis of other labor-related rights (workers in the value chain) revealed

- the following significant negative impacts: Potential violations of fundamental human rights in the supply chain, such as child labor or forced labor, which pose ethical and legal risks;
- no significant positive impacts for people and the environment;
- no significant risks for the company;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seqq.).

In its collaboration with suppliers, cooperation partners and intermediaries, Vossloh also works towards continuous improvements in the area of good corporate governance. The binding rules defined in the Vossloh Code of Conduct for Business Partners also include compliance with human rights, the prohibition of child and forced labor, the prohibition of corruption and bribery and compliance with laws to ensure fair competition. Vossloh's regular audits include these aspects. Whistleblowers can also contact the responsible internal departments at Vossloh or (anonymously, if desired) the Compliance ombudspersons (ESRS G1-3, see the Governance section on pages 130 et seqq.). In the 2024 financial year, there were no whistleblower reports regarding a violation of the Code of Conduct for Business Partners.

Although such a case has not yet occurred with Vossloh's business partners, possible violations by suppliers, cooperation partners or intermediaries were identified as a potential negative impact in the materiality analysis. However, changes can occur quickly in the complex supply chains of procurement around the world, which Vossloh cannot immediately recognize as the ordering company.

Governance

In the area of governance, Vossloh identified four topics as relevant as part of the materiality analysis:

- corporate culture;
- corruption and bribery;
- protection of whistleblowers,
- cybersecurity.

Vossloh took relevant criteria into account in the analysis such as sites, activities, sector-specific aspects and transaction structures such as supplier and customer contracts. The main impacts, risks and opportunities as well as the measures to strengthen the governance structures are presented in more detail below. Vossloh has not defined a group-wide sustainability target for this area.

The company's management and supervisory bodies play a decisive role in shaping and monitoring Vossloh's corporate policy. They consist of experienced specialists and managers. They are responsible for setting and maintaining ethical standards, ensuring compliance with relevant laws and regulations and promoting a culture of integrity, trust and mutual respect within the company. More information on the professional backgrounds of the members of the Group's Executive Board can be found in the Corporate Governance Report (page 22 et seqq.). The Supervisory Board of Vossloh AG consists of employee representatives and elected shareholder representatives, who contribute a wide range of experience from other Supervisory Board mandates (ESRS 2 GOV-1, see page 157). The general basis for conduct and cooperation at Vossloh are various guidelines adopted by the Executive Board, which are discussed in more detail in the following individual topics.

Corporate culture

On the topic of corporate culture, the materiality analysis revealed

- no significant negative impacts for people and the environment;
- the following significant positive impacts: Clear roles and responsibilities and a proper segregation of duties promote efficiency, reduce risks and strengthen employees' confidence in the work processes;
- no significant risks for the company;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seqq.).

As part of the materiality analysis, Vossloh identified the clear definition of roles and responsibilities and the consistent separation of tasks as having a positive impact on corporate culture. This promotes transparent and efficient collaboration, which strengthens the trust and motivation of employees. The consistent definition and disclosure of responsibilities help to minimize risks and create a corporate culture characterized by responsibility and integrity.

Since 2021, Vossloh has been continuously working on a new self-image for internal and external communication that reflects the changes of recent years. Under the guiding principle of One Vossloh, the company has established three management principles: *We create value for Vossloh*, *We promote continuous improvement* and *We are close to people*. These value-based guidelines apply not only to management, but to all employees at Vossloh. Defined indicators can be used to transparently check whether decisions are in line with these management principles.

In addition to the annual Leaders Lounge event, the People Review Process (PRP) and the talent and succession process are two important components for establishing the corporate values in practice. With these components of Vossloh Leadership Excellence, the company is driving cultural change and investing in its employees to strengthen them for the future. This provides all managers and employees with clear orientation. It also ensures that all those involved receive comprehensive training in order to guarantee a high level of competence and efficiency in implementing the initiatives. The group-wide training on corporate values that began in 2022 was systematically continued in the reporting year, with the result that all members of the top three management levels had completed training on the leadership principles by the end of 2024.

Corruption and bribery

On the subject of corruption and bribery, the materiality analysis revealed

- the following significant negative impacts: Weak regulations and controls in the area of corruption and bribery could lead to illegal practices and jeopardize trust in the company and the integrity of the business;
- no significant positive impacts for people and the environment;
- no significant risks for the company;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seq.).

As a global enterprise with a 140-year history, Vossloh has a social responsibility toward its customers, employees, partners, investors and the public. From this responsibility, Vossloh derives the requirement that the company and its employees adhere to the laws as applicable, respect basic ethical values and act in an exemplary fashion at all times and in all scenarios. This requirement is set out in writing in the Vossloh Code of Conduct. The Code of Conduct – which all employees sign when they join the company – is designed to help them living up to this responsibility.

The prevention of violations of the law of all kinds, in particular corruption in accordance with the United Nations Convention against Corruption and anti-competitive behavior in accordance with the antitrust regulations of the European Union and the United States in particular, is a central concern for the Vossloh Group's Executive Board. The Executive Board has also summarized this unequivocally in its Compliance Commitment, which states, among other things: "Compliance with the law has absolute priority over closing a deal or achieving internal targets. We would rather forgo a business opportunity than violate the law. We will not tolerate any violation of the law or of our internal guidelines and policies and will sanction any such behavior (zero tolerance policy)." The Code of Conduct is publicly accessible via www.vossloh.com > Investor Relations > Corporate Governance > Compliance. The area of Compliance is overseen within the Executive Board by the Chief Executive Officer (CEO).

The Executive Board has set up a Compliance Organization to implement and monitor compliance regulations. Its structure, the responsibilities and tasks of the individual compliance functions as well as the reporting channels are set out in the "Rules of Procedure of the Compliance Organization". The Vossloh Compliance Organization consists of the Chief Compliance Officer (supported by a Compliance Office), who has been appointed for an indefinite period to strengthen their independence, and the Group Compliance Committee at the level of Vossloh AG, Compliance Officers and Compliance Committees in the Business Units as well as Local Compliance Officers (LCO) in the operating companies. Vossloh's Compliance Management System is designed to identify risks arising from compliance violations and to minimize these risks through appropriate measures, in order to prevent damage to Vossloh and its employees. Any indication of misconduct is investigated immediately, independently and objectively by the Compliance Organization. The prevention of corruption and strict compliance with competition law regulations are a particular focus.

Vossloh's Compliance Management System has been based on the Vossloh Code of Conduct since 2007, which specifies the value of integrity and is binding for the entire Group and all company employees. It is currently available in 15 languages. There are also guidelines on the prevention of corruption, conduct in compliance with antitrust law and the involvement of intermediaries, as well as a data protection guideline, an export control guideline and an insider guideline. In addition to the Code of Conduct, each individual employee also receives the Guideline on the Prevention of Corruption and the Guideline on Compliance with Antitrust Law when they join the company, which they acknowledge by signing it. Compliance as part of business activities constitutes part of regular classroom trainings held at all Vossloh companies. The training requirements and participants – including those from the high-risk areas of Sales and Purchasing – are determined and defined by the Compliance Officers of the Business Units and the Local Compliance Officers on the basis of the Vossloh compliance training concept. The Compliance Office headed by the Chief Compliance Officer keeps a record of the classroom training sessions held. In 2024, Vossloh conducted compliance trainings around the world with a total of 804 participants (2023: 653 participants).

Compliance training is also given in the form of e-Learning, which was revised from the ground up in 2021. The "Code of Conduct – Compliance Basics" module is aimed at all employees who work at a computer workstation. In addition, there are two modules focusing on competition law and corruption prevention for all managers and employees with external contact, particularly those from the high-risk areas of Sales and Purchasing. Around 50 % of all participants in the basic module completed each of these focus modules. The refresher module on corruption prevention, competition law and foreign trade law is aimed at the same target group. All new employees are gradually taken through the e-Learning program. The Local Compliance Officers systematically record the employees' attendance and send them reminders to attend, if required. The training rate was 96.8 % as of December 31, 2024 (2023: 97.1 %).

