

“Green mobility. Better world.”

**Speech by Oliver Schuster, Chief Executive Officer of
Vossloh AG, on the occasion of the Annual General
Meeting for the 2021 fiscal year**

Düsseldorf, Germany, May 18, 2022

– The spoken word takes precedence –

Part I

Thank you, Dr. Grube.

Dear shareholders of Vossloh AG,
representatives,
guests,

On behalf of myself and my colleagues on the Executive Board, Mr. Jan Furnivall and Dr. Thomas Triska, I would like to welcome you to our Annual General Meeting.

Even though it would have been possible to hold this event in person under the current coronavirus rules, we have decided to hold our Annual General Meeting virtually again this year. In addition to protecting everyone's health, we felt that this was the right choice due to the amount of time that would be required to design and prepare such an event in a legally compliant manner and the associated uncertainty regarding the further course of the pandemic. I ask for your understanding in this regard. My colleagues on the Executive Board and I very much regret that we will once again not have an opportunity to speak with you in person. After all, you, our shareholders, have entrusted us with the management of your company, and, in my experience, trust requires personal contact. I hope that next year's Annual General Meeting will be held under more favorable conditions so that I will be able to welcome you all here in person.

We have done everything we can to provide the most constructive framework possible given the current circumstances. That includes making sure that the key points of the speeches to be given by Board members today were available ahead of time so that you had an opportunity to prepare your questions and comments.

As usual, in the first part of the Executive Board presentation, I will invite you to join me in reviewing the most significant events of the past fiscal year for Vossloh AG. Dr. Triska will then take over and go through some key financial indicators in detail to give you a more in-depth picture of the events that occurred during the period under review. He will also briefly discuss the results for the first quarter of 2022. I will then take a look ahead and let you know about our strategic objectives and expectations for the 2022 fiscal year.

Let's start by looking back at 2021. I'm sure most of us were feeling hopeful at this point a year ago that the coronavirus pandemic would soon be over. As we all know, that was not the case. We have not seen a return to the normality we were accustomed to before the pandemic began in 2020 – quite the opposite. The economic side effects of disrupted supply chains, regional lockdowns and unprecedented increases in the price of materials, energy and logistics services have shaped our new reality – a reality that will continue to pose significant challenges to people and companies worldwide for a long time to come. I will come to the implications for Vossloh in a moment.

But 2021 was much more than simply year two of the pandemic. Ladies and gentlemen, Vossloh is an international company. We employ around 3,700 people in 80 Group companies with 35 manufacturing locations in 30 countries around the world. We supply products and services to more than 100 countries. I mention this because Vossloh and the performance of our team during the past fiscal year cannot be viewed in isolation from what is happening in the world around us. We are integrated into the societies in which we do business. Public-sector customers and, by extension, the governments behind them, make up a significant part of our customer base. So let me remind you of some of the events that occurred in 2021 before I go on to talk more specifically about Vossloh.

The United Kingdom left the EU single market and customs union on 1 January, 2021. I am sure that you are all familiar with the consequences of the UK taking this step. In the USA, Joe Biden was sworn in as the new president. Militant supporters of his predecessor stormed the Capitol. The US population is divided. In Russia, the government cracked down on demonstrations against the arrest of opposition leader Nawalny. Russia increased its defense budget five times within one year; this went largely unnoticed by the West. The reason for Russia's increased defense budget are now crystal clear. A brutal war of aggression against a peaceful neighbor in the heart of Europe, with thousands of lives needlessly sacrificed on both sides. We are horrified by this ongoing situation, and our deepest sympathies go out to everyone who has been affected, particularly the people of Ukraine.

The container ship Ever Given blocked the Suez Canal for days, an event that had a serious impact on global trade – another blow to supply chains already massively disrupted by the pandemic. Climate change also left its mark on 2021. Catastrophic flooding in parts of Rhineland-Palatinate and North Rhine-Westphalia cut a swathe of devastation through our country and left many people homeless. A heat wave rolled across southern Europe, leaving devastating forest fires and death in its wake. When international troops pulled out of

Afghanistan, the Taliban took power again after 20 years. People are leaving their countries in panic. In Belarus, refugees were used as political leverage. Forgotten crises such as those in Syria, Yemen, Sudan, Congo or Venezuela caused enormous suffering and forced people to flee. In Germany, Olaf Scholz became Chancellor when Angela Merkel stepped down after spending 16 years in the position. Of course, he had no way of knowing the enormous challenges he would face soon thereafter. Inflation reached 5.3% in the EU in December 2021, with the rate slightly higher in Germany. This was largely driven by a rise in energy prices. These figures were breathtakingly high at the time, but would be welcome now.

