"Green mobility. Better world."

Speech by Dr. Thomas Triska, member of the Executive Board of Vossloh AG
on the occasion of the Annual General Meeting for the 2021 fiscal year

Düsseldorf, May 18, 2022

– The spoken word takes precedence –

Thank you, Dr. Grube,
Thank you, Mr. Schuster.

Dear shareholders,
Dear fellow participants of today's Annual General Meeting,

I would also like to welcome you to this year's Annual General Meeting and, as Mr. Schuster already announced, provide you with more detail on the key financial figures for the 2021 fiscal year. I will then give you a brief overview of your Company's performance in the first quarter of the current fiscal year.

Ladies and gentlemen, 2021 was a year in which your Company Vossloh impressively demonstrated its resilience. Despite the many burdens on the global economy caused by the coronavirus crisis, disrupted supply chains and rising prices for materials, energy and logistics services, I am able to present you with entirely encouraging results. In addition to our excellent positioning in the market for rail as a mode of transportation, our clear strategic alignment was another contributing factor here.

Both orders received and order backlog increased during the reporting period compared with the previous year. At € 947.6 million, orders received exceeded the previous year's level by 3.5 percent. The positive trend was primarily attributable to the Core Components division. This division benefited from higher orders received in the Fastening Systems business unit, which we achieved for instance in China, India, Australia and Germany. By contrast, orders received in the Tie Technologies business unit decreased due to lower demand in the United States. This was only partly offset by higher orders in Australia. We also recorded encouraging growth in orders received in the Lifecycle Solutions division. This was attributable to the positive development of the order situation in China, Germany and the Netherlands, with the increase in the Netherlands mainly due to the successful acquisition of the Dutch company ETS Spoor in July 2021.

Order backlog at the end of 2021 ultimately exceeded the figure for the previous year by 2.8 percent. In the Customized Modules division in particular, it was significantly above the previous year's level.

And as has already been mentioned several times, sales revenues in the Group also developed very positively. Compared to the previous year, they increased by 8.4 percent to €942.8 million, thus reaching a level that exceeded our own original expectations. With the publication of the preliminary half-year results in July 2021, we therefore raised our sales guidance for the full year 2021 to up to €950 million. All divisions contributed to this development. With growth of 35.2 percent, the increase in sales in the Fastening Systems business unit was particularly pronounced. This business unit is allocated to the Core Components division, which recorded 14.3 percent higher sales revenues overall than in the previous year. In the Lifecycle Solutions division, the increase was 11.4 percent, aided by the acquisition of the Dutch company ETS Spoor in the summer. Mr. Schuster already addressed the strategic importance of this company in the first part of his speech. Finally, the Customized Modules division increased its sales revenues by 4.2 percent.

We are also very satisfied with the earnings performance achieved, despite significant increases in material, logistics and energy prices during the reporting period. This resulted in a negative effect on earnings of more than €10 million in the second half of the year alone, with the largest share attributable to material prices for steel and plastic components. Unfortunately, this trend is continuing with increasing momentum in the current fiscal year, in part due to the effects of the war in Ukraine. More will be said about that later.

In 2021, we succeeded in further increasing our earnings and operating profitability despite these difficult conditions. Operating earnings before interest and taxes – EBIT – increased significantly from €57.5 million in 2020 to €72.3 million in 2021. The operating EBIT margin improved by 1.1 percentage points to reach 7.7 percent. For the sake of comparability, the carrying amount adjustment of €15.6 million recognized in profit or loss as part of the transitional consolidation of a Chinese company in the Fastening Systems business unit in the 2020 fiscal year was eliminated.

Operating EBITDA increased by €16.7 million to €124.2 million. The EBITDA margin reached 13.2 percent and also exceeded the previous year's operating figure of 12.4 percent. Both margin figures were thus within the expected target corridors for 2021.

Value added is a key indicator for the longer-term management of the Group. A positive value added indicates that the average return expectations of both debt and equity investors were exceeded. We have once again succeeded in this regard. Value added for the 2021 fiscal year was €9.5 million. By comparison, in 2020 it came to €12.5 million but significantly benefited from the accounting effect I just mentioned. On an operational basis, the value added also increased noticeably in 2021.

Likewise, the Company's self-financing power also improved in the 2021 fiscal year. Free cash flow increased significantly compared to the previous year, from €4.0 million to €30.6 million. However, it should be noted that the previous year's figure was impacted by discontinued operations in the Transportation division.

At the end of the 2021 fiscal year, the equity of the Group came to €587.9 million, a significant increase compared to the figure of €412.4 million at the end of the reporting period in 2020. The equity ratio increased significantly by 11.6 percentage points to 45.6 percent at the end of 2021. Excluding lease liabilities, net financial debt decreased from €307.4 million at the end of 2020 to €174.0 million as of the reporting date in 2021. Net financial debt went down from €351.3 million to €215.6 million when lease liabilities are included. Both the increase in the equity ratio and the reduction in debt are mainly the result of the issuance of our sustainability-oriented hybrid note with a volume of €150 million in February 2021, as Mr. Schuster mentioned earlier. The cash inflows from this form of note are allocated to equity in accordance with the relevant IFRS accounting standards.