The following table describes the compliance training concept in the Vossloh Group:

	Measure	Cycle	Target group	Responsible (concept, implementation, documentation)
I.	Classroom training (alternatively video conference)			
1	Standard/refresher training Compliance (Vossloh Compliance Program and Principles)	Every 3 years	Managing directors, salaried employees and blue collar supervisors	Compliance Office (concept); LCO (implementation, documentation)
2	Basic compliance training	Optional	Regular blue collar workers	LCO in cooperation with Compliance Office (concept); LCO (implementation, documentation)
3	Focus training on antitrust law (focus: Guideline on Compliance with Antitrust Law with extensive case studies for exposed employees)	Every 3 years	Managing directors, senior executives, employees in sales and purchasing	Compliance Office, if necessary, external experts (concept); LCO (implementation, documentation)
4	Focus training on sales (focus on anti-corruption and use of sales representatives)	As required	Managing directors, senior executives, sales employees	Compliance Office (concept); LCO (implementation, documentation)
5	Risk-oriented focus training on local law (specific local topics, e.g. export control, local legislative changes)	As required	Local managers and employees	LCO in cooperation with Compliance Office, external experts, if necessary (concept); LCO (implementation, documentation)
II.	E-learning (online)			
6	Code of Conduct and compliance basics module	One-off, at the start of employment	Employees with a computer workstation	Compliance Office (concept) responsible HR department
7	Focus module on corruption prevention	One-off, at the start of employment	Employees with external contact	Compliance Office (concept) responsible HR department
8	Focus module competition law	One-off, at the start of employment	Employees with external contact	Compliance Office (concept) responsible HR department
9	Compliance refresher course	Once, 1 year after initial enrollment	Employees with external contact	Compliance Office (concept) responsible HR department
III.	Other training measures (conference, workshop)			
10	Presentations/workshops at internal events (e.g. sales meetings)	As required	Depending on the event	Compliance Office (concept) Organizer of the event (implementation)

Compliance audits are performed – usually with the assistance of external audit firms – in order to verify that the Compliance Management System rules are being adhered to within the individual operating units. These audits are carried out incident-related and incident-unrelated. In 2024, three incident-unrelated and four incident-related compliance audits were carried out. Compliance issues are also audited as part of the internal audit process. The company also has its Compliance Management System regularly reviewed by external experts and receives recommendations for further development and improvement. The last comprehensive effectiveness review took place in 2017; the audit report is published on the website www.vossloh.com > Investor Relations > Corporate Governance > Compliance. Where findings and recommendations for compliance work were made, they have been and will be implemented as part of the continuous development and improvement of the Compliance Management System. A review of compliance risks carried out in the 2023 financial year with external support, including a survey on the effectiveness and acceptance of the Compliance Management System with 128 representatively selected managers and employees, primarily from management, sales and purchasing, once again confirmed the previous risk assessment and the high effectiveness and acceptance of the Compliance Management System. The subject of this risk inventory was the group-wide determination of the Vossloh Group's compliance risks in the areas of antitrust law, anti-corruption and export control, taking into account existing compliance rules and measures (also see the section on "Legal risks and opportunities" on page 49). The adequacy and high level of acceptance of the existing Compliance Management System continued to be confirmed overall.

In the 2024 financial year, the Executive Board decided to subject the Compliance Management System to another external review – in relation to the sub-sections of antitrust law and anti-corruption – in accordance with IDW PS 980 (new version; 09/2022) and once again commissioned KPMG AG Wirtschaftsprüfungsgesellschaft to do so. This audit was started in the 2024 fiscal year with the Readiness Check and will be completed in 2025 with the Adequacy and Effectiveness Audit.

The Compliance Office and Corporate Controlling also conduct annual risk dialogs with selected Vossloh Group companies in order to review the effectiveness of the Compliance Management System with a view to identifying material risks. In 2024, two risk dialogs took place (2023: one dialog). At the end of 2024, the Group Compliance Committee decided to discontinue these risk dialogs in future, as their content has been replaced by a software-based risk assessment in all Group companies. This query was first initiated at the end of 2024.

Vossloh has also taken special precautions to ensure compliance with foreign trade regulations, notably export control and embargo legislation. Beyond the obvious need to comply with applicable legal provisions, Vossloh shares the security objectives pursued by foreign trade legislation, especially the strengthening of international peace efforts and the non-proliferation of weapons of mass destruction. An export control policy for the entire Group which is based on applicable law creates a binding framework for the entire Vossloh Group and all its employees to ensure compliance with the respective legal requirements. The framework requirements of this policy are supplemented by more extensive regulations in the form of work and organizational instructions or process descriptions. The policy states that each operational unit must appoint an Export Officer and a Trade Compliance Officer (TCO). In cooperation with the respective HR departments, the TCOs develop training concepts and ensure that all employees working in areas relevant to foreign trade receive the appropriate training. Vossloh's central compliance e-learning tool also includes the module Foreign Trade Law.

The Vossloh Group also expects its suppliers and service providers to act and behave in a way that complies with the law. This is verified and controlled in specific cases as well as on an ad hoc basis. The group-wide "Guideline on the Engagement of Intermediaries" applies to business dealings with commercial agents, agencies, distributors and consultants in the sales area. Its aim is to prevent the risk of unfair practices by commissioned third parties and to minimize the risks for the company and its employees.

Vossloh maintains a group-wide register of associations as part of its Compliance Management System, in which all company and private memberships in industry associations are recorded. Vossloh AG's primary association memberships are as follows:

- Verband der Bahnindustrie in Deutschland e.V. (German railway industry association, VDB)
- Association of the European Rail Industry (UNIFE)
- Deutsches Verkehrsforum (German transport forum, DVF)
- Institut für Bahntechnik GmbH (German institute for railway technology, IfB)
- Allianz pro Schiene e.V. (German railways association)
- Verband Deutscher Verkehrsunternehmen e.V. (association of German transport companies, VDV)

Vossloh does not make any donations to political parties or similar institutions.

Protection of whistleblowers

On the subject of whistleblower protection, the materiality analysis revealed

- the following significant negative impacts: Insufficient protection for whistleblowers – which makes it more difficult to uncover wrongdoing and jeopardizes ethical conduct – could undermine trust in the company;
- no significant positive impacts for people and the environment;
- no significant risks for the company;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seqq.).

Vossloh has set up a whistleblower hotline together with an international law firm. In addition to the option of contacting the Compliance Office directly, this allows company employees and external whistleblowers to report possible misconduct to an independent external contact (ombudsperson) in their native language. The whistleblower hotline has so far been set up for 24 countries. As such, the main regions and the languages spoken within the Vossloh Group are essentially covered. The Process for Recording, Processing and Documenting Whistleblower Notifications was adopted by the Executive Board of Vossloh AG on February 23, 2022 as a further development of the Compliance Management System. The process is a binding component of the Compliance Management System. The contact details of the independent ombudspersons appointed by Vossloh are provided to all employees together with the Code of Conduct and can be found on the Vossloh intranet and on the company's homepage. In addition, the Code of Conduct contains a description and application notes on this whistleblowing process.

In 2024, the ombudspersons were contacted twice (2023: once); a further two whistleblower reports were submitted via internal whistleblower channels (2023: two, not disclosed in 2023). All resulting investigations into possible compliance violations were completed. None of the notifications investigated involved a confirmed allegation of bribery or corruption or a violation of relevant laws that would have resulted in fines or individual penalties.

Where internal whistleblowers were involved, the Compliance Organization ensured that the whistleblowers were protected from measures under employment law during the ongoing investigation in accordance with the provisions of the EU Whistleblower Directive.

Cybersecurity

On the topic of cybersecurity, the materiality analysis revealed:

- the following significant negative impacts: Inadequate protection of IT systems could lead to cyber-attacks that jeopardize business continuity and the security of company data;
- no significant positive impacts for people and the environment;
- as significant risks:
 - a) Business interruptions and financial losses due to targeted cyber attacks on critical systems;
 - b) financial burdens due to ransom payments or costs for restoring data and systems after an attack;
- no significant opportunities for the company.

The process for identifying material impacts, risks and opportunities (ESRS 2 IRO-1) is described in the section entitled Material sustainability matters at Vossloh (page 61 et seqq.).

Vossloh manages its operational and strategic business processes with the help of powerful information technology. The data network includes customers and suppliers as well as the company's own sites and covers the entire globe. The demands on IT are constantly increasing due to the ongoing digitalization of the company. At the same time, a continuous increase in cyber security threats can be observed. The manufacturing industry is the most frequently attacked sector in Europe, accounting for 28 % of all cybercrime incidents. In the materiality analysis carried out in the 2024 financial year, insufficient protection of IT systems was therefore identified as a negative impact. The risks for Vossloh are that production

could be shut down due to hacks and/or that the hackers could demand a ransom for the data they have encrypted.

In the course of optimizing its IT security, Vossloh has set up an information security management system (ISMS) against digital threats, with which experts monitor Vossloh's entire IT infrastructure around the clock. The Group information security officer reports directly to the Executive Board on a regular basis; in operational terms, the division reports to the Chief Executive Officer (CEO). In the organizational matrix, the Group information security officer manages the area of information security at Vossloh AG and coordinates the measures with the business units. Local information security managers are active in the business areas and discuss current developments on a weekly basis.

Vossloh's specialized employees are supported by external specialists, for example, in so-called Purple Teaming. The performance of the system and the emergency plans are continuously tested and improved through simulated hacks. A comprehensive annual training program for all employees in the Group raises their awareness of digital risks and teaches them how to use IT safely. The ISMS is to be certified in accordance with ISO 27001. Currently, 13 out of 16 ISMS guidelines and standards are active; the outstanding guidelines will be rolled out company-wide in the 2025 financial year. Specific details of the measures and protocols are not disclosed. This information is confidential so as not to jeopardize the effectiveness of the security measures.

Assurance report of the independent German Public Auditor on a limited assurance Engagement in relation to the group sustainability statement

To Vossloh Aktiengesellschaft, Werdohl/Germany

Assurance Conclusion

We have conducted a limited assurance engagement on the Group Sustainability Statement of Vossloh Aktiengesellschaft, Werdohl/Germany, for the financial year from 1 January to 31 December 2024, included in section "Group sustainability statement" of the combined management report. The Group Sustainability Statement was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 and Sections 315b and 315c German Commercial Code (HGB) for a consolidated nonfinancial statement.