All of these factors and many others had and continue to have a direct or indirect impact on our business. The world around us is becoming more complex and global change is picking up speed. What's true today may not be true tomorrow. Simply extrapolating into the future has finally had its day as a forecasting tool; linear thinking is no longer fit for purpose. Instead, situations need to be re-evaluated on a consistent basis. Now more than ever, the ability to maintain an unwavering focus on what is truly important plays a key role in a company's success. A clear corporate strategy supported by the entire organization and a robust system of values to be used as touchstones for our daily decisions provide guidance and security. An internationally diversified customer base helps to level out regional fluctuations in demand and keep the Group as a whole on track. Even in difficult times, the foundation of our long-term success remains a product and service portfolio that sets itself apart from the competition for the benefit of the customer as well as technological leadership and a commitment to innovation. And let's not forget the importance of a business model that is supported by long-term megatrends and is fit for the future. Despite all of the crises and adversities that we faced in 2021, Vossloh had a successful year due to its diligent focus on these success factors in recent years. This focus will keep us successful in the future.

In the 2021 fiscal year, we remained consistent on our course of sustainable and profitable growth and further strengthened our position in the international market. Without wanting to cover issues which Dr. Triska will address in detail, I would like to mention three key figures which clearly illustrate how well Vossloh is performing: In 2021, Vossloh's orders received reached €947.6 million, even exceeding the high prior-year level of €915.5 million by 3.5 percent. Compared to 2020, we were able to increase our sales by 8.4 percent to €942.8 million. This puts us at the upper end of the guidance for the capital market, which had already been revised upward in July 2021. EBIT increased from the previous year's comparable figure of €57.5 million to €72.3 million, corresponding to an improvement in the EBIT margin of 1.1 percentage points to 7.7 percent. In light of the drastic rise in the price of raw materials, energy and logistics services, which impacted our 2021 earnings to the tune of

over 10 million euros, I think this is a truly remarkable development. We can be more than satisfied with these results. 2021 was another truly successful year for Vossloh! And when I say this, I do so in memory of our former major shareholder, Mr. Heinz Hermann Thiele, who passed away in 2021. Dr. Grube had already said some kind words in his honor. I wish he was still with us so that he could see how Vossloh has continued to develop. Like many of you, dear shareholders, he stood by us during the difficult years of realignment. He guided and advised us over the years in his role as Supervisory Board Chairman and he was with us as a friend every step of the way. And he has left us something that will stand the test of time: A vision of Vossloh as a leader in the global market for rail products and services. And the Executive Board will not let up in our efforts to make this vision a reality.

Let us now have a look at some of the most important milestones of the past fiscal year. I would like to start with an event that took place in February 2021. We were one of the first companies in Germany to place a sustainability-oriented hybrid note with a total nominal amount of €150 million. Financing instruments of this kind are called hybrid notes because they combine the best aspects of debt financing and equity. Hybrid notes are recognized as equity in the balance sheet in accordance with IFRS accounting principles. The interest payments to be made are considered tax-deductible operating expenses, unlike dividends. By placing this note, we were able to release funds to repay debt and significantly strengthen our balance sheet structure. This hybrid note also clearly reflects our commitment to sustainability. The redemption amount of the note depends to a certain extent on the assessment of our sustainability performance by specialized, independent and well-established rating agencies. We don't just talk about sustainability because it's fashionable. We allow ourselves to be measured on the basis of the actual results of our work. The financial flexibility we have gained has an important role to play in the consistent implementation of our corporate strategy. Let me give you an example:

Our acquisition of Dutch company ETS Spoor B.V. at the end of July 2021 was another milestone on the way towards strengthening our position in the rail infrastructure market. ETS Spoor is a trading company specialized in providing rail infrastructure with which we have had a successful partnership for many years. The acquisition adds complementary products to our portfolio while also laying the foundation for professionalization and the expansion of our trading business. The acquisition also gives us direct access to important customers that we previously served indirectly through ETS Spoor. Dutch customers, and in particular the state infrastructure operator ProRail, are playing a pioneering role on an international scale due to their increasing reliance on future-oriented business models in the area of rail infrastructure and efficient maintenance. And it is precisely in this area that we

can contribute our uniquely comprehensive understanding of rail infrastructure and create maximum value for our customers. We are developing and testing the maintenance models of the future to this end.

