“Focused. Dynamic. Green.”

Speech by <u>Oliver Schuster</u>, CEO of Vossloh AG,
on the occasion of the Annual General Meeting for the 2019 fiscal year

Düsseldorf, May 27, 2020

– The spoken word takes precedence –

Dear shareholders of Vossloh AG,
Dear guests,

on behalf of the Executive Board of Vossloh AG, welcome to our 2020 Annual General Meeting. Unfortunately, the COVID-19 pandemic means that we are unable to meet in person this year. I will miss having the opportunity to talk with you directly. So many of you have stood by Vossloh through thick and thin over the years. However, special times call for special measures. Thank you for your understanding and please have patience with the unavoidable limitations of holding an annual general meeting virtually. I look forward to meeting in the usual way next year so that we have an opportunity to talk in person again.

Today's event is my seventh annual general meeting since joining the Executive Board of your company, Vossloh AG, at the beginning of 2014. However, this marks the first time that I am able to welcome you not only as the CFO but also as the CEO of the company. As I'm sure you are aware and Prof. Dr. Grube has already explained at the beginning, the Executive Board went through a few changes in the past fiscal year. My former colleagues Andreas Busemann and Volker Schenk stepped down from their positions on September 30, 2019. I would like to say that it was a pleasure to work with these gentlemen. I would also like to thank them for their hard work and their contribution to advancing Vossloh in its strategic transformation and its focus on rail infrastructure. The Supervisory Board appointed Dr. Karl Martin Runge to the Executive Board effective October 1, 2019. Dr. Runge is primarily responsible for Sales and Technology. He has already contributed his extensive experience in the rail industry and elsewhere in many ways since joining the Board. He has been heavily involved in the area of occupational safety and environmental protection, in addition to restructuring our sales structure and the underlying processes and a variety of important production projects. Of course, occupational safety is a particularly important topic in these times. I am greatly looking forward to working together with Dr. Runge.

Ladies and gentlemen, let’s begin by taking a look at Vossloh's operational performance. I will then take a closer look at some important events which took place during the 2019 fiscal year.

If I had to sum up our current situation in a few words, I would say: a significant increase in sales, stable profitability, strong sales performance, a comprehensive performance program implemented with precision, a solid basis for improving profitability even further, acquisitions integrated seamlessly, strategic partnerships expanded, and last but not least: the contract to sell Vossloh

Locomotives has been signed.

But let’s begin by taking a close look at the key financial figures of the Group as a whole. We generated €916.4 million in sales, which was well within our forecast range. This figure represents a considerable 6 percent increase compared to the previous year. This increase was primarily driven by the growth of the Core Components division. This division generated significantly higher sales in the rail fastening systems business, particularly in the important Chinese market and North America. Sales also went up in Australia thanks to the acquisition of the concrete tie manufacturer Austrak. The Lifecycle Solutions division also made a significant contribution to the improved sales performance following the expansion of its milling capacity. Despite the sale of two subsidiaries during the year, the Customized Modules division recorded sales that are virtually on a par with the previous year’s level. Project-related lower sales, for example in Poland, and lower sales in the UK were largely offset by sales increases in Belgium and India.

The sales growth was also reflected in the company’s earnings before interest and taxes, or EBIT: At €55.7 million, adjusted EBIT exceeded both the figure reported for the previous year of €54.2 million and the recently communicated expectations. The adjusted

EBIT margin was 6.1 percent, compared to 6.3 percent in the previous year. In this context, I would like to point out that EBIT in 2018 benefited from a one-off in the wake of the realization of negative goodwill in an amount of €5.5 million. Adjusted for this, it is clear that both absolute EBIT and profitability improved noticeably year-on-year.