References to information of the Company outside of the combined management report and external sources of documentation or expert opinions mentioned in the Group Sustainability Statement were not subject to our assurance engagement:

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 315b and 315c HGB for a consolidated nonfinancial statement, and the specifying criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe

- that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Group Sustainability Statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section "Material sustainability matters at Vossloh" of the Group Sustainability Statement, or
- that the disclosures in section "EU taxonomy and its implementation at Vossloh" in the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

We do not express an assurance conclusion on the above-mentioned parts of the Group Sustainability Statement that were not covered by our assurance engagement.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in section "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement".

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements of the IDW Quality Management Standards and of the International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Directors and the Supervisory Board for the Group Sustainability Statement

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the specifying criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control as they have considered necessary to enable the preparation of a group sustainability statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e. fraudulent reporting in the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

Inherent Limitations in Preparing the Group Sustainability Statement

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative comprehensive interpretations have yet been published. The executive directors have disclosed interpretations of such wording and terms in the Group Sustainability Statement. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of the sustainability matters based on these interpretations is uncertain. The quantification of nonfinancial performance indicators disclosed in the Group Sustainability Statement is also subject to inherent uncertainties.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the specifying criteria presented by the executive directors of the Company and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism. We also

- obtain an understanding of the process used to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement.

- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

EA limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In performing our limited assurance engagement, we

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.
- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.
- performed analytical procedures or tests of details and made inquiries in relation to selected information in the Group Sustainability Statement.
- considered the presentation of the information in the Group Sustainability Statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

Restriction of Use

We issue this report as stipulated in the engagement letter agreed with the Company (including the "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" dated 1 January 2024 of the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other than the aforementioned purpose. Accordingly, the report is not intended to be used by third parties as a basis for making (financial) decisions.

Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

Düsseldorf/Germany, 7 March 2025

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

Nicole Meyer

(German Public Auditor)

Signed:

Daniel Oehlmann

(German Public Auditor)

Financial statements of Vossloh AG as of December 31, 2024

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Income statement

€ mill.	2024	2023
Sales revenues	17.6	15.5
Cost of sales	(17.3)	(15.6)
Gross profit	0.3	(0.1)
General administrative expenses	(33.4)	(20.3)
Other operating income	0.8	1.3
Other operating expenses	(1.6)	(2.2)
Operating result	(33.9)	(21.3)
Income from investments	20.1	40.1
thereof from affiliated companies: €20.0 million (previous year: €40.0 million)		
Income from profit transfer agreements	44.9	42.7
thereof from affiliated companies: €44.9 million (previous year: €42.7 million)		
Income from other securities and loans classified as financial assets	1.1	1.4
thereof from affiliated companies: €1.1 million (previous year: €1.4 million)		
Other interest and similar income	21.1	16.9
thereof from affiliated companies: €20.9 million (previous year: €16.8 million)		
Write-ups on financial assets	34.1	29.6
Interest and similar expenses	(18.0)	(15.0)
thereof to affiliated companies: €0.4 million (previous year: €0.3 million)		
thereof to hybrid capital investors: €6.0 million (previous year: €6.0 million)		
Net financial result	103.3	115.7
Income taxes	(0.5)	(0.5)
Result after taxes/net income for the year	68.9	93.9

Balance sheet

Assets in € mill.	12/31/2024	12/31/2023
Purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets	1.4	1.2
Intangible assets	1.4	1.2
Land, leasehold rights and buildings, including buildings on nonowned land	0.1	–
Other plant, factory and office equipment	0.5	0.3
Advance payments and assets under construction	0.1	–
Property, plant and equipment	0.7	0.3
Shares in affiliated companies	493.0	458.9
Loans to affiliated companies	61.0	81.0
Investments	0.1	0.1
Long-term securities	0.1	0.1
Financial assets	554.2	540.1
Fixed assets	556.3	541.6
Work in progress, unfinished services	14.6	12.4
Inventories	14.6	12.4
Receivables from affiliated companies	364.0	379.2
Other assets	7.7	3.9
Receivables and other assets	371.7	383.1
Cash on hand and in the bank	3.2	0.1
Current assets	389.5	395.6
Prepaid expenses and deferred charges	3.2	1.1
	949.0	938.3

Equity and liabilities in € mill.	12/31/2024	12/31/2023
Capital stock	54.8	49.9
Additional paid-in capital	268.5	201.4
Retained earnings		
Other retained earnings	110.7	110.7
Unappropriated surplus	173.2	122.7
Equity	607.2	484.7
Provisions for pensions and similar obligations	16.8	16.6
Tax provisions	0.7	0.4
Other provisions	13.7	14.7
Provisions	31.2	31.7
Bonds	150.0	150.0
Liabilities to banks	147.6	247.3
Trade payables	2.8	3.6
Liabilities to affiliated companies	2.5	13.2
Other liabilities	7.7	7.8
thereof from taxes: €0.3 million (previous year: €0.2 million)		
thereof within the framework of social security contributions: €0.0 million (previous year: €0.0 million)		
Liabilities	310.6	421.9
	949.0	938.3

Development of fixed assets (Annex to the notes)

€ mill.												
	Historical acquisition costs and cost of sales				Accumulated amortization/depreciation/write-downs					Carrying amounts		
	As of 1/1/ 2024	Additions	Disposals	As of 12/31/ 2024	As of 1/1/ 2024	Depreciation/ amortization in the fiscal year	Write-ups in the fiscal year	Dispo- sals	As of 12/31/ 2024	As of 12/31/ 2024	As of 12/31/ 2023	
Intangible assets												
Internally generated industrial property rights and similar rights and values	0.4	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.4	0.0	0.0	
Purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets	9.6	0.4	0.0	10.0	8.4	0.2	0.0	0.0	8.6	1.4	1.2	
	10.0	0.4	0.0	10.4	8.8	0.2	0.0	0.0	9.0	1.4	1.2	
Property, plant and equipment												
Land, leasehold rights and buildings, including buildings on nonowned land	0.1	0.1	0.0	0.2	0.1	0.0	0.0	0.0	0.1	0.1	0.0	
Other plant, factory and office equipment	1.4	0.3	0.0	1.7	1.1	0.1	0.0	0.0	1.2	0.5	0.3	
Advance payments and assets under construction	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	
	1.5	0.5	0.0	2.0	1.2	0.1	0.0	0.0	1.3	0.7	0.3	
Financial assets												
Shares in affiliated companies	551.0	0.0	0.0	551.0	92.1	0.0	(34.1)	0.0	58.0	493.0	458.9	
Loans to affiliated companies	81.0	0.0	(20.0)	61.0	0.0	0.0	0.0	0.0	0.0	61.0	81.0	
Investments	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	
Long-term securities	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	
	632.2	0.0	(20.0)	612.2	92.1	0.0	(34.1)	0.0	58.0	554.2	540.1	
Total	643.7	0.9	(20.0)	624.6	102.1	0.3	(34.1)	0.0	68.3	556.3	541.6	

Notes

Vossloh AG, Vosslohstrasse 4, 58791 Werdohl, Germany, registered under HRB 5292 at the Iserlohn District Court, is a large stock corporation in accordance with Section 267 (3) Sentence 2 German Commercial Code (HGB) in conjunction with Section 264d German Commercial Code (HGB).

General information

The annual financial statements of Vossloh AG for the 2024 fiscal year have been prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The cost of sales method is used in the income statement in accordance with Section 275 (3) German Commercial Code (HGB). The accounting and valuation methods have remained unchanged from the previous year, unless there are any further explanations.

Recognition and measurement are based on the following principles: Purchased intangible assets and property, plant and equipment are measured at cost less amortization and depreciation using the declining balance or straight-line method. Internally generated intangible fixed assets for which the accounting option pursuant to Section 248 (2) German Commercial Code (HGB) is exercised, are measured at cost. Impairment losses are recognized if the fair value is permanently below amortized/depreciated cost. Intangible assets are amortized over a useful life of one to five years; the useful life of buildings is five to fifty years and one to twenty years for factory and office equipment.

Accounting and valuation principles

An annual collective item is formed for all independently usable, movable assets with cost of more than €250 but not more than €1,000, which is depreciated over five years. All independently usable movable fixed assets with cost of up to €250 are immediately recognized as an expense in the year of acquisition.

Shares in affiliated companies and investments, as well as long-term securities, are recognized at the lower of cost or fair value in the event of an expected permanent impairment. If no current market prices are available, a valuation method based on IDW RS HFA 10 "Application of the principles of IDW S 1 in the valuation of shareholdings and other company shares for the purpose of commercial annual financial statements" in conjunction with IDW S 1 in the 2008 version "Principles for the performance of Business Valuations" of the Institut für Wirtschaftsprüfer in Deutschland e.V., Düsseldorf, in the version valid on the balance sheet date, is used to determine the fair values of the investments. Future free cash flows, derived from the respective current planning with a time horizon of three years, are determined and discounted using the weighted average cost of capital. The risk-free base interest rate is 2.50 %; the market premium is 7.00 %. Taking into account country-specific risk factors and growth factors, the present value calculated in this way is compared with the net carrying amount. If there is a permanent impairment, an impairment loss is recognized to the fair value.

Loans to affiliated companies are recognized at their nominal value.

Inventories are recognized at cost; receivables and other assets, as well as cash and cash equivalents, are recognized at the lower of nominal value or fair value.