As I mentioned earlier, 2021 was also an extremely successful year in terms of our sales successes. The orders received of €947.6 million already mentioned were just higher than our sales revenues. The ratio between the two key indicators, known as book-to-bill ratio, is therefore slightly greater than one. Even seen individually, this is a positive sign. However, it becomes all the more remarkable in light of the fact that sales revenues increased significantly year on year. But there's more. In addition to projects which are reported under orders received immediately after they are won, our sales team also established what are known as framework agreements worth well over €200 million. These agreements are only included in orders received when the customer makes orders under the contract. We signed long-term framework agreements for the supply of switch components and systems with the state rail operating companies in Australia (ARTC), the Netherlands (ProRail) and Norway (BaneNOR), and with the Brussels Transport Authority (STIB) in Belgium. We also signed a framework agreement for concrete ties with Australian customer Queensland Rail.

Also worthy of particular mention at this point is the fact that more and more customers are factoring in sustainability aspects when they assess bids. For example, in addition to performing well on the technical and economic aspects of our bid, ProRail was also impressed with our sustainability performance. As a result, the lion's share of the volume was awarded to Vossloh – a major success and recognition of all of our efforts in this area.

Other major sales success stories in the past fiscal year included an order from Turkey for the supply of infrastructure components which will be needed over the next four years for the construction of a new high-speed line in the northwest of the country. It is also particularly pleasing that we were again awarded a contract worth €30 million to supply rail fastening systems for the construction of a high-speed line in southern China. The People's Republic of China already has a high-speed rail network of almost 40,000 kilometers linking the major cities in the Middle Kingdom. This network is already longer than all other high-speed networks in the world combined and is due to be expanded significantly over the coming years. We are confident that we will continue to benefit from this trend and have already received two further large orders of this kind from China in the current year.

We were also awarded some important projects in Germany in 2021. We helped Deutsche Bahn to renew its high-speed line between Hamburg and Berlin. Vossloh delivered

prefabricated long-rails with a total length of around 400 km from its welding plants just in-time, and was solely responsible for the rail logistics.

We were also able to strengthen our position as an asset management specialist. We established Vossloh Rail Services Italia in Italy as an independent provider of servicing activities. Customers there are increasingly paying attention to optimizing the life cycle costs of their rail networks and are therefore very interested in our products and Vossloh's comprehensive range of services, with a focus on digital condition monitoring and our preventive and patented high-speed grinding technology. Italy is therefore one of the first markets to use our innovative HSG-City equipped with measurement technology. When it comes to interpreting the condition data and putting together customized maintenance programs, our holistic understanding of products, systems and services pays off. The flagship project investigating the digital recording of switch conditions that Vossloh ran with Swedish customer Trafikverket is further proof that our strategic approach is paying off and that we are on the right track for the future.

In the past fiscal year, we completed the "Factory of the Future" at our company's headquarters in Werdohl after many years of planning and hard work. The highly automated manufacture of rail fastening systems is running at full speed in the factory's production halls. Carbon emissions are around 30 percent lower than at the old factory. We also plan to install a solar system on the roof of the factory building in the current fiscal year to generate our own sustainable electricity. In the future, our plant in Werdohl will produce up to 50 million tension clamps each year. The lead times for our products have been shortened significantly, giving us a decisive advantage over the competition. The integration of a plastics production facility has significantly increased the level of vertical integration within the company. A state-of-the-art coating system makes it possible to apply a range of protective coatings to the tension clamps manufactured at the plant. In response to customer requirements, the innovative, self-healing Vossloh-Protect zinc lamella coating can now be applied directly as part of the interlinked process. Against this backdrop, we were able to decisively consolidate our leading position in the market for flexible rail fastening systems. In Germany, for instance, we succeeded in significantly increasing Vossloh's share of the rail fastener market to become the market leader once again.