Against the backdrop of the performance program largely implemented in 2019 and fully reflected in the 2019 income statement, EBIT has been adjusted for nonrecurring items in order to present the Vossloh Group's actual operating profitability as transparently as possible. The one-time effects arising from the performance program totaled €93.3 million in 2019. Approximately one third of this figure relates to costs for employee redundancies, with allowances and losses on disposals related to the termination of disadvantageous activities accounting for the lion’s share of the remainder. I will address the performance program in greater detail at a later point.

The 2019 fiscal year was also shaped by some major success stories in the area of sales. Orders received totaled €938.2 million. As a result, the book-to-bill ratio, or the ratio of orders received to sales, was once again above 1. The Core Components division secured another major order totaling just under €40 million for the supply of rail fastening systems for high-speed lines in China. We also signed long-term framework agreements for switch components in Sweden and Italy, with a total sales volume of approximately €100 million. These agreements are only reflected to a small extent in the orders received figure for 2019, as the orders arising from these agreements will only be included in that figure when they are actually made.

In addition to the aforementioned one-time effects of €93.3 million related to the performance program, net income for the 2019 fiscal year was also affected by a strongly negative result from discontinued operations. This item caused a loss of €70.4 million in the year under review, driven mainly by charges related to the Locomotives business unit. As a result of these two factors, Vossloh posted a net loss of €136.8 million after reporting a net income of 22.7 million in the previous year.

As a result, the net income attributable to Vossloh AG shareholders of €(139.7) million was also substantially below the previous year's figure of €18.2 million. As a result of the increase in the number of outstanding shares following the capital increase, the loss per share came to €8.32, compared to earnings per share of €1.14 in the 2018 fiscal year.

At first glance, free cash flow appears to have taken a significant downturn in the 2019 fiscal year, when you compare the €(42.4) million figure to the previous year’s figure of €(19.0) million. However, a closer analysis of this important indicator demonstrates a more differentiated picture. The negative free cash flow figure for 2019 is solely down to the Locomotives business unit, which had a free cash flow of €(44.8) million. This resulted in a positive free cash flow of €2.4 million for our core business. This figure includes around €11 million in cash outflows from the two loss-making companies in the USA which have now been sold. It is also important to note that the 2019 free cash flow figure for our core business was also affected by cash outflows of approximately €15 million related to the performance program. The proceeds from the sale of the two US companies came to just under €40 million, but are not included in the free cash flow figure. When all of these factors are taken into consideration, it is clear that the free cash flow for our core business improved significantly in the 2019 fiscal year.

Let me now briefly discuss some key balance sheet figures.

At the end of the 2019 fiscal year, the equity of the Group came to €403.6 million, a significant decrease compared to the €523.3 million figure for the same day in the previous year. This downturn was largely due to the negative net income which I addressed earlier. Dividend payments and effects related to changes in the scope of consolidation also had a significant impact on equity. The €49 million raised by the capital increase had a positive impact on the equity figure.

Excluding lease liabilities, net financial debt went up from €307.3 million at the end of 2018 to €321.3 million at the end of 2019. The negative free cash flow and dividend, lease and interest payments were largely offset by inflows from the capital increase and the disposal of the US switch activities.

Ladies and gentlemen, that concludes my overview of the main financial indicators of the Vossloh Group. Now I would like to speak about some particularly important events which occurred during the previous fiscal year.

I would like to begin with the performance program, which I mentioned earlier. We drew up and implemented this program in April 2019 with the aim of significantly increasing the profitability of the Vossloh Group and its self-financing power. One of the areas which we focused on was discontinuing unprofitable and otherwise disadvantageous activities. We had classified as disadvantageous those activities which, although generating a positive earnings contribution, either failed to meet our profitability requirements or for other reasons had a negative impact on the Vossloh Group's performance. One example of this is our exit from the American switch market. The related measures and decisions led to one-time expenses totaling €37.1 million in the 2019 fiscal year, the majority of which were purely booking effects. As a result of this decision, we can avoid years of losses and, even more importantly, significant liquidity outflows. I’m sure you will agree that this money would be better used in other areas to strengthen and improve our competitive position.