Receivables and liabilities in foreign currencies are translated and measured at the mean spot exchange rate on the date of entry or the less favorable mean spot exchange rate on the reporting date. If the remaining term is one year or less, translation is generally carried out at the mean spot exchange rate on the balance sheet date, provided there is no hedge. If the receivables and liabilities are hedged, the mean spot exchange rate valid at the time of issue is applied.

Deferred taxes are recognized for differences between the carrying amounts of assets, liabilities and prepaid expenses and deferred income under commercial law and tax law that will result in future tax burdens or relief, as well as loss and interest carryforwards that are expected to be offset in the next five years. Deferred tax assets and liabilities are netted for the balance sheet presentation. The differences between the carrying amounts under commercial law and tax law in the balance sheet items "Pension provisions" and "Other provisions", as well as deferred taxes on loss and interest carryforwards, result in a deferred tax asset surplus at a tax rate of 32.13 %. Vossloh AG does not exercise the option under Section 274 (1) Sentence 2 German Commercial Code (HGB) to recognize deferred tax assets. Differences arising from the application of the minimum taxation regulations and a foreign minimum taxation regulation are not taken into account in the recognition and measurement of deferred taxes in accordance with Section 274 (3) German Commercial Code (HGB).

The benefit obligations from pension commitments and similar obligations were measured using the actuarial projected unit credit method. The IDW accounting note "Valuation of provisions for retirement benefit obligations from reinsured direct commitments under commercial law (IDW RH FAB 1.021)" applying the asset primacy principle was taken into account. This resulted in an increase in the obligation of €572 thousand (previous year: €501 thousand). Prof. Dr. Klaus Heubeck's 2018 G mortality tables (RT2018G) were used as the basis for the calculations. The discount rate was used for obligations with an average remaining term of 15 years of 1.90 % published by the Deutsche Bundesbank as at December 31, 2024 in accordance with the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung), whereby the average market interest rate with the same term was calculated on the basis of the last ten fiscal years, as in the previous year. A wage and salary increase of 3.00 %, an expected increase in pension payments of 2.00 % and an average fluctuation rate of 6.00 % were used as further calculation bases.

Assets that are not accessible to any creditors and serve exclusively to meet liabilities from pension obligations (so-called "plan assets") are measured at fair value and offset against these obligations.

As a result, provisions for pensions decreased by €10.7 million (previous year: €10.8 million). Income and expenses from these assets are netted against the interest expense from the discounting of the corresponding obligation and reported in the financial result.

Provisions for other risks or obligations in terms of personnel, such as vacation entitlements, are recognized in accordance with commercial law principles in the amount required to settle the obligation. Tax provisions and other provisions are recognized at the settlement amount required according to the principles of commercial assessment. Expected price and cost increases are taken into account. Provisions with a remaining term of more than one year are generally discounted at the average market interest rate of the past seven fiscal years corresponding to their remaining term, as determined and published by the Deutsche Bundesbank, unless the provisions are attributable to pension obligations. With regard to anniversary provisions, a flat residual term of 15 years is assumed in accordance with the option under Section 253 (2) Sentence 2 German Commercial Code (HGB). An interest rate appropriate to the term is used for the provision for partial retirement.

Liabilities are recognized at the settlement amount.

Derivative financial transactions are used exclusively for hedging purposes and, if the requirements are met, are combined as a valuation unit with an underlying transaction. To the extent that the hedging relationship created by the respective valuation unit is effective, the offsetting changes in value from the underlying and hedging transaction are not recognized. In these cases, the result from the foreign exchange contracts concluded for currency hedging is not recognized until maturity. To the extent that a hedge is ineffective, losses are recognized in the income statement. Any profit remaining from the hedging relationship, on the other hand, is not taken into account.

Notes to the balance sheet

Movements of fixed assets are shown in the development of fixed assets on page 144 .

Purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets, mainly consist of acquisition costs and incidental acquisition costs for the SAP S/4HANA software (€1.0 million). As the software is still being adapted to the requirements of the Vossloh Group and is, therefore, not yet operational, no scheduled amortization was carried out in the year under review.

The additions to intangible assets in the amount of €0.4 million include expenses for the ongoing adaptation of the ERP software and include both external consulting costs and internal expenses for SAP S/4HANA (€0.3 million).

No amounts are subject to a distribution block resulting from the capitalization of internally generated intangible assets in accordance with Section 268 (8) German Commercial Code (HGB) (previous year: €0.0 million).

The change in shares in affiliated companies results from a write-up on the investment in Vossloh Fastening Systems GmbH in the amount of €12.9 million (previous year: €29.6 million) and in Vossloh International GmbH in the amount of €21.2 million (previous year: €0.0 million). This was due to better business prospects, which substantially increased the fair value of these investments despite an unchanged risk-free interest rate.

€ mill.	Foot- note	Shareholding in %	at	Consoli- dation ¹	Equity ²	Result after taxes ²
(1) Vossloh Aktiengesellschaft, Werdohl				(k)		
(2) Vossloh International GmbH, Werdohl		100.00	(1)	(k)	94.2	(15.9)
(3) Vossloh US Holdings, Inc., Wilmington, USA		100.00	(2)	(k)	75.5	(4.0)
(4) Vossloh Australia Pty. Ltd., Sydney, Australia		100.00	(1)	(k)	34.8	4.1
(5) Vossloh France SAS, Rueil-Malmaison, France		100.00	(1)	(k)	123.9	10.9
Core Components division						
Fastening Systems business unit						
(6) Vossloh Fastening Systems GmbH, Werdohl	3,7	100.00	(1)	(k)	30.9	0.2
(7) Vossloh Fastening Systems Romania S.r.l., Bucharest, Romania		100.00	(6)	(n)	0.2	0.0
(8) Vossloh Fastening Systems Czech Republic s.r.o., Prague, Czech Republic		100.00	(6)	(k)	2.8	1.1
(9) Vossloh Sistemi S.r.l., Cesena, Italy		100.00	(6)	(k)	22.1	3.3
(10) Vossloh Fastening Systems Poland Sp. z o.o., Nowe Skalmierzyce, Poland		100.00	(6)	(k)	1.1	(3.9)
(11) FÉDER-7 Rugógyártó Kft., Sárkeresztes, Hungary		100.00	(6)	(n)	0.3	0.0
(12) Vossloh Fastening Systems America Corporation, McGregor, USA		100.00	(3)	(k)	6.6	1.9
(13) Vossloh Fastening Systems (China) Co., Ltd., Kunshan, China		68.00	(6)	(k)	32.0	13.6
(14) Vossloh-Werke International GmbH, Werdohl		100.00	(6)	(k)	32.0	1.4
(15) Beijing China-Railway Vossloh Technology Co., Ltd., Beijing, China		49.00	(6)	(n)	2.7	1.0
(16) TOO Vossloh Fastening Systems (Kazakhstan), Qapshaghai, Kazakhstan		50.00	(14)	(e)	0.0	0.0
(17) Suzhou Vossloh Track Systems Co., Ltd., Suzhou, China		100.00	(14)	(k)	1.1	0.0
(18) AO Vossloh Fastening Systems RUS, Engels, Russia		50.00	(6)	(e)	0.0	0.0
(19) Vossloh Fastening Systems Australia Pty. Ltd., Sydney, Australia		100.00	(4)	(k)	1.4	(0.2)
(20) OOO Vossloh Bahn- und Verkehrstechnik, Moscow, Russia		99.00/1.00	(2)/(1)	(k)	0.5	1.4
(21) Vossloh Maschinenfabrik Deutschland GmbH, Werdohl		100.00	(6)	(n)	(1.4)	0.1
(22) Vossloh Fastening Systems India Private Ltd., New Delhi, India	5	99.99/0.01	(6)/(14)	(k)	1.0	0.1
(23) Vossloh (Anyang) Track Material Co., Ltd., Anyang, China		51.00	(14)	(k)	29.7	1.6
(24) Kunshan Vossloh Railway Materials Trading Co., Ltd., Kunshan, China		100.00	(14)	(k)	1.6	0.3
Tie Technologies business unit						
(25) Rocla International Holdings, Inc., Wilmington, USA		100.00	(3)	(k)	4.4	0.0
(26) Rocla Concrete Tie, Inc., Lakewood, USA		100.00	(25)	(k)	102.1	1.0
(27) RCTI de Mexico, S. de R. L. de C. V., Mexico City, Mexico		99.998/0.002	(26)/(3)	(k)	29.4	5.9
(28) RocBra Participacoes e Empreendimentos Ltda., São Paulo, Brazil	6	100.00	(25)	(n)	4.6	(0.4)
(29) Cavan Rocbra Industria E Comercio De Pre Moldados De Concreto S/A, São Paulo, Brazil	6	20.00	(28)	(n)	22.3	2.6
(30) Austrak Pty. Ltd, Brisbane, Australia		100.00	(4)	(k)	35.7	3.9
(31) Vossloh Tie Technologies Canada ULC, Vancouver, Canada		100.00	(26)	(k)	(5.5)	0.7
Customized Modules division						
Switch Systems business unit						
(32) Vossloh Cogifer SA, Rueil-Malmaison, France		100.00	(5)	(k)	184.2	46.6
(33) Vossloh Cogifer Finland Oy, Salo, Finland		100.00	(34)	(k)	4.2	2.0
(34) Vossloh Nordic Switch Systems AB, Ystad, Sweden		100.00	(32)	(k)	11.4	(0.5)
(35) Vossloh Cogifer KIHN SA, Rumelange, Luxembourg		89.21	(32)	(k)	19.1	8.1
(36) Vossloh Laeis GmbH, Trier		100.00	(35)	(k)	(13.1)	0.1
(37) Futrifer-Indústrias Ferroviárias SA, Lisbon, Portugal		61.00	(32)	(k)	16.0	2.6
(38) Amurrio Ferrocarril y Equipos SA, Amurrio, Spain		50.00	(32)	(e)	34.7	3.3
(39) Montajes Ferroviarios S. L., Amurrio, Spain		100.00	(38)	(n)	1.0	0.4
(40) Burbiola SA, Amurrio, Spain		50.00	(38)	(n)	1.9	0.1
(41) Vossloh Cogifer UK Ltd., Scunthorpe, United Kingdom		100.00	(32)	(k)	2.1	(0.6)
(42) Vossloh Cogifer Italia S.r.l., Milan, Italy		100.00	(32)	(k)	1.9	1.0
(43) Vossloh Cogifer Polska Sp. z o.o., Bydgoszcz, Poland		97.65	(32)	(k)	11.4	2.0
(44) ATO-Asia Turnouts Ltd., Bangkok, Thailand		51.00	(32)	(e)	1.1	0.1
(45) Vossloh Cogifer Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia		100.00	(32)	(k)	(0.3)	0.6

