



*Prof. Dr. Rüdiger Grube  
Chairman of the Supervisory Board*

#### Supervisory Board of Vossloh AG

**Prof. Dr. Rüdiger Grube**, *Chairman, Managing Shareholder of Rüdiger Grube International Business Leadership GmbH and former Chairman of the Executive Board of Deutsche Bahn AG, Hamburg*

**Ulrich M. Harnacke**, *Vice Chairman, Independent Accountant, Tax Advisor and Business Consultant, Mönchengladbach*

**Dr. Roland Bosch**, *Managing Director of WOLFF & MÜLLER Holding GmbH & Co. KG, Königstein/Taunus*

**Marcel Knüpfer**, *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, Zwenkau*

**Andreas Kretschmann**, *Certified Social Security Professional, Chairman of the Group Works Council and Member of the Works Council of Vossloh Fastening Systems GmbH, Neuenrade*

**Dr. Bettina Volkens**, *self-employed Consultant and Member of various Supervisory Boards, Königstein/Taunus*

## *Report of the Supervisory Board*

Dear shareholders,

Once again in the 2022 fiscal year, the Supervisory Board discharged the duties incumbent upon it pursuant to the law and the Articles of Incorporation with due care, continually monitored the work of the Executive Board and advised the Executive Board on the company's management. The Executive Board met its information obligations and regularly informed the Supervisory Board of all the issues relevant to Vossloh AG and the Group with regard to corporate strategy, planning, business development, the ever-changing risk situation, and compliance on a comprehensive and prompt basis, in written and in verbal form. This also included information about deviations in the actual development from the previously reported targets and deviations in business performance from the plans.

The Supervisory Board discussed the Executive Board's reports in detail and verified the plausibility of the economic situation depicted in these reports as well as the development prospects of the Group, the individual divisions/business units and the key investees in Germany and abroad together with the Executive Board. The Supervisory Board was involved in all decisions of significance to the company and was therefore assured at all times of the legality, appropriateness and regularity of the work of the Executive Board. At all times, the Supervisory Board members had sufficient opportunity to critically examine and comment on the reports and draft resolution proposals presented by the Executive Board. Insofar as the approval of management decisions or measures was required pursuant to statutory regulations, the Articles of Incorporation or the Rules of Procedure, the members of the Supervisory Board examined the resolution proposals and granted the necessary approval.

The Executive Board also informed the Supervisory Board of significant events between meetings. In addition, there was a regular and close exchange of information between the Chairman of the Supervisory Board and the CEO outside of meetings. In this way, the Supervisory Board was always informed of the intended business policies, the business plans including financial, investment and staff planning, profitability, the business situation, the corporate strategy, the sustainability strategy and the overall situation of the company and the Group.

#### Focus of the meetings

Six meetings were held in the 2022 fiscal year. The Supervisory Board convened for five ordinary meetings on March 16, May 17, September 12 and 13 and November 24, 2022.

An extraordinary meeting was held on April 13, 2022. Almost all the Supervisory Board meetings were attended by all of the members of the Supervisory Board. Dr. Bettina Volkens was unable to attend two meetings due to scheduling conflicts. Attendance was therefore 94.44 percent during the year under review. Every meeting was held in person with the exception of the extraordinary meeting in April, which was held by video conference. The members of the Supervisory Board were also in regular contact for the purpose of discussing and preparing for meetings. The Executive Board members attended the meetings of the Supervisory Board; some parts of the meetings were not attended by members of the Executive Board. The Supervisory Board also heard from experts and individuals on specific topics, such as the auditor at the balance sheet meeting.