Another aim of the program was to significantly reduce the number of employees. We were looking to streamline the workforce by a further 5 percent. At the end of 2019, 357 fewer people were employed than a year earlier, though 242 employees left the Vossloh Group in the year under review due to disposals in connection with the performance program. An additional 126 employees were laid off at year-end 2019 but did not leave the Group until early 2020. Taking these redundancies into account, this results in a de facto workforce reduction of almost 7 percent in addition to the divested operations.

Both of these issues are significant for the Group. The other measures in the program were aimed at reducing overheads, making investments more focused and intensifying measures designed to reduce working capital.

All of the targets which we set ourselves for the performance program were achieved or exceeded in all relevant areas. We could not have significantly improved our financial stability at a better time, particularly in light of the current COVID-19 pandemic. I would also like to highlight the fact that our performance program was liquidity-neutral overall. The proceeds from the sale of the loss-making companies are sufficient to finance the rest of the program in full. While 2019 was characterized by a surplus of cash inflows, cash outflows will be of roughly the same order of magnitude, particularly in the current year but also in part in the coming year. One of the factors driving this is that further employees in France will be leaving the company around the middle of 2020. This downsizing measure could not be implemented earlier as changes were required on the production side to facilitate this increase in efficiency. In summary, the performance program was a complete success and has allowed Vossloh to take a big step forward.

Another highlight in 2019 was the successful integration of our Australian subsidiary Austrak, which we acquired at the end of 2018. Austrak is the leading manufacturer of concrete ties in Australia, and was integrated into our Tie Technologies business unit. The subsidiary made a significant contribution to the impressive performance of the Group as a whole last year. When adjusted for the effects from the purchase price allocation, the EBIT margin for this company was already over 10 percent. In addition, we expect to see a significant increase in sales in the current fiscal year. As a result, this acquisition is already meeting all of our expectations. We also expect other divisions to benefit from synergies from additional business as a result of Austrak's outstanding customer reach. We used this model to great effect after entering the North American concrete tie market.

Another highlight of the year under review was the joint venture which was established to produce components for rail fastening systems in China. This will allow us to add synthetic and rubber components to our value chain for rail fastening systems in the important high-speed segment. Another advantage, which should not be underestimated, is that the joint venture allows us to access new markets, such as urban transport and conventional rail transportation. Our joint venture partner is a market leader in rail infrastructure components. Combining their customer reach with Vossloh's modern technology puts us in a strong position to continue and expand on our well-established success in the Chinese market.

We carried out a capital increase in summer 2019 which issued just under 1.6 million new bearer shares to institutional investors within the framework of a private placement. Despite the share price being low at the time, this measure was an important and appropriate move as we would not have been able to reliably quantify the possible negative impact arising from the performance program which we had just started to implement. It is also important to note that we had no way of planning in the possible proceeds from the sale of our loss-making companies at that time. We were also entrenched in complex negotiations surrounding the sale of Vossloh Locomotives. There was a significant amount of uncertainty about when the sale would be made and what impact the sale would have on our liquidity. The proceeds from the capital increase strengthened our balance sheet during a period of uncertainty and greatly improved our financial flexibility also with regard to future growth. In implementing the capital increase, the Management Board and Supervisory Board made use of the option to exclude shareholders' subscription rights as provided for by law and granted by the Annual General Meeting. In the view of the Executive Board and the Supervisory Board, the exclusion of subscription rights was necessary - as explained in detail in our written report to the Annual General Meeting on the utilization of authorized capital - in order to realize the placement of the new shares at a price as close as possible to the market price.

Summer 2019 also saw work begin in earnest on the new 8000 m² factory of the future at our headquarters in Werdohl following a groundbreaking ceremony. Vossloh is investing approximately €40 million in this construction project, which is due to be almost completed towards the end of the year. The factory of the future will automate production processes and increase our vertical integration by allowing us to manufacture more system components. This project provides long-term job security for workers at company headquarters. This site is the largest production facility of the Fastening Systems business unit, and manufactures around two thirds of all rail fastening systems sold by Vossloh. The factory of the future will improve the long-term competitive position of the business unit and increase profitability. It also represents our unshakable commitment to Germany as a place for doing business.