€ mill.	Foot- note	Shareholding in %	at	Consoli- dation ¹	Equity ²	Result after taxes ²
(46) VOSSLOH MIN SKRETNICE DOO ZA Proizvodnjui Montazu Skretnica i Opreme Nis, Nis, Serbia		100.00	(32)	(k)	7.5	2.3
(47) Vossloh Beekay Castings Ltd., New Delhi, India	5	58.48	(32)	(k)	11.2	0.4
(48) Vossloh Cogifer Turnouts India Private Ltd., Hyderabad, India	5	100.00	(32)	(k)	3.5	(0.1)
(49) Vossloh Cogifer Signalling India Private Ltd., Bangalore, India	5	100.00	(32)	(k)	0.6	(0.3)
(50) Vossloh Cogifer Australia Pty. Ltd, Castlemaine, Australia		100.00	(4)	(k)	19.9	2.6
(51) Vossloh Cogifer Kloos BV, Nieuw-Lekkerland, the Netherlands		100.00	(32)	(k)	0.5	0.0
(52) Wuhu China Railway Cogifer Track Co., Ltd., Wuhu, China		50.00	(32)	(e)	34.7	5.3
(53) Vossloh Cogifer Southern Africa Proprietary Ltd., Cape Town, South Africa		100.00	(78)	(n)	0.0	0.0
(54) Vossloh Infrastructure Systems LLC, Moscow, Russia		90.00/10.00	(35)/(46)	(n)	0.0	0.0
Lifecycle Solutions division						
Rail Services business unit						
(55) Vossloh Rail Services GmbH, Hamburg	3,7	100.00	(1)	(k)	22.9	0.1
(56) Vossloh Rail Services Deutschland GmbH, Hamburg	3,7	100.00	(55)	(k)	35.8	0.0
(57) Vossloh Rail Inspection GmbH, Leipzig	3,7	100.00	(55)	(k)	0.1	0.0
(58) VOSSLOH Turkey Demiryolu Sistemleri Ltd. Şti., Istanbul, Türkiye		100.00	(59)	(k)	0.7	0.4
(59) Vossloh Rail Services International GmbH, Hamburg	3,7	100.00	(55)	(k)	11.0	6.7
(60) Vossloh Rail Services Scandinavia AB, Örebro, Sweden		100.00	(59)	(k)	5.9	2.1
(61) Vossloh Rail Services North America Corporation, Denver, USA		100.00	(3)	(k)	(1.0)	(0.9)
(62) Beijing CRM-Vossloh Track Maintenance Technology Co., Ltd., Beijing, China		47.00	(59)	(e)	27.8	3.0
(63) Vossloh Rail Services Kunshan Co., Ltd., Kunshan, China		100.00	(59)	(k)	3.5	0.8
(64) Vossloh Rail Services Finland Oy, Kouvola, Finland		100.00	(59)	(k)	5.4	0.3
(65) Rhomberg Sersa Vossloh GmbH, Föhren		50.00	(55)	(e)	2.6	0.3
(66) Vossloh Services France SAS, Rueil-Malmaison, France		49.90/50.10	(32)/(59)	(k)	0.2	(0.7)
(67) Vossloh Rail Services Italia S.r.l., Cesena, Italy		100.00	(59)	(k)	0.2	0.0
(68) Vossloh ETS BV, Purmerend, the Netherlands		100.00	(59)	(k)	15.4	0.4
(69) Vossloh Rail Services Espana S.L., Madrid, Spain		100.00	(59)	(n)	0.0	0.0
(70) Vossloh Rail Services Australia Pty. Ltd, Sydney, Australia		100.00	(4)	(k)	(0.2)	(0.2)
(71) Scandinavian Track Group AB, Borlänge, Sweden	4	100.00	(60)	(k)	8.0	(1.4)
(72) Scandinavian Track Group AS, Oslo, Norway	4	100.00	(71)	(k)	(2.0)	(0.2)
(73) Scandinavian Track Group ApS, Lyngby-Taarbæk, Denmark	4	100.00	(71)	(k)	(0.3)	0.0
(74) InfraTech Consulting ITC AB, Borlänge, Sweden	4	100.00	(71)	(k)	2.0	0.0
(75) Linjepartner AB, Strömsund, Sweden	4	100.00	(71)	(k)	0.0	0.0
(76) FRANCE AIGUILLAGES SERVICES S.A.R.L., Bertrichamps, France	4	100.00	(66)	(k)	3.3	0.3
(77) LUNEFCE SARL, Bertrichamps, France	4	100.00	(76)	(k)	0.0	0.0
Other companies						
(78) Vossloh Southern Africa Holdings Proprietary Ltd, Johannesburg, South Africa		100.00	(2)	(n)	(0.2)	0.0
(79) Vossloh RailWatch GmbH, Werdohl		100.00	(1)	(k)	(2.5)	(2.0)

¹ Fully consolidated companies are shown with a (k), companies accounted for using the equity method with an (e) and non-consolidated companies with an (n). The fact that the company is not included in the scope of consolidation is generally due to its minor significance for the net assets, financial position and results of operations.

² Foreign currency amounts in the case of equity are translated at the current rate (average exchange rate as of the balance sheet date) and result after tax are translated at the annual average exchange rate.

³ Company claims exemption from preparing and publishing separate financial statements pursuant to Section 264 (3) HGB.

⁴ Included in the consolidation for the first time in the reporting year.

⁵ Differing fiscal year April 1 to March 31.

⁶ Information on equity and result after taxes is based on the latest available financial statements.

⁷ IFRS result after profit and loss transfer agreement.

Inventories	Inventories include both the costs for SAP S/4HANA already reclassified from fixed assets in the previous year and increases in inventories for the 2024 fiscal year in the amount of €2.2 million.
Receivables and other assets	As in the previous year, receivables and other assets are due in full within one year. None of the receivables from affiliated companies result from supply or service relationships.
Capital stock	<p>Vossloh AG's capital stock was increased by €4,985,765.39 in the course of an authorized capital increase in the year under review and amounted to €54,843,447.62 (previous year: €49,857,682.23) as of the balance sheet date and is divided into 19,320,597 (previous year: 17,564,180) no-par bearer shares. Only ordinary shares have been issued. The no-par value shares have a notional interest of €2.84 (previous year: €2.84) per share in the subscribed capital.</p> <p>In the reporting year, the subscribed capital was increased, which was completed on November 12. In this context, 1,756,417 new shares were issued exclusively to institutional investors at a placement price of €41.00 per share by means of an accelerated placement procedure and excluding subscription rights. The total expenses of €1,078 thousand associated with the gross issue proceeds of around €72,013 thousand were recognized as expenses. The capital increase was carried out in addition to financing the planned acquisition of concrete sleeper specialist Sateba.</p>
Authorized capital	By resolution of the Annual General Meeting on May 27, 2020, authorized capital in the amount of up to €24,928,841.11 was created with the option of excluding shareholders' subscription rights ("Authorized Capital 2020"). Following the partial appropriation as part of the capital increase carried out in the reporting year, the company has authorized capital of €19,943,075.72 as at December 31, 2024. The authorization to increase the share capital on the basis of the Authorized Capital 2020 is limited until May 26, 2025.
Conditional capital	The company has no conditional capital.
Reserves	<p>The additional paid-in capital was increased by €67,027,331.61 as part of the authorized capital increase and amounts to €268,470,840.03 (previous year: €201,443,508.42). It includes the premium from the issue of shares by Vossloh AG.</p> <p>The retained earnings are other retained earnings in the amount of €110,671,697.46 (previous year: €110,671,697.46).</p>
Provisions	<p>In the 2024 fiscal year, the settlement amount for pension provisions amounted to €27,481 thousand (previous year: €27,387 thousand). The fair value of the plan assets offset against these amounted to €10,660 thousand (previous year: €10,819 thousand).</p> <p>The pension provision would have been €230 thousand lower (previous year: €291 thousand higher) if the market interest rate for the past seven fiscal years with matching maturities had been used instead of the past ten fiscal years.</p> <p>The fair value of the plan assets corresponds to the so-called business plan-specific actuarial reserve of the insurance contract plus any existing credit balance from premium refunds (so-called irrevocably allocated profit participation). This value also corresponds to the asset value for tax purposes. The amortized costs amount to €4,099 thousand (previous year: €4,641 thousand).</p> <p>The distribution block in accordance with Section 268 (8) German Commercial Code (HGB) amounts to €6,561 thousand (previous year: €6,178 thousand) and results entirely from the difference between the fair value and the amortized cost of the plan assets.</p>

In the income statement, expenses of €272 thousand (previous year: €237 thousand) were netted against income from the plan assets of €384 thousand (previous year: €338 thousand) in the financial result, which netted out to interest income totaling €112 thousand.