In the last fiscal year, the Supervisory Board and Executive Board discussed the further development of the Vossloh Group at every meeting. In addition, the Executive Board reported on the business situation in all the meetings and provided detailed information regarding the development of sales revenues and earnings in the individual business units, on business development opportunities and risks, and on key managing measures. The Supervisory Board also addressed the impact of the changes in the price of materials and energy on the Group on a regular basis, in addition to measures designed to minimize the negative impact on the net assets, financial position and results of operations of Vossloh. The Supervisory Board also continually addressed the status of the ongoing civil proceedings relating to earlier anticompetitive agreements, compliance issues and the ongoing development of the Vossloh Compliance Management System. The war in Ukraine, the ongoing COVID-19 pandemic and their impact on the business situation were also addressed on a regular basis.

The Supervisory Board also focused on the following issues in the individual meetings:

The balance sheet meeting on March 16, 2022, considered in particular the auditing of the separate and consolidated financial statements for 2021, the remuneration report required in accordance with the German Stock Corporation Act (AktG), as well as the format, agenda and the draft proposals for the virtual Annual General Meeting on May 18, 2022. The Supervisory Board also used this meeting as an opportunity to discuss preparations for the Annual General Meeting, remuneration for members of the Executive Board, a digitalization project, cybersecurity and staffing topics.

At the extraordinary meeting on April 13, 2022, the Supervisory Board discussed the implementation of an innovation and investment project at Skamo, the Fastening Systems business unit company located in Poland, and approved the project after a thorough discussion and assessment.

The agenda of the meeting on May 17, 2022, included regular reporting topics along with changes in procurement prices, their impact on business activities and the discussion of a related package of measures. The Supervisory Board also prepared the virtual 2022 Annual General Meeting and primarily focused on staffing topics.

The meeting on September 12, 2022, addressed regular reporting topics in addition to reforms to the German Corporate Governance Code (GCGC) and staffing topics. The Supervisory Board held a strategic meeting on the following day (September 13, 2022) to discuss the alignment of the Group and the corporate strategy. The Supervisory Board and Executive Board discussed the corporate strategy, in addition to reviewing the extent to which the strategy had been implemented and making any necessary changes. Strategic measures in relation to digitalization, personnel development, sustainability and the Executive Board's acquisition strategy were also discussed in detail in this context.

At its final ordinary meeting of the year on November 24, 2022, the Supervisory Board focused on standard reporting topics, business development in the fiscal year under review as well as planning for the years 2023 through 2025. The Supervisory Board approved the budget for 2023 following an in-depth examination and discussion with the Executive Board. The Supervisory Board also performed a self-evaluation and assessed its efficiency. In addition, the Supervisory Board made changes to requirements and targets related to the composition of the Supervisory Board and documented the extent to which the competency profile of the Supervisory Board had been implemented in the form of a qualification matrix. Together with the Executive Board, the Declaration of Conformity with the 2022 GCGC was approved and an investment project was discussed. Furthermore, the relevant performance targets for the Executive Board remuneration were defined for the 2023 fiscal year.

The Supervisory Board and the company are committed to providing support for new members and continuous training for existing Supervisory Board members. The company provides the members of the Supervisory Board with an appropriate level of support in this regard. The March meeting of the Supervisory Board was held at the site in Werdohl. The Supervisory Board members visited the new factory of the future at the main site of the Fastening Systems business unit and learned more about the business unit, relevant technologies, the production process and research & development and came together with the management of the business unit. The meetings in September were held in Stuttgart in conjunction with a visit to the Stuttgart 21 construction site of the customer Deutsche Bahn.

## Supervisory Board committees

The Supervisory Board has formed three committees in order to execute its duties efficiently: the Personnel Committee, the Audit Committee and the Nomination Committee. These committees focus on the issues assigned to them and prepare decisions for plenary meetings where necessary. Insofar as is permissible by law and considered appropriate by the Supervisory Board, the Supervisory Board has also delegated its decision-making authority to the committees in certain cases. The committee chairs report on relevant issues and the results of discussions in the plenary Supervisory Board meeting following each committee meeting. The minutes of the meetings of the Audit Committee are made available to the Chairman of the Supervisory Board.