Ladies and gentlemen, as I near the end of my overview of the highlights for the company in the 2019 fiscal year, I would like to turn away from our core business of rail infrastructure and take a look at our Locomotives business unit. This business unit is based in Kiel, Germany, and is the last remaining business unit of the Transportation division. After years of looking for a suitable buyer and intense negotiations with a number of interested parties, we finally signed the contract to sell this company to a subsidiary of CRRC in China on August 26, as reported in the media. We have now been granted all of the necessary domestic and international approvals to finalize the transaction. The Federal Cartel Office granted its unconditional approval at the end of April. There are now no further obstacles in the way of the transaction being completed. Since then we have been working at full speed on the technical aspects of the transaction. We expect to be in a position to announce that the transaction has been finalized at some point over the next few days. The Locomotives business unit caused a burden of above €70 million on the net income of the Vossloh Group in the past fiscal year. The lion’s share of this amount came from impairment losses in connection with the sale of €50 million. This transaction marks the end of a six year process of transforming and focusing the company. Once it is finalized, Vossloh will be purely focused on rail infrastructure. Rail infrastructure is our core competence, and an area where we are a global leader in terms of both technology and market share. Rail infrastructure is our strength and our passion. This focus will allow us to make full use of the synergies provided by our extensive range of products and services. Rail infrastructure is the future of Vossloh.

Those are my comments on the course of the 2019 fiscal year. I will now provide some brief information on the course of the first quarter of 2020. I will restrict myself to talking about the Group as a whole so that my speech doesn't run on too long.

We performed very well in our core business over the first quarter of the current fiscal year. Despite losses of around €10 million due to the COVID-19 pandemic, Group sales of €182.9 million were around 3 percent higher than the structurally comparable previous year's figure of €177.5 million due to the disposal of the two US companies mentioned above.

EBIT improved significantly to €16.5 million after the negative EBIT of €(0.6) million in the previous year’s quarter. This unusually high EBIT is due not only to operating improvements but largely also to a €15.6 million adjustment to the carrying amount recognized in profit and loss resulting from a business combination achieved in stages of the joint venture in China, which had been established in the previous year in the Fastening Systems business unit. The EBIT margin went up to 9.0 percent as a result, compared to (0.3) percent in the previous year. When adjusted for this effect, EBIT came to €0.9 million. Please note that this indicator includes approximately €2 million in ramp-up costs for two factories in the Tie Technologies business unit. It is also important to consider that earnings contributions are lower by around €2.5 million to €3 million as a result of sales being lost due to the pandemic. It is therefore clear that the company saw a much greater year-on-year improvement in profitability than it may appear. This is largely due to the consistent implementation of the 2019 performance program.

The change in orders received over the first quarter of 2020 is particularly noteworthy. Orders received increased significantly compared to the previous year, from €252.5 million to €291.9 million. For the purposes of comparability, the previous year's figure excludes orders received for the US companies which have now been sold. Net income improved from €(22.5) million in the previous year to €(2.6) million in the first quarter of 2020. This figure once again includes significant losses from discontinued operations of just under €20 million related to the Locomotives business unit. These losses are mainly related to the operating result of Vossloh Locomotives and further valuation allowances which were required following the sale of this unit.

Working capital intensity, i.e. the ratio between net current assets and sales revenues, improved significantly from the previous year’s figure of 31.3 percent to 25.3 percent during the first three months of the current fiscal year. This is also largely due to the changes implemented as part of the performance program.