The reported tax provisions of €709 thousand (previous year: €391 thousand) comprise provisions for municipal trade tax of €694 thousand (previous year: €377 thousand) and provisions for corporate income tax of €15 thousand (previous year: €15 thousand).

Of the other provisions totaling €13,705 thousand (previous year: €14,687 thousand), €7,235 thousand (previous year: €7,541 thousand) are attributable to personnel and €2,900 thousand (previous year: €2,900 thousand) to provisions from company disposals and the associated expected consulting fees.

In February 2021, a subordinated bond (hybrid bond) with a volume of €150 million was issued with an indefinite term. Vossloh AG has the sole right to terminate, but not before February 23, 2026. The interest rate on the bond is 4.0 %.

Liabilities and
contingent liabilities

Of the liabilities to banks recognized in the balance sheet in the amount of €147,563 thousand (previous year: €247,336 thousand), €18,920 thousand (previous year: €162,336 thousand) is due within one year and €128,643 thousand (previous year: €85,000 thousand) is due in more than one year. Of this, an amount of €30,000 thousand (previous year: €30,000 thousand) has a remaining term of more than five years. As in the previous year, all other liabilities have a remaining term of up to one year.

At the end of 2024, a total of €85.0 million of the liabilities to banks related to Schuldschein loans. €25 million was placed at the end of 2021 with a term of seven years (until December 2028) and a fixed interest rate of 0.8 %. In July 2023, two further Schuldschein loans of €30 million each were issued with terms of 5 years (until July 2028) and 7 years (until July 2030) with variable interest rates above the 6-month Euribor. All Schuldschein loans are held by banks.

The syndicated loan concluded in November 2017 and originally running until November 2024 was extended in February 2024 for a further 5 years until February 2029. The loan volume was increased by €10 million to €240 million. The term of the agreement can optionally be extended twice by one year each time and the volume can be increased by €160 million if required. The funds are available to the company in the form of a revolving line of credit that can be flexibly accessed. Compliance with a covenant in the form of the ratio of net financial debt to EBITDA was agreed here. A breach of the maximum agreed threshold for this ratio leads to an early termination option by the lending banks. At the same time, the respective level of the key figure determines the interest margin (basis points above Euribor or €STR). As of the balance sheet date, the credit line had been utilized in the amount of €23.6 million (previous year: €52.3 million) for cash loans and in the amount of €13.3 million (previous year: €11.8 million) for lines of credit extended to subsidiaries and for guarantees. Vossloh AG assumes joint liability for the tranches drawn by the subsidiaries. Compliance with the covenant must be demonstrated every six months and was ensured at the half-year and year-end.

In addition, Vossloh AG took out a loan of €20 million from DZ Bank AG in July 2024 with a term until July 2027.

All trade payables had a term of up to one year in both the reporting year and the previous year.

In the reporting year, as in the previous year, liabilities to affiliated companies consisted entirely of other liabilities and were due in full within one year in both years.

The total amount of the maximum amount guarantees is €269.5 million (previous year: €313.0 million). In 13 cases, the guarantee amount is unlimited and was included in the liabilities from guarantee relationships at €38.3 million at the end of the year. Contingent liabilities under guarantees amounted to €182.0 million (previous year: €182.4 million), of which €160.6 million (previous year: €158.4 million) was attributable to liabilities to affiliated companies and companies in which participations are held. The obligations can be fulfilled in all cases by the companies concerned. The risk of a claim is considered unlikely for all of the listed contingent liabilities.

As the underlying liabilities can probably be met by the affiliated companies, no liabilities had to be recognized.

There are no apparent reasons for a predominantly probable claim from the liability obligation. Vossloh concludes this, in particular, from the lack of utilization of the long-standing obligations. Taking into account the circumstances on the balance sheet date and the knowledge gained up to the date of preparation, there are no further indications of a claim.

Furthermore, other financial obligations exclusively exist vis-à-vis third parties in the amount of €116 thousand (previous year: €70 thousand). Of these other financial obligations, €51 thousand (previous year: €41 thousand) fall due within one year and €65 thousand (previous year: €22 thousand) fall due within a period of between one and five years. As of the balance sheet date, there are no other liabilities which fall due within a period after five years (previous year: €7 thousand).

Notes to the income statement

Sales revenues in 2024 amounted to €17,644 thousand (previous year: €15,452 thousand) – of which income from affiliated companies €17,639 thousand (previous year: €15,449 thousand) – mainly service charges. The increase resulted from higher allocations, particularly for IT and marketing services.

With the following exceptions, all sales revenues were generated in Germany: Sales revenues in France of €8,301 thousand (previous year: €5,444 thousand), in the USA of €1,453 thousand (previous year: €1,061 thousand) and in China of €339 thousand (previous year: €262 thousand). In the reporting year, no sales revenues were generated in Sweden (previous year: €2,832 thousand) and Finland (previous year: €260 thousand).

Functional costs are divided into cost of sales to generate sales revenues and general administrative expenses. The cost of sales mainly comprises internal and external expenses for the provision of management services, which are to be allocated to purchased services in accordance with Section 275 (2) No. 5 German Commercial Code (HGB).

Vossloh AG's personnel expenses are recognized under general administrative expenses. Personnel expenses amounted to €17,751 thousand in the reporting year (previous year: €14,320 thousand). Wages and salaries accounted for €15,152 thousand (previous year: €13,070 thousand) and social security contributions and expenses for pensions and other benefits accounted for €2,599 thousand (previous year: €1,250 thousand). Pension expenses rose sharply due to higher allocations to pension provisions and amounted to €1,143 thousand (previous year: €101 thousand).

In addition, the general administrative expenses include costs for legal and management consulting in the amount of €6,967 thousand (previous year: €953 thousand).

Other operating income amounted to €777 thousand (previous year: €1,303 thousand) and mainly comprised income unrelated to the accounting period from reversals of provisions in the amount of €149 thousand (previous year: €204 thousand) and income from exchange rate gains in the amount of €628 thousand (previous year: €70 thousand).

Research and development costs amounted to €0.0 million in the reporting year (previous year: €0.0 million).

As in the previous year, the other operating expenses in the amount of €1,597 thousand (previous year: €2,200 thousand) in the current year consist exclusively of exchange rate losses.

The net financial result of €103,279 thousand (previous year: €115,662 thousand) includes the profit distributions from Vossloh France SAS in the amount of €20,009 thousand (previous year: €40,019 thousand), from OOO Vossloh Bahn- und Verkehrstechnik in the amount of €9 thousand (previous year: €11 thousand) and the income from profit transfers from Vossloh Fastening Systems GmbH in the amount of €39,560 thousand (previous year: €35,792 thousand) and Vossloh Rail Services GmbH in the amount of €5,369 thousand (previous year: €6,875 thousand). In addition, the financial result includes write-ups on shares in affiliated companies in the amount of €34,100 thousand (previous year: €29,600 thousand). The interest portion for the change in the pension provision in the amount of €(112) thousand (previous year: €(101) thousand) was recognized under "Interest and similar expenses". This includes interest expenses due to the accumulation of the pension provision in the amount of €502 thousand (previous year: €496 thousand).

The income tax expense of €466 thousand (previous year: €486 thousand) mainly comprises municipal trade tax of €317 thousand (previous year: €377 thousand).

Vossloh AG employed an average workforce of 99 (up from 82), including 88 full-timers and 11 part-timers. Other disclosures

As part of the 2024 employee stock option program, Vossloh Group employees in Germany were given the option of either receiving three Vossloh AG shares free of charge or acquiring twelve shares at a preferential price of 50 percent of the issue price of €41.25 per share – determined on the basis of the stock market price at the time of transfer. In the reporting year, employees of Vossloh AG were granted a total of 333 shares free of charge (previous year: 309) as a result of using this program. The expense from the granting of shares amounted to €33.4 thousand (previous year: €12 thousand).

The total remuneration of the Executive Board (excluding pension expenses) for the 2024 fiscal year amounting to €5,267 thousand (previous year: €5,151 thousand) is divided into €1,500 thousand (previous year: €1,312 thousand) for fixed components, €3,717 thousand (previous year: €3,789 thousand) for variable components and €50 thousand (previous year: €50 thousand) for fringe benefits.

Former members of the Executive Board received total remuneration of €1,181 thousand in the reporting year (previous year: €1,139 thousand). Pension obligations for former members of the Executive Board and members of Executive Management and their dependents amounted to €19,745 thousand (previous year: €24,245 thousand). Reinsurance policies in the amount of €10,660 thousand (previous year: €10,819 thousand) are pledged to the beneficiaries individually and recognized as plan assets.