Dear shareholders, no assessment of Vossloh would be complete without looking at what constitutes the true value of our company. And no balance sheet analysis, no matter how sophisticated, can bring this value to light, as it consists of the people who work for this company. It's these people that make the difference. Because they are the ones who win the

orders, who overcome challenges; they are the source of innovation, the ones who build trust with suppliers and clients; it is they who are Vossloh's public face. These people live out and embody Vossloh's values: Passion, excellence, entrepreneurship, trust and respect as well as sustainability. They make it possible for us to improve a little every day. We also used the 2021 fiscal year to launch an extensive efficiency initiative called "Fit4Future." As part of this initiative, our employees can suggest measures to make their day-to-day work more efficient, with a particular focus on preventing the waste of materials, energy, working hours and money. Over 650 ideas were submitted by more than 500 participants during the reporting period. This level of response was both surprising and overwhelming for us. We managed to put more than 180 of the ideas into practice by the end of 2021 alone. All for the good of Vossloh and therefore for your benefit, ladies and gentlemen. At this point, I would like to thank all our employees on behalf of myself and my two colleagues on the Executive Board for their great commitment, perseverance and loyalty in the past year.

Ladies and gentlemen, I hope that after I wind up my remarks you will share my view that the Vossloh Group has taken another decisive step forward in the past fiscal year. In light of our performance in the 2021 fiscal year and due to the Vossloh Group's extremely sound balance sheet and financial structure, Vossloh AG's Executive and Supervisory Boards are today proposing to you the distribution of a dividend of €1.00 per share. This equates to a total dividend payout of around €17.6 million.

Thank you for your trust. I would like to assure you that we will continue to do everything we can to consistently improve your Company and further strengthen Vossloh's position in the international market.

Thank you for your time.

I will now hand you back to Dr. Grube.

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Part II

Ladies and gentlemen,

I would like to take a look ahead with you in the second part of my speech.

Megatrends such as population growth, urbanization and globalization will present both challenges and opportunities for us in this century. These trends are already pushing existing mobility concepts to the limits of their capacity and beyond. In metropolitan areas, rail-based passenger transport has become the only alternative. The division of production and consumption is leading to steadily increasing flows of goods. At the same time, companies from all sectors of the economy are coming under more and more pressure to meet an increasingly demanding set of environmental requirements. Rail is the only means of transportation capable of striking the balance between meeting the steadily increasing demand for transportation and achieving climate targets in order to protect our environment. No other method of transport is more environmentally friendly or better at using electricity from renewable energy sources. Rail is also unique in its ability to ensure the reliable and safe transport of both large numbers of people and large quantities of goods. Rail is therefore the answer to some of the most pressing and significant issues of our time.

Our efforts to limit global warming won't be successful unless we shift a significant amount of road and air traffic onto our rail networks. For example, did you know that a domestic flight generates 254 grams in greenhouse gas emissions per passenger and kilometer? That's 42 times as much as a high-speed train, where the equivalent figure is only 6 grams. A car being used by a single person generates 171 grams on average. This is one of the reasons why virtually all governments around the world have developed or are working on climate action plans. And even though these plans might differ in some respects, they have all recognized the undisputed ecological advantages of rail as a mode of transport, as well as how significant the need to take action is.

For more than a decade, the share of freight transported by road within Europe has been around 75 percent. Based on the most recent figures published by Eurostat, the rail network handles less than 18 percent of freight on average across Europe. In Germany, this figure actually saw a slight decline recently, falling from 19.6 percent in 2017 to 18 percent in 2020. The exact figure for 2021 has not yet been determined, but is expected to increase slightly to just 18.2 percent. This shows that the potential for growth is enormous. Rail will inevitably have to grow significantly in importance over the coming years and decades. The crucial factor for Vossloh is that in order to shift more traffic onto rail networks, you need to have rail infrastructure which works well and has a high level of availability. But more on that in a moment.