Due to seasonal effects, the free cash flow of the Vossloh Group is always low and usually negative in the first quarter of every fiscal year. The reasons for this are obvious. Rail infrastructure construction projects are usually put on hold in a number of countries due to the weather conditions. At the same time, a number of divisions have to produce components in advance so that they are available throughout the rest of the fiscal year. Free cash flow came to €(50.2) million in the quarter under review, compared to €(52.0) million in the previous year. This figure is also worth analyzing in a little more detail. If we exclude the effects from the Locomotives business unit by looking at the free cash flow of our rail infrastructure core business in isolation, we can see a clear improvement from around €(41) million in 2018 to approximately €(20) million in the quarter under review. This is roughly equivalent to a 50 percent downturn in cash outflows. The performance program clearly had an impact in this area as well.

Those are my comments on the first quarter of 2020.

Ladies and gentlemen,

I would now like to give you an overview of Vossloh's current situation in light of the COVID-19 pandemic. We acted early as a company and established a Group-wide pandemic team. This team permanently monitors the global situation in order to identify possible issues ahead of time and work out solutions in order to keep our employees safe and maintain the company's production processes. Our crisis team also coordinates the flow of information for all of our sites, supply chains and customers worldwide so that we always have an accurate impression of how things stand.

Wherever possible, our employees work from home, with the aim of providing the best possible protection and containing the spread of infection. We have implemented a number of wide-ranging measures to keep our employees safe in areas where working from home is not an option, such as our production facilities. We have made changes to shift patterns to maximize social distancing. We have also divided up workplaces into individual zones which are large enough to maintain an appropriate distance between employees. Protective equipment is always available. Areas and facilities are thoroughly disinfected on a regular basis, and appropriate changes have been made to services like our canteen.

The pandemic currently seems to be having relatively little impact on our business. In particular, the Chinese business in the Core Components division has shown no negative impact up to now, and has even exceeded expectations in the first quarter. Negative sales and earnings effects were mostly seen in the Customized Modules division during the first three months of the year. All of our factories are back online following some isolated and relatively short downtimes. However, we do expect to see some additional sales and earnings pressure throughout the rest of the year. Getting factories going again after a period of downtime always reduces efficiency levels, and it takes time to get supply chains moving smoothly. It is also impossible to exclude the possibility of further downtimes due to government policies. Our suppliers and customers may also be subject to restrictions. The pressure placed on employers by trade unions in some countries should also not be underestimated.

Dear shareholders, in light of the pandemic and the uncertainty surrounding future business developments, the Supervisory Board and Executive Board agreed on April 16 to recommend that dividend payments be suspended for the 2019 fiscal year. Nobody can currently predict with any certainty how the pandemic will affect our global business over the next few months. We are therefore convinced that we must prioritize protecting our liquid assets due to this unprecedented global crisis. This measure will contribute significantly to the strengthening of Vossloh’s balance sheet in order to safeguard the future prospects of your company. I want to reassure you that dividends are being suspended solely as a result of the unprecedented situation we currently find ourselves in. Once normality is restored, you will once again be able to benefit from Vossloh’s success on a regular basis.

And this success is bound to come. Despite all of the challenges which we face and all of the uncertainty surrounding any predictions about what the future will look like, I can safely say that I am looking forward with confidence. There are a large number of factors which make Vossloh resistant to this crisis. Vossloh is a rail infrastructure provider, and the rail sector has been defined as system-critical in a number of countries. Having a stable and reliable infrastructure plays a vital role in the long-term viability of national economies and companies. Ensuring the mobility of goods and people is just as important in times of crisis, if not more so. A large proportion of our customers are in the public sector, either directly or indirectly. It currently seems that major rail infrastructure operators are actually increasing their level of investment instead of cutting it back. Decreased rail traffic as a result of the pandemic provides space for additional maintenance work. A large proportion of our business is related to replacement purchases. Replacements for infrastructure components which are no longer intact can, of course, be delayed to a certain extent. But they cannot be put off forever. Rail infrastructure may be patient, but it has a good memory. That is what distinguishes us from a lot of other sectors. We develop and sell safety-related products and services, and the rail network needs to be safe at all times. The business we do may well be delayed. But it will not be lost forever.