The total remuneration of the Supervisory Board for the reporting year amounted to €684 thousand (previous year: €692 thousand), and consisted mainly of fixed remuneration.

In the course of its operating activities, Vossloh AG is exposed, in particular, to risks from changes in exchange and interest rates, which are limited or eliminated by entering into derivative financial instruments. The Group-wide management and limitation of exchange rate and interest rate risks is carried out by Vossloh AG's Treasury Management.

Foreign currency forwards are concluded with banks to hedge currency risks from the subsidiaries' operating business and to hedge foreign currency loans granted to subsidiaries.

All hedged items are initially and subsequently measured at the mean spot exchange rate applicable at the time of issue. The difference between the spot rate on the date of issue and the hedged forward rate, multiplied by the nominal value of the receivable, is recognized under other liabilities. In total, this corresponds to a pro rata write-up or write-down of the euro carrying amount of the foreign currency receivable from the spot exchange rate on issue to the hedged forward rate. Offsetting changes in value from underlying and hedging transactions resulting from the hedged risk are not recognized (net hedge presentation method).

The nominal volumes and fair values of the hedging transactions used are listed below:

Derivative financial instruments				
€ mill.	2024		2023	
	Fair value	Nominal value	Fair value	Nominal value
Hedging transactions				
Interest rate swap	0.7	120.0	0.3	120.0
Foreign currency forwards	(3.5)	105.4	1.9	107.7
	(2.8)	225.4	2.2	227.7

The measurement of derivatives and the calculation of fair values depend on the type of instrument. The fair values of the foreign currency forwards are calculated on the basis of the mean spot exchange rate applicable on the balance sheet date, taking into account the forward premiums and discounts for the respective remaining term of the contract compared to the contracted forward exchange rate and were calculated on the basis of the "hedging rate at the reporting date value".

Two of the four existing interest rate swaps are forward payer swaps with a start date of July 12, 2025. The first swap with a nominal value of €40 million has a term of 5 years, the other swap for €20 million has a term of 7 years. Both swaps are concluded with a so-called "mandatory break clause" on July 12, 2025, meaning that they will be terminated on this date and the fair value applicable at that time will be settled.

The two other interest rate swaps are payer swaps with a nominal value of €30 million each. One interest rate swap has a remaining term of around 3.5 years, the other interest rate swap has a term of around 5.5 years.

€97.6 million of the foreign currency forwards relate to the hedging of recognized receivables and €4.9 million to the hedging of recognized liabilities. €2.9 million was attributable to foreign currency forwards concluded for subsidiaries, which were concluded internally in the same amount with the respective subsidiaries.

Valuation units for hedging foreign currency risk and interest rate risk

Derivative financial instruments are concluded to hedge cash flow risks and – if the requirements are met – are combined with the hedged underlying transactions to form valuation units. The resulting cash flows, therefore, balance each other out. All existing foreign currency forwards had a remaining term of up to one year.

If it is not possible to form a valuation unit, provisions for impending losses from pending transactions are formed under other provisions for negative fair values; income from market values that exceed the costs are not recognized. In 2024, all derivative financial instruments were combined as hedging instruments with the underlying hedged items. These are exclusively micro hedges whose prospective effectiveness is assessed on the basis of maturity and volume congruence (critical term match) and which are fully effective.

Vossloh AG's foreign currency hedging achieves full hedging due to the matching of the designated value-critical parameters of the hedged item and the hedging instrument.

Underlying transactions are fixed contracted orders or deliveries with fixed delivery dates and foreign currency loans. The contracted cash flow is hedged by forward exchange purchases or sales. Foreign currency items at subsidiaries are also hedged for their account. As at December 31, 2024, foreign currency positions in Australian dollars (AUD), Swiss francs (CHF) and US dollars (USD) were hedged.

Where transactions were conducted with related parties, the contracts were concluded at arm's length.

Related party transactions

In November 2024, the Executive Board and Supervisory Board issued the declaration of compliance in accordance with Section 161 German Stock Corporation Act (AktG) and made it permanently available to shareholders on the Group's website at www.vossloh.com/en/investor-relations/corporate-governance/declaration-of-conformity.

Declaration of conformity in accordance with Section 161 German Stock Corporation Act (AktG)

The German Securities Trading Act (WpHG) obliges investors whose share of voting rights in listed companies exceeds certain thresholds to issue a pertinent notification. The following voting rights notifications were issued to Vossloh AG in accordance with Section 33 German Securities Trading Act (WpHG) insofar as they are relevant for the 2024 fiscal year.

Notifications in accordance with the German Securities Trading Act (WpHG)

Subject to notification	Date of notification	Date of change	Relevant threshold value	New share of voting rights		Thereof attributable	
				in %	Absolute	in %	Absolute
Mrs. Nadia Thiele, Germany	12/9/2024	12/6/2024	3 % undercut	0.00	0	0.00	0
Mr. Robin Brühmüller, Germany	12/9/2024	12/6/2024	3 % undercut	0.00	0	0.00	0
Heinz Hermann Thiele Family foundation, Germany	12/9/2024 (modified on 12/13/2024)	12/6/2024	50 % exceeded	50.09	9,676,798	50.09	9,676,798

KB Holding GmbH, Grünwald, Germany, holds 50.09 % of the voting rights in Vossloh AG. These voting rights are attributable to TIB Vermögens- und Beteiligungsholding GmbH in accordance with Section 34 (1) Sentence 1 No. 1 German Securities Trading Act (WpHG).

The voting rights of KB Holding GmbH and TIB Vermögens- und Beteiligungsholding GmbH are attributable to Stella Vermögensverwaltungs GmbH in accordance with Section 34 (1) Sentence 1 No. 1 German Securities Trading Act (WpHG).

The voting rights of KB Holding GmbH, TIB Vermögens- und Beteiligungsholding GmbH and Stella Vermögensverwaltungs GmbH are attributable to Heinz Hermann Thiele Familienstiftung in accordance with Section 34 (1) Sentence 1 No. 1 German Securities Trading Act (WpHG).

The services of Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf used in the 2024 fiscal year mainly comprised services for the audit of the financial statements. In addition, reviews of the interim financial statements and, to a lesser extent, individual other assurance services in the area of sustainability reporting, the determination of subsequent effects from company acquisitions and board remuneration were performed. The total fee charged by the auditors for the fiscal year is not disclosed with reference to the Group clause.

Auditor fees

Executive Board of
Vossloh AG

Oliver Schuster, born 1964, Düsseldorf

Chief Executive Officer (CEO) (since October 1, 2019)

First appointment: 3/1/2014, appointed until: 2/28/2030

Group mandates:

- Vossloh Cogifer SA: Deputy Chairman of the Supervisory Board
- Vossloh Fastening Systems (China) Co., Ltd.: Chairman of the Administrative Board and legal representative of the company

Dr. Thomas Triska, born 1975, Balve

Chief Financial Officer (CFO)

First appointment: 11/1/2020, appointed until: 10/31/2028

External mandates:

- Wohnungsgesellschaft Werdohl GmbH: Member of the Supervisory Board

Group mandates:

- Vossloh Cogifer SA: Chairman of the Supervisory Board
- Vossloh International GmbH: Managing Director
- Vossloh France SAS: President

Jan Furnivall, born 1976, Meerbusch

Chief Operating Officer (COO)

First appointment: 11/1/2020, appointed until: 10/31/2028

Group mandates:

- Vossloh International GmbH: Managing Director
- Vossloh US Holdings, Inc.: Vice-President

Prof. Dr. Rüdiger Grube^{2,4}, Chairman of the Supervisory Board, Hamburg,
Managing Partner of Rüdiger Grube International Business Leadership GmbH
and Former Chief Executive Officer (CEO) of Deutsche Bahn AG
(Member of the Supervisory Board since February 5, 2020)

- Chairman of the Supervisory Board of Hamburger Hafen- und Logistik AG, Hamburg
- Non-Executive Member of the Administrative Board of Deufol SE, Hofheim (Wallau)
- Chairman of the Supervisory Board of ALSTOM Transportation Germany GmbH, Berlin
- Member of the Supervisory Board of AVW Immobilien AG, Hamburg
- Member of the Supervisory Board of Meta Wolf AG, Kranichfeld
- Chairman of the Supervisory Board of Vodafone GmbH, Düsseldorf
- Chairman of the Supervisory Board of EUREF AG, Berlin

Ulrich M. Harnacke^{2,3,4}, Deputy Chairman of the Supervisory Board, Mönchengladbach, Independent
Accountant, Tax Advisor and Business Consultant (member of the Supervisory Board since May 20, 2015)

- Member of the Shareholders' Committee of Thüga Holding GmbH & Co. KGaA, Munich,
- Member of the Supervisory Board of Thüga Aktiengesellschaft, Munich, and member of the Supervisory Board of CONTIGAS Deutsche Energie-AG, Munich
- Member of the Supervisory Board and Chairman of the Audit Committee of Brenntag SE, Essen
- Member of the Advisory Board of Zentis GmbH & Co. KG, Aachen⁵