No matter where you look in the world, the political will to promote and expand rail-based mobility is evident. US President Joe Biden has recently announced a huge infrastructure package and pledged to invest around \$90 billion in public transit transportation and another \$66 billion in long-distance passenger transport. China plans to further expand its high-speed rail network mentioned earlier from its current size of 40,000 kilometers to 70,000 kilometers by 2030. Australia has announced plans to invest more than €15 billion in rail infrastructure projects. Italy is planning to invest above €25 billion in rail infrastructure by 2026. Countries in Eastern Europe have earmarked around €6 billion for projects like the “Rail Baltica” rail link, which will run from Warsaw to Kaunas, Riga and Tallinn and then on to Helsinki. Deutsche Bahn is sticking to its “Strong Rail” umbrella strategy and expects the number of passengers on its long-distance routes to double to over 260 million people a year. DB Cargo’s traffic figures are expected to go up by 70 percent, with network capacity increasing by 30 percent. The German government has committed to providing Deutsche Bahn with yearly €8.6 billion by 2030 under the applicable third service and financing agreement. This represents an increase of 54 percent over the previous agreement. Billions more will be spent on expanding Deutsche Bahn’s digitization projects.

However, simply building new rail lines will only get us part of the way to shifting more traffic onto the railways in the short and medium term. The reasons are obvious. It’s too expensive and too lengthy, and we don’t have enough space, particularly in Europe’s urban areas. Ultimately, the only option we have is to fall back on our existing rail networks and use them more intensively. This will increase the level of wear and tear on our rail networks. Vossloh stands to benefit either way – be it through the construction of new lines, shorter replacement intervals for components on existing lines due to wear, or the use of increasingly intelligent maintenance models aimed at increasing track availability. We put our customers in a position to put more traffic on the railway network. Our tailored track solutions make a major contribution to sustainable, green mobility. Our uniquely broad portfolio of products and services, coupled with our digital expertise, innovative spirit, and market access, give us a decisive advantage in the international market. Both Vossloh’s current and future economic success are based on these pillars.

However, even though we are currently in an excellent position, we must not rest on our laurels. After all, if we simply stand still we will be overtaken by the competition and fall behind. That’s why we remain committed to implementing our Group strategy. I presented this strategy in detail at last year’s Annual General Meeting.

Therefore, one part of our strategy is to strengthen our existing business, as this makes up the core of our company and will be a key component of our business models in future. The digitalization trend in the rail infrastructure sector will not threaten or drive away our existing business. After all, trains will continue to run on rails and will continue to need switches and ties. Rail infrastructure will still require maintenance. Using sensors to gather data, deploying algorithms and harnessing the insights that we gather from them will put us in a position to develop even better products and make maintenance even more efficient. If you want to draw accurate conclusions from condition data, you need a good understanding of the complex interplay between the components of the rail infrastructure. Anyone who wants to develop tailored maintenance solutions has to understand the entire portfolio of relevant maintenance technologies. Our customers don't need anyone to point out problems to them. They need a partner who will solve their problems. In order to strengthen our crucial existing business, we have set ourselves four goals: continuously reducing our production costs, increasing our sales volumes, adding complementary products and services to our range, and focusing on a small number of innovations that create value directly. In the first part of my speech I told you about our lead factory for rail fastening systems in Werdohl. This provides an example of how we have reduced our production costs, while also recapturing our leading position in the German market. We added complementary products and services to our range through the acquisition of ETS Spoor in the Netherlands and added a trading business to our range of offerings. The topic I haven't mentioned yet is innovation. Our engineers have been developing a fully recyclable composite tie for a number of years. And now, at last, the time has come. After a series of extensive and extremely successful tests in many countries around the world, this product is going into mass production. The Executive Board and Supervisory Board made this landmark decision just a few weeks ago. It is a prime example of innovation that creates value and an extremely useful addition to our product range. And I can promise you one thing right now, ladies and gentlemen: This product will give the competition a headache and is an important milestone in our development as a company.