The Audit Committee convened on six occasions in the fiscal year under review. Almost all Audit Committee meetings were attended by all of the committee members. Mr. Andreas Kretschmann was unable to attend one meeting. Attendance was therefore 94.44 percent during the year under review. Half of the meetings were held in person, while the other half were held as video conferences. Almost every meeting was attended by representatives of the auditor and the individuals responsible for Accounting as well as Legal Affairs and Compliance at Vossloh AG. A discussion was held with the auditor without the members of the Executive Board being present. The Heads of relevant central divisions were available for reports and to answer questions. Other experts were asked to attend in order to provide input about specific agenda items.

Among other things, the Audit Committee focuses its activities in particular on auditing the company's accounts, the separate and consolidated financial statements prepared by the Executive Board, the combined management report, the dependent company report (Section 312 AktG), the proposal for the appropriation of net earnings and related party transactions which the Supervisory Board has charged the Audit Committee to monitor.

Following an extensive discussion in the presence of the auditor based on the auditor's reports for the audit of the annual financial statements of Vossloh AG and the Vossloh Group, the combined management report and the remuneration report, the Audit Committee decided to approve the remuneration report and recommended the approval of the consolidated financial statements, the financial statements of Vossloh AG and the combined management report for the 2021 fiscal year to the Supervisory Board during its meeting on March 16, 2022. At its meetings on April 27, August 1 and October 26, 2022, the Audit Committee discussed the half-year report and the quarterly statements with the Executive Board before their publication.

The company's relationship with the auditor also falls within the responsibility of the Audit Committee. The committee submitted a proposal to appoint an auditor to the full Supervisory Board on March 16, 2022, and awarded auditing responsibility to the auditor elected by the Annual General Meeting as part of the meeting on September 12, 2022 and agreed the focal points of the audit and the remuneration with the auditor. The committee also monitored the auditor's independence and assessed the quality of the audit. The auditor may only be contracted to perform non-audit services subject to the mandatory approval of the Audit Committee. The relevant guideline was adapted in the reporting year and approved by the Audit Committee.

In all of its meetings, the Audit Committee also dealt with the key risks and legal and compliance issues. The Audit Committee discussed the main risks identified within the Group and the changes in material and energy prices in detail with the Executive Board, as well as the necessity and adequacy of the risk provisioning, in particular also for risks due to legal disputes relating to earlier anticompetitive agreements. Each of the meetings provided opportunities for discussion between the members of the committee and the auditor without the members of the Executive Board being present. The Audit Committee also considered compliance issues continuously and in depth, and received comprehensive information about related issues, how they were being handled and the ongoing monitoring and improvement of Vossloh's Compliance Management System. The Audit Committee discussed the internal control system and the risk management system along with the extent to which they are adequate and effective. The Audit Committee also addressed sustainability-related issues as well as any related opportunities and risks for the Group. The Audit Committee focused on compliance topics and issues related to CSR reporting. Internal Audit provided the Audit Committee with information about its activities during the 2022 fiscal year at the meeting on November 24, 2022.

The Nomination Committee did not meet in the year under review as there were no changes in the members of the Supervisory Board. The Personnel Committee met in person on September 12, 2022 and November 24, 2022. Almost all members attended the meetings. Dr. Bettina Volkens was unable to attend one of the meetings. The total attendance rate was therefore 87.50 percent. The meetings discussed long-term succession planning for the Executive Board, with a particular focus on the planned reappointment of Executive Board members Dr. Thomas Triska and Mr. Jan Furnivall and the extension of their contracts.

## Corporate Governance and Declaration of Conformity

The Supervisory Board is committed to ensuring effective corporate governance. At its meeting on November 24, 2022, the Supervisory Board considered the recommendations of the GCGC and, together with the Executive Board, issued a Declaration of Conformity in accordance with Section 161 AktG. This was made permanently accessible on the company's website (see page 31 of the annual report). With two exceptions, Vossloh AG has been in compliance with all of the recommendations laid out in the December 16, 2019 and April 28, 2022 versions of the GCGC since submitting its most recent Declaration of Conformity in November 2021 and will remain in compliance in future. Details of corporate governance within the company can be found in the Declaration on Corporate Governance and the Corporate Governance Report (starting on page 28 of the annual report).