Dr. Roland Bosch^{3,4}, Königstein/Taunus, Commercial Managing Director of WOLFF & MÜLLER
Holding GmbH & Co. KG (member of the Supervisory Board since May 27, 2020)

- President of the Administrative Board of Danzer AG, Ruggell (Liechtenstein)
- Chairman of the Supervisory Board of Erbud S.A., Warsaw (Poland)

Martin Klaes¹, Werdohl, Fitter, Chairman of the Works Council of Vossloh Fastening Systems GmbH
and Vossloh AG (Member of the Supervisory Board since May 24, 2023)

Marcel Knüpfer^{1,2,3}, Zwenkau, Technical Administration Specialist and Shift Supervisor, Chairman of the
General Works Council of Vossloh Rail Services Deutschland GmbH and Member of the Group Works Council
(Member of the Supervisory Board since June 1, 2020)

Dr. Bettina Volkens^{2,4}, Königstein/Taunus, Independent Consultant and Member of various
Supervisory Boards (Member of the Supervisory Board since May 27, 2020)

- Member of the Supervisory Board of CompuGroup Medical SE & Co. KGaA, Koblenz
- Member of the Supervisory Board of Bilfinger SE, Mannheim
- Member of the Supervisory Board of Elektrobau Muldingen GmbH, Muldingen

¹ Employee representative

² Member of the Personnel Committee

³ Member of the Audit Committee

⁴ Member of the Nomination Committee

⁵ Optional Committee

Events after the
balance sheet date

In February 2025, all eight banks in the syndicated loan agreed to the first maturity extension of one year until February 2030.

Proposed
appropriation of
profits

The annual financial statements for the 2024 fiscal year show a net profit of €68,899,440.05. Including the profit carried forward of €104,262,431.33, the net profit retained amounts to €173,161,871.38.

The Executive Board and Supervisory Board propose to the Annual General Meeting that a dividend of €1.10 per share be paid on the dividend-bearing share capital of €54,843,447.62 and that the remaining amount of €151,909,214.68 be carried forward to new account. The total amount to be distributed is €21,252,656.70.

Proposed appropriation of profits

€	
Profit carried forward as at January 1, 2024	122,704,820.33
Dividend payment 2024	(18,442,389.00)
Net profit for the year 2024	68,899,440.05
Withdrawal from other retained earnings	0.00
Unappropriated surplus as at December 31, 2024	173,161,871.38
Proposed dividend of profits	
Appropriation	(21,252,656.70)
Carried forward to new account	151,909,214.68

Werdohl, Germany, March 7, 2025

Vossloh AG
The Executive Board

Oliver Schuster, Dr. Thomas Triska, Jan Furnivall

Responsibility statement by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the net assets, liabilities, financial position and results of operations of the company, and the combined management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Werdohl, Germany, March 7, 2025

Vossloh AG
The Executive Board

Oliver Schuster, Dr. Thomas Triska, Jan Furnivall

Independent Auditor's report

To Vossloh Aktiengesellschaft, Werdohl/Germany

Report on the audit of the annual financial statements and of the combined management report

Audit Opinions

We have audited the annual financial statements of Vossloh Aktiengesellschaft, Werdohl/Germany, which comprise the balance sheet as at 31 December 2024, and the statement of profit and loss for the financial year from 1 January to 31 December 2024, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report for the parent and the group of Vossloh Aktiengesellschaft, Werdohl/Germany, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the corporate governance statement pursuant to Sections 289f and 315d German Commercial Code (HGB) – including the further reporting on corporate governance included therein – and the consolidated sustainability statement, which are each included in the combined management report. In addition, we have not audited the content of the disclosures included in section “Adequacy and effectiveness of the risk management system and the internal control system” of the combined management report that were marked as unaudited.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the statements referred to above as well as of the section “Adequacy and effectiveness of the risk management system and the internal control system”.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report” section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following, we present the recoverability of the shares in affiliated companies, which we have determined in the course of our audit to be a key audit matter.

Our presentation of this key audit matter has been structured as follows:

- a) description (including reference to corresponding information in the annual financial statements)
- b) auditor's response

Recoverability of the shares in affiliated companies

- a) The annual financial statements of Vossloh Aktiengesellschaft as at 31 December 2024 disclose shares in affiliated companies of mEUR 493.0. These thus account for a share of 51.9% of the balance sheet total. The shares in affiliated companies thus materially affect the assets and liabilities of the Company.

Long-term financial assets are measured at acquisition cost or, in case of a presumably permanent impairment in value, at lower fair value. The executive board checks the recoverability of the shares' book values recognised within the annual financial statements using a discounted cash flow valuation method. The cash flows used within the valuation model are based on internal cash flow plannings by the executive directors of the companies agreed upon with the executive board of Vossloh Aktiengesellschaft and cover the three years following the balance sheet date. They are updated with assumed long-term growth rates. The fair value is determined by discounting the plan cash flows at the weighted average cost of capital. The corporate value (equity value) that arises from this computation after deduction of the net debt is compared with the book value of the shares as at the balance sheet date under consideration of the equity investment. In case the (proportional) equity value is lower than the book value, it is checked by means of qualitative and quantitative criteria if the impairment is presumably of permanent nature. A write-down to the lower fair value of the shares is made in case of a permanent impairment in value. If the reasons for the permanent impairment cease to exist, the write-down is reversed to the fair value of the assets which must not exceed the acquisition cost.

In the financial year 2024, the Company made reversals of write-downs of mEUR 12.9 on the shares in Vossloh Fastening Systems GmbH, Werdohl/Germany, and of mEUR 21.2 on the shares in Vossloh International GmbH, Werdohl/Germany.

The assumptions made when measuring the shares in affiliated companies are highly dependent on the estimates and assessments made by the executive board and are thus subject to significant estimation uncertainties. This particularly applies to the adequate assessment of the future cash flows and growth rates, the adequate determination of risk-equivalent weighted cost of capital as well as the assessment of the permanence of the impairment. Already minor changes of the applied discount rate may significantly affect the amount of the determined equity value. Against this background, this matter was classified as key audit matter within the scope of our audit.

The Company's disclosures on the shares in affiliated companies are included in the chapters "Accounting and valuation methods" as well as "Notes to the balance sheet" of the notes to the financial statements.

b) In auditing the fair value of the shares in affiliated companies, we also consulted our valuation experts and have, among others, understood the systematic approach of the valuation made by the executive board, assessed whether the valuation model correctly presents the conceptional requirements of the relevant valuation standards, and evaluated the determination of the weighted cost of capital. We have furthermore assessed whether the cash flow plans underlying the valuations are based on adequate and justifiable assumptions and whether they are in line with the group planning for the year 2025, which has been approved by the supervisory board, and with the group planning for the years 2026 and 2027, which has been approvingly acknowledged by the supervisory board. Our assessment of the outcome of the evaluation was based, among others, on a comparison with general and industry-specific market expectations and we convinced ourselves of the material assumptions of the planning by means of interviews of the executive board. Together with the Parent's representatives in charge, we thoroughly discussed and obtained an understanding of any incremental adjustments of cash flows for rolling forward in the period of perpetuity. We have furthermore checked the parameters used in determining the applied discount rate, including the weighted cost of capital, and assessed the appropriateness of the computation scheme.

Other Information

The executive board and the supervisory board are responsible for the other information. The other information comprises

- the corporate governance statement including the further reporting on corporate governance included therein,
- the consolidated sustainability statement, which includes the disclosures of the consolidated nonfinancial reporting pursuant to Sections 315b and 315c in conjunction with 289c to 289e HGB,
- the disclosures included in section "Adequacy and effectiveness of the risk management system and the internal control system" of the combined management report marked as unaudited, and
- the executive board's confirmations pursuant to Section 264 (2) sentence 3 and Section 289 (1) sentence 5 HGB regarding the annual financial statements and the combined management report.

The executive board and the supervisory board are responsible for the statement according to Section 161 German Stock Corporation Act (AktG) concerning the German Corporate Governance Code including the further reporting on corporate governance, which is part of the corporate governance statement. Otherwise the executive board is responsible for the other information.

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the audited content of the disclosures in the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Board and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive board is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive board is responsible for such internal control as it, in accordance with German Legally Required Accounting Principles, has determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive board is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive board is responsible for such arrangements and measures (systems) as it has considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Company.
- evaluate the appropriateness of accounting policies used by the executive board and the reasonableness of estimates made by the executive board and related disclosures.

- conclude on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of the Electronic Reproductions of the Annual Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value 458675100768d96e657f849abcb11edc8c47549b7552c6ad9d7d350342998586, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the annual financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

Responsibilities of the Executive Board and the Supervisory Board for the ESEF Documents

The executive board of the Company is responsible for the preparation of the ESEF documents based on the electronic files of the annual financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive board of the Company is responsible for such internal controls that it has considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited annual financial statements and to the audited combined management report.

Further Information Pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the general meeting on 15 May 2024. We were engaged by the supervisory board on 11 September 2024. We have been the auditor of Vossloh Aktiengesellschaft, Werdohl/Germany, without interruption since the financial year 2019.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as with the audited ESEF documents. The annual financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Nicole Meyer.

Düsseldorf/Germany, 7 March 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
Nicole Meyer
Wirtschaftsprüferin
(German Public Auditor)

Signed:
Christian Siepe
Wirtschaftsprüfer
(German Public Auditor)