Ladies and gentlemen, we can also be sure about one thing: life will go on once this crisis comes to an end. The megatrends which provide the basis for our future prospects will remain relevant. Population growth, urbanization and the ever-increasing focus on sustainability will increase the amount of traffic on the rail network. The opportunities offered by digitalization and data processing will pave the way for this to happen. We want to benefit from these megatrends, and we will do so. Vossloh is in a perfect position going forward. Before I talk about these megatrends and their relevance for our business in greater detail, I would like, as a quick aside, to explain how what I have just talked about will impact our forecasts for the 2020 fiscal year.

Based on the information currently available to us and a careful assessment of the risks involved, the Executive Board of Vossloh AG continues to anticipate sales of between €900 million and €1 billion for the 2020 fiscal year, while also acknowledging the obvious uncertainty regarding the further impact of the COVID-19 pandemic. Further revenue shifts into the following years, which could lead to revenues of slightly less than €900 million in fiscal year 2020, cannot be ruled out from today's perspective. Developments in the coming months will be decisive here. However, we are still forecasting an EBIT margin between 7 and 8 percent thanks to the aforementioned effect of the Chinese joint venture being consolidated for the first time. This corresponds to an EBITDA margin of 12 to 13 percent.

With this forecast in mind, I would now like to talk about the megatrends which are relevant for our business. Let us start with the issue of sustainability, or climate neutrality. I am sure all of us are well aware of the significant and increasing attention being given to climate change across the world and here in Germany. We have seen that young people throughout the world are prepared to take to the streets in order to demand action, and also have specific demands for governments and businesses. The German government has committed to a number of climate change targets. It has also recognized that these targets will not be achieved without moving traffic from roads onto rail networks. That is one reason for the €86 billion which will be invested in the German railway network between now and 2029. This announcement got a lot of media attention and represents a significant increase in investment levels. Individual passenger vehicles covered a total of 642 billion km in 2018 in Germany, an increase of 15 percent compared to 2000. As a result, these vehicles account for almost 60 percent of the CO2 emissions caused by the transport sector. They emit around 100 million tons of CO2 every year. Based on the latest available data, that is equivalent to 11.5 percent of Germany’s annual CO2 emissions. Rail traffic, on the other hand, accounts for just 0.6 percent of the transport sector's CO_2 emissions, or just 0.1 percent of Germany's CO_2 emissions as a whole. If 30 percent of individual road transport was done by rail instead, CO_2 emissions would be reduced by 30 million tons. To put this number in simpler terms, it is roughly twice as much as the annual CO_2 emissions of Berlin! Rail traffic is one of the keys to reducing CO_2 emissions and achieving climate targets. At Vossloh, we are proud of the fact that our peerless expertise makes us a major player in the rail infrastructure market. This puts us in a position to help make our planet more climate neutral.

Let us take a closer look at the megatrend of urbanization. More and more people are moving to cities, and experts expect this trend to continue over the next three decades. In the year 2010, around 51 percent of the world's population lived in cities. By 2050, this is expected to increase to around 70 percent. If we take China as an example, around 44 percent of the population lived in cities in 2006. By 2016, this figure had increased to 57 percent. It is currently expected that 76% of the Chinese population will live in an urban environment by the year 2050. More public rail transport will be required to ensure that people remain mobile in urban environments. This will also play a critical role in combating urban pollution. Let us take the metropolis of Shanghai and its 15 million inhabitants as an example. Its subway network only opened in

1993. Just 25 years later, in the year 2018, its 637 km network made it the largest metro system in the world, with over 2 billion passengers per year. China is 100 percent committed to expanding its public rail transport networks. It also remains focused on expanding its high speed network between its major cities. China had over 30,000 km of track in its high-speed rail network at the end of 2019. China's high-speed network accounts for more than two thirds of all high-speed rail track worldwide. The country intends to expand this network to 45,000 km by 2030. Vossloh has been very successful in China with rail fastening systems and other components, and has been involved in the expansion of the high-speed network from the very beginning. Our innovative high-speed grinding (HSG) is in high demand on both high-speed lines and urban transport networks. As I mentioned before, we established a joint venture in China last year to manufacture components for rail fastening systems. This joint venture not only increases our vertical integration but also opens up urban transport markets in China's mega-cities. The Chinese market is just one example. Urbanization is also in full effect in many other countries. This provides a significant amount of potential for us.

