

ANNUAL REPORT 2021/22

DEVELOPMENT OF THE KEY FIGURES

| In millions of euros | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|--|-------------|-------------|-------------|-------------|-------------|
| Income statement¹ | | | | | |
| Revenue | 12,897.8 | 13,560.7 | 12,717.2 | 10,901.9 | 14,923.2 |
| EBITDA | 1,954.1 | 1,564.6 | 1,181.5 | 1,148.1 | 2,291.3 |
| Depreciation | 774.1 | 785.2 | 1,270.5 | 809.8 | 837.0 |
| EBIT | 1,180.0 | 779.4 | -89.0 | 338.2 | 1,454.3 |
| Profit before tax | 1,042.5 | 645.7 | -230.3 | 234.8 | 1,382.5 |
| Profit after tax from continuing operations | | | | 255.7 | 1,072.4 |
| Profit after tax from discontinued operations | | | | -224.0 | 257.9 |
| Profit after tax ² | 825.4 | 458.6 | -216.5 | 31.7 | 1,330.3 |
| Statement of financial position | | | | | |
| Investments in tangible and intangible assets and interests | 895.2 | 1,011.8 | 776.7 | 612.1 | 709.9 |
| Equity | 6,554.3 | 6,709.8 | 5,614.9 | 5,649.9 | 7,069.3 |
| Net financial debt | 2,995.1 | 3,125.4 | 3,775.0 | 2,742.8 | 2,291.2 |
| Net financial debt in % of equity (gearing) | 45.7% | 46.6% | 67.2% | 48.5% | 32.4% |
| Financial key performance indicators (KPIs) | | | | | |
| EBITDA margin ¹ | 15.2% | 11.5% | 9.3% | 10.5% | 15.4% |
| EBIT margin ¹ | 9.1% | 5.7% | -0.7% | 3.1% | 9.7% |
| Return on capital employed (ROCE) ¹ | 11.1% | 7.0% | -0.8% | 3.4% | 15.5% |
| Cash flows from operating activities | 1,195.1 | 1,166.6 | 1,304.0 | 1,633.5 | 1,242.9 |
| Share information | | | | | |
| Share price, end of period (euros) | 42.57 | 27.07 | 18.54 | 35.33 | 27.02 |
| Dividend per share (euros) ³ | 1.40 | 1.10 | 0.20 | 0.50 | 1.20 |
| Market capitalization, end of period | 7,506.0 | 4,832.6 | 3,308.9 | 6,307.1 | 4,823.6 |
| Number of outstanding shares as of March 31 | 176,320,566 | 178,520,566 | 178,520,566 | 178,520,616 | 178,520,616 |
| EPS – earnings per share from continuing operations (euros) ¹ | | | | 1.49 | 5.84 |
| EPS – earnings per share from discontinued operations (euros) | | | | -1.25 | 1.44 |
| EPS – earnings per share (euros) | 4.40 | 2.31 | -1.24 | 0.24 | 7.28 |
| Personnel | | | | | |
| Employees (full time equivalent), end of period ⁴ | 51,621 | 51,907 | 49,682 | 48,654 | 50,225 |

¹ Business year 2020/21, retroactively adjusted.

² Before deduction of non-controlling interests.

³ As proposed to the Annual General Meeting.

⁴ Including employees (full-time equivalent) from discontinued operations.

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This report is a translation of the original German-language report, which is solely valid.

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HIGHLIGHTS

2021/22

- » Dynamic economic growth marked the business year 2021/22 for extended stretches of time— despite new waves of COVID-19 infections, supply chain disruptions, volatile raw materials prices, and sharply higher energy prices.
- » Dampening of economic sentiment toward the end of the business year 2021/22 in the wake of Russia's invasion of Ukraine.
- » Sale of 80% of voestalpine's stake in its HBI facility in Texas, USA, to ArcelorMittal, the international steel group; deal was signed in April 2022.
- » Both the performance of the voestalpine Texas Group and a measurement gain of EUR 256.6 million are shown in discontinued operations.
- » In this environment, voestalpine achieved new all-time highs in all key performance indicators.
- » Revenue jumped by 36.9% to EUR 14,923.2 million in the business year 2021/22, up from EUR 10,901.9 million in the previous business year.
- » Operating result (EBITDA) just about doubled to EUR 2,291.3 million (2020/21: EUR 1,148.1 million).
- » Profit from operations (EBIT) soared by 330.0%, from EUR 338.2 million in the previous business year to EUR 1,454.3 million in the business year 2021/22.
- » Profit before tax skyrocketed by 488.8% to EUR 1,382.5 million (2020/21: EUR 234.8 million).
- » Profit after tax multiplied many times over, from EUR 31.7 million in the previous business year to EUR 1,330.3 million in the business year ended. This includes a measurement gain of EUR 256.6 million from the partial sale of the Texas-based HBI facility.
- » Equity boosted by 25.1% to EUR 7,069.3 million (2020/21: EUR 5,649.9 million).
- » Substantial decline yet again in net financial debt to EUR 2,291.2 million (2020/21: EUR 2,742.8 million).
- » Substantial improvement in gearing ratio (net financial debt as a percentage of equity) to 32.4% (2020/21: 48.5%).
- » Dividend proposed to the Annual General Meeting: EUR 1.20 per share.

THE voestalpine GROUP OVERVIEW

Worldwide, we at voestalpine work on innovative solutions made of steel and other metallic materials, day in and day out. Our focus is on innovation, technology, and quality. We want to continue expanding profitably in our defined markets and, at the same time, make our contribution to a sustainable future.

As a globally leading steel and technology group that **combines materials and processing expertise**, we want to develop highest-quality product solutions and drive innovation purposefully in collaboration with our customers.

Permanent innovation and refinement of technology are key to our performance in the long term. We invested a total of EUR 174 million in research & development over the business year 2021/22 so that we can launch cutting-edge products for our customer segments in timely fashion. Going forward, we will collaborate even more closely with our customers and intensify our cooperation with external development partners in order to accelerate the innovation process yet further.

Our thinking is long term, our actions are responsible. Our entrepreneurial activity rests on three pillars: We want to create **economic, environmental, and social value. Sustainability is crucial** to all of our business processes. We conceive of sustainability as a wholly integrated roadmap based on a best-in-class approach.

The **digital transformation** is integral to our activities. Not only is it the basis for optimizing business processes and further enhancing our operational excellence, it will also become an ever-growing aspect of the systems solutions and service models we offer.

Highly-qualified employees are decisive to voestalpine's success. We work intensely to ensure that our work environment offers