Let's turn our attention to our service business. We already offer our customers a comprehensive range of services. For example, we manufacture long-rails at a number of welding plants and deliver them to our customers' building sites as required. We use our own fleet of around 500 transport vehicles to transport these long-rails. In the first part of my speech I mentioned Deutsche Bahn's major Hamburg-Berlin project as an example. We also deliver pre-assembled switches or switch components to our customers' construction sites in specially designed trolleys to make the installation process as fast and efficient as possible. We also offer our customers a comprehensive range of services in the field of corrective and

preventive maintenance. From milling to high-speed grinding to switch servicing. And it is precisely this diversity that is one of the keys to our sustainable success. Different maintenance technologies address different situations. Each of these technologies is particularly efficient in a certain area, and the increasing importance of efficiency in maintenance can hardly be overestimated. After all, traditional maintenance prevents customers from using a certain route for a certain period of time. The line is not available. Inefficient maintenance therefore has several undesirable effects for the customer. Disruptions due to unplanned outages, reduced availability due to stoppages being longer than absolutely necessary, the premature depletion of wearing parts, and even lasting damage to track components due to the use of technology that is not fit for purpose. When you consider the fact that the amount of rail traffic will inevitably grow in the future, the importance of our services and their strategic relevance becomes obvious. Putting significantly more traffic on rails will exponentially increase wear and tear and the need for maintenance, while at the same time significantly shortening the amount of time available to do the work involved. This is decisive regarding whether shifting traffic to rail networks will remain an eco-friendly fantasy, or will it be a sustainable reality? Given the importance of the issue, customers need a highly professional partner who understands the track and can offer integrated solutions from a single source. And Vossloh can do that better than anyone else.

This is where our growing digital expertise comes into play. The ability to use sensors to gather data about the condition of the track or individual rail components and derive relevant information from this data is revolutionizing maintenance. This is a trend that admittedly took a few years to make its mark in the rail industry. Data can be gathered directly from track-based sensors or from rail vehicles while they are running over the track. I already told you at the beginning about our switch monitoring pilot project in Sweden. This is a great example of how track-based sensor technology can be used for maintenance. Alternatively, our smart HSG-City – which is now in use in France and Italy – is an excellent example of vehicle-based measurement technology. These machines send us valuable information about track conditions “en passant” in the truest sense of the word. And this brings me full circle to my remarks about the efficiency of maintenance. Being efficient doesn’t just mean being fast; it also means being effective and in line with requirements. The future of maintenance will be based on the actual condition of the infrastructure and forecasting. This creates the basis for completely new business models, including lifecycle contracts that include both track components and their maintenance. These, ladies and gentlemen, are the major challenges facing our industry. And these challenges will separate the wheat from the chaff in our competitive environment over the coming years. We at Vossloh will drive these developments forward and ultimately benefit from them.

In my brief review of the year in the first part of my speech, I spoke of how we as a company are part and parcel of the societies in which we do business. Our understanding of good corporate governance extends much further than simply focusing on short-term profit and strengthening our competitive position in a narrow sense. We are convinced that truly successful companies base their decisions and behavior on a number of different economic, social and ecological factors.

As a company, we have a responsibility to look after the well-being of society, make a positive contribution and preserve the livelihoods of future generations. For that reason, I would like to return to the subject of sustainability at this point. We have incorporated this extremely complex topic as a central component of our corporate strategy and have put it at the heart of our value system. We are not concerned with sustainability because it is “en vogue” at the moment; it is something we are genuinely concerned about and an area where we have a duty to take action. Sustainability is also becoming an increasingly important factor in the decision-making processes of employees, customers and investors. I already mentioned our hybrid note and the increasing relevance of sustainability in tenders.

We have been recognized by several independent rating agencies for our progress in this area. For example, we currently hold a prime rating with ISS ESG alongside a silver rating from Ecovadis, placing us in the top 10 percent in the industry according to both agencies. We have also received an A rating from MSCI ESG Research, confirming our above-average performance in the area of sustainability. Another criterion for the assessment of Vossloh’s sustainability performance is the extent to which we have been certified in accordance with internationally recognized norms and standards. The vast majority of Vossloh units are certified in accordance with relevant ISO, OHSAS or comparable national standards in the areas of quality, environment, energy efficiency or occupational health and safety and have established systems to manage these areas. At the end of 2021, around 98 percent of Vossloh employees were employed by a certified unit.