To summarize, ladies and gentlemen: rail traffic is guaranteed to increase. However, the rail network will not be able to expand at a similar rate. Let's have a look at Germany now. Germany has a rail network of around 34,000 km, making it the seventh longest in the world. However, with just under 94 m of track per square kilometer, Germany has the network with the highest density of any country in the top 10. This makes it clear that shifting traffic onto the German rail network will not be possible through expansion alone. Space is limited, and expansion takes time. The key to increasing rail traffic therefore lies in increasing the availability of the current network. Deutsche Bahn wants to increase the usage rate for the current network by more than 30 percent compared to 2015 levels. The condition of the network will make this a challenge: the average age of the approximately 66,000 switches in Germany is around 20 years. The points are controlled by interlocking systems, some of which date back to the imperial era. It is no surprise that around 30 percent of train operators say that the condition of the German rail network is “inadequate” or “satisfactory”. Just 25 percent of those surveyed in the year 2018 said that it was “good” or “very good”. The situation is bound to be similar in many other countries. However, having a capable rail network is vital if we want to increase the amount of rail traffic. Vossloh has two levers which it can shift in this context. We can keep making our products better, more resilient and with lower maintenance requirements. That has been our core competence for over 130 years. We can also help customers to optimize their maintenance practices. Smart infrastructure, asset monitoring and track digitalization are all coming to the fore. The opportunities offered by digitalization will lead to long-term changes in the rail infrastructure maintenance market.

My dear shareholders,
allow me to clarify the role which Vossloh can play in this context: with our unique range of products and services, we are in an excellent position to benefit from these changes. No other company focuses on rail tracks as an entire system to the same extent as Vossloh. Our in-depth understanding of the physical properties of the rail infrastructure and rail track expertise puts us in a position to use sensor data to provide relevant information and maintenance recommendations for our customers. This opens the door to both condition-based and predictive rail maintenance. This creates value for our customers, for Vossloh and ultimately you.

At Vossloh, we are neither software developers nor experts in designing sensors. We leave that to the specialists. We use appropriate partnerships in these areas so that we can concentrate on what makes us unique: the ability to interpret what the data is telling us about the condition of the track and what that means for our customers. In addition to providing our customers with relevant information, we can also offer to perform the necessary maintenance ourselves. This integrated approach makes us a comprehensive provider of solutions rather than simply a provider of hardware. Using track-based or mobile sensor systems to acquire a detailed understanding of track conditions provides the link between our extensive range of products and our comprehensive range of services.

Dear shareholders,
this is not just theory; this is not fantasy. We are working on real-world projects with highly specialized partners; we are already collecting and analyzing data on our specialized data platform and we are deploying measurement technology on our maintenance vehicles. We are in close contact with a number of important customers on the subject of condition-based and predictive maintenance and are developing efficient maintenance strategies for the future together with them. We manage condition data in a specially developed asset management system; this data is then analyzed and presented to our customers. Our solutions already available today are used to provide an objective assessment of the infrastructure and its condition. This makes it possible to provide detailed maintenance measures and guidance about which measures should be prioritized. This is smart and digital, and represents all of Vossloh's expertise coming together.

Dear shareholders,

I hope that these specific examples of our capabilities have given you an idea of where Vossloh is headed. Vossloh is focused, dynamic and green! Vossloh is on the right track!

Thank you for your attention.