Finally, let's take a brief look at our divisions in 2021. As I mentioned at the outset, the significant increase in sales in the Core Components division of around 14.3 percent to €429.1 million was attributable to the positive development in the Fastening Systems business unit. The sales revenues of this business unit went up by €76.1 million in the reporting period to €292.4 million. This was in particular due to higher demand in Italy and Germany, in addition to pandemic-related postponements of deliveries in China from 2020. By contrast, sales in the Tie Technologies business unit came to €142.3 million due to lower demand in the United States and lower sales in Australia, thus dropping as expected from the previous year's level of €169.1 million.

The Core Components division generated EBIT of €46.7 million in the 2021 fiscal year, compared with an operating value of €36.0 million in the previous year. The EBIT margin went up from 9.6 percent on an operational basis in the previous year to 10.9 percent.

In the Customized Modules division, we were also able to increase sales revenues by €16.9 million to €418.7 million. Higher sales revenues, in particular in Egypt, Australia and India, contributed to the good development, more than compensating for the decline in other regions – above all in

France. EBIT improved by €4.0 million over the previous year to €34.0 million. Accordingly, the EBIT margin went up from 7.5 percent to 8.1 percent. This increase can be traced in particular to operational efficiency gains, in France and elsewhere.

The Lifecycle Solutions division again achieved sales revenues above the €100 million mark, exceeding the previous year's figure of €103.8 million and reaching €115.5 million. The increase of 11.4 percent is mainly due to a higher number of machine sales as well as first sales revenues contributions from the Dutch company ETS Spoor, which was acquired in July 2021. The division's EBIT went up by €0.5 million to €9.3 million. By contrast, the EBIT margin decreased slightly from 8.4 percent in the previous year to 8.0 percent in 2021 due to expenses in connection with the acquisition of ETS Spoor.

Ladies and gentlemen, when we look at the bottom line in 2021, I can only agree with the previous speakers, Dr. Grube and Mr. Schuster: 2021 was a very successful year for Vossloh because we mastered the challenges we faced and developed the company further in spite of them. We can be more than a little proud of this achievement, even as we also aim for better.

In the next part of my speech, I would like to explain some key data on business development in the first quarter of 2022. In the interest of time, I will confine myself here to the Group perspective.

The first quarter of 2022 can be seen as a very successful start to the current fiscal year. We were able to report record figures for both orders received and order backlog. Orders received of €378.2 million corresponds to an increase of 45.4 percent compared with the previous year's first quarter. Order backlog as of the reporting date, March 31, 2022, increased to €772.4 million. This is 19.8 percent higher than the figure of €644.8 million for the previous year's period. This welcome development in demand was mainly attributable to two major orders for rail fastening systems worth a total of around €90 million, which are needed for the construction of new high-speed lines in China. In addition, we also succeeded in concluding a framework agreement in Australia for the supply of concrete ties with a volume of around €90 million. As with the numerous framework agreements from 2021, this order will also only be reported under orders received with a time delay when the orders are actually called-off.

We were also able to increase sales quarter-on-quarter and raise revenues by 7.3 percent from €207.1 million in 2021 to €222.2 million. This improvement was primarily spurred by higher sales contributions in the Customized Modules division. The Lifecycle Solutions division also improved its sales revenues slightly. As expected, the Core Components division saw a year-on-year downturn in sales revenues.

Despite continuing pressure from significantly higher material and energy prices, EBIT again reached a quite good level of €8.1 million, although it was down from the exceptionally high figure from the previous year of €12.1 million. This previous year figure was still based on significantly lower material and energy prices, while also benefiting from a higher-margin project mix in the Core Components division. Accordingly, the EBIT margin was 3.6 percent, after 5.8 percent in the first quarter of 2021. For the same reasons, net income of €3.6 million was also down from the previous year's figure of €6.1 million.

We also achieved improvements in the Vossloh Group's net assets and financial position. The equity ratio rose to 45.1 percent at the end of March, up on the previous year's figure of 43.8 percent. We were also able to further reduce net financial debt including lease liabilities compared to the previous year, despite the cash outflows for the acquisition of ETS Spoor. This change is primarily a consequence of the positive free cash flow of around €59 million over the last twelve months.

Ladies and Gentlemen, dear Shareholders, I would like to conclude with a few words on current developments. The events of recent weeks led us to adjust our guidance for the current fiscal year last week, despite the good start to the year. We are making good progress in negotiations with our customers to pass on our increased material and energy prices. In some cases, however, we are not able to pass on the increased procurement prices in full, or we do so only with a delay. In addition, the likelihood has increased that we will see further price increases for key input materials in the further course of the year. On the one hand, the passing on of higher procurement prices and the good order situation as well as positive exchange rate effects will accordingly lead to higher expected sales revenues; on the other hand, the material and energy price increases that cannot be passed on or can only be passed on with a delay will impact earnings in the 2022 fiscal year. Together with the higher sales revenues, the result will be lower profitability. Mr. Schuster will go into more detail on the specific effects of this development at the end of the second part of his speech. However, I would like to emphasize that these effects are only temporary. The medium- and long-term outlook for your Company remains positive.

Let me conclude by thanking you for your attention and now handing back over to the Chairman of the Supervisory Board, Dr. Grube.