## Separate and consolidated financial statements for 2022

The annual financial statements of Vossloh AG in accordance with German accounting standards, the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable in the EU and the combined management report for Vossloh AG and the Group for the 2022 fiscal year, including the accounting, were examined by the auditor duly appointed by the Annual General Meeting on May 18, 2022, Deloitte GmbH Wirtschaftsprüfungsgesellschaft based in Munich (Düsseldorf office), and were each issued with an unqualified audit opinion. In its audit opinion, the auditor concluded that the Executive Board had taken the necessary steps to put in place an appropriate risk identification system as required by Section 91 (2) AktG and that the system was suitable for identifying going concern risks early on.

The auditor also examined the dependent company report prepared by the Executive Board (Section 312 AktG) in accordance with Section 313 AktG and issued the following audit opinion: "After due and proper examination and assessment, we hereby confirm, first of all, that the information contained in the report is correct and second, that payment made by the company for the transactions stated in the report was not inappropriately high." The Executive Board and Supervisory Board also prepared the remuneration report in accordance with Section 162 (1) AktG. This was also audited by the auditor and issued with an unqualified auditor's opinion.

The financial statements including the nonfinancial Group statement (Section 315b of the German Commercial Code, HGB) and the auditor's reports were distributed to the members of the Supervisory Board in good time prior to the meeting held on March 13, 2023, to approve the financial statements. During the meeting, the auditor reported on the key findings of their audit and provided additional information. The Supervisory Board comprehen-

sively discussed all the issues that arose in relation to these documents following the Audit Committee's preparations and in the presence of the auditor. The auditor also reported on the Vossloh Group's early risk detection system. The auditor additionally read and acknowledged other information including the Declaration of Conformity in accordance with Section 161 AktG, the Declaration on Corporate Governance/ Corporate Governance Report and the nonfinancial statement of the Group (Section 315b HGB) and found nothing that suggested this information constituted a material misrepresentation. The Supervisory Board also contracted Deloitte GmbH Wirtschaftsprüfungsgesellschaft to perform a voluntary audit of its nonfinancial Group statement (Section 315b HGB) in accordance with ISAE 3000 (Revised) to achieve a certain degree of assurance therefor, as well as the remuneration report in accordance with Section 162 (1) AktG. These did not give rise to any objections.

The Supervisory Board likewise reviewed the annual financial statements submitted by the Executive Board, the consolidated financial statements and the combined management report for Vossloh AG and the Vossloh Group for the 2022 fiscal year including the nonfinancial Group statement (Section 315b HGB), the dependent company report including the Executive Board's closing statement, and the proposal for the appropriation of net earnings. According to the final result of its own review, the Supervisory Board raised no objections. The Supervisory Board approved the annual financial statements and consolidated financial statements on December 31, 2022. The annual financial statements were thus adopted on December 31, 2022. The Supervisory Board concurred with the combined management report, in particular the statements on the company's continued development and the disclosures pursuant to Sections 289a and 315a HGB, and with the dependent company report. The Supervisory Board approved the Executive Board's proposal for the appropriation of the 2022 net earnings, which recommended the payment of a dividend in the amount of €1.00 per dividend-bearing share.

The Supervisory Board would like to thank the Executive Board and all employees of the Vossloh Group for their dedication in the very successful 2022 fiscal year. Despite the wide range of challenges facing the company, namely the impact of geopolitical tension and upheaval and price increases in material and energy markets, Vossloh performed superbly in the past fiscal year.

Werdohl, Germany, March 13, 2023

The Supervisory Board  
Prof. Dr. Rüdiger Grube  
Chairman