In this context, I would like to briefly address a related topic that has occupied us in the past year and will continue to do so in the future: the EU taxonomy. The 2021 fiscal year marks the first year in which we have an obligation to comply with the European Union’s Taxonomy Regulation as part of our reporting process. The EU taxonomy provides a standardized classification system for environmentally sustainable economic activities. During the first reporting period, we were immediately able to report 100 percent of our sales revenues as taxonomy-eligible – an outstanding achievement. In order for Vossloh’s sales revenues to be

classified as taxonomy-aligned, they have to be related to electrified rail lines. As I'm sure you will understand, this is something that is out of our control. Nevertheless, we have determined that an impressive 62 percent of our sales revenues meet this standard. I would here ask you to permit me a digression. There is no question at all that rail lines are significantly more environmentally friendly than any other means of transporting passengers and freight, regardless of whether they are electrified or not.

Notwithstanding our successes to date, we are working tirelessly to continuously improve our performance in the area of sustainability. During the 2021 fiscal year, we developed and introduced a Group-wide sustainability guideline that defines the principles and organizational framework for all of Vossloh's activities in the context of sustainability. We also added additional detail to our sustainability strategy. Subsequently, we identified seven focus areas on the basis of a materiality analysis. These are the areas that we will be working on closely in order to achieve specific goals. In addition to environmental and climate protection, these areas include occupational health and safety, human resources management, sustainable supply chains, sustainable products and services and social responsibility.

One of our stated goals is to be climate-neutral by 2030. This means that we aim to reduce the total sum of our own emissions of greenhouse gases and emissions related to supplied energy – our Scope 1 and Scope 2 emissions – to zero within the next eight years. We also want to increase the share of sustainable strategic sourcing volume to 90 percent by 2025. Another target relates to consistently reducing the number of workplace accidents, which I believe is one of our fundamental obligations to our employees.

Ladies and gentlemen, as we near the end of my speech, I would now like to briefly touch on our expectations regarding the Vossloh Group's financial performance in the current 2022 fiscal year. In recent years, we have done our utmost to strengthen your Company, Vossloh, and to make it resilient in the face of crises. Our impressive performance in 2020 and 2021 despite the impact of the pandemic show that we have been extremely successful in this endeavor. Our order books are full and we are in a strong position in every respect. In addition, our strategy has set us on course for sustainable profitable growth over the coming years. Major megatrends will remain significant drivers of our success as a company for years and decades to come.

However, not even Vossloh can compensate indefinitely for the enormous burden caused by the increased price of materials, in particular steel and plastic, energy and logistics services, some of which are still trending upwards. The extreme nature of these situations is pushing

contractually agreed sliding scale pricing clauses to their limits. We have reached agreements with a number of customers which have allowed us to share the additional costs thanks to our close relationships, some of which go back decades. Unfortunately, this hasn't been possible in all cases. Due to all of these factors, we reached out last week to inform you, dear shareholders, that we needed to make an adjustment to our capital market guidance for 2022.

While we previously anticipated our sales revenues to be between €925 million euros and €1 billion, we are now actually forecasting a slightly higher figure in the range of €950 million to €1.05 billion. This increase is not least due to our success in partially passing on some of the cost increases to our customers. However, as these additional sales revenues do not generate any additional EBIT due to their nature and we have to bear some of the higher procurement costs ourselves, these factors will have an adverse impact on our EBIT margin. While we previously anticipated an EBIT margin of between 7.5 percent and 8.5 percent, we are now expecting a range between 6 percent and 8 percent. The range has been made one percentage point larger due to the enormous uncertainties currently surrounding the pandemic and the Russian aggression against Ukraine.

From today's perspective, this will have no impact on our medium- and long-term expectations. We continue to expect average annual sales growth of 4 to 5 percent over the medium term. This is significantly above the sales growth that experts are predicting for the market in which Vossloh operates. In its latest study, UNIFE, the European Railway Industry Association, expects the market to grow by 2.2 percent annually. In terms of Vossloh's profitability, we are still aiming to achieve a double-digit EBIT margin in all divisions in the medium term. We are forecasting a double-digit margin for the Group as a whole over the long term.

I assure you, dear shareholders, that the decision to adjust our financial expectations for the current fiscal year was not taken lightly. Our worldwide team, including my two Executive Board colleagues and myself, are working hard to guide your Company safely through these challenging times. Vossloh has always emerged stronger from crises in the past. And that will be the case this time as well. Thank you for the trust you have shown us, and thank you for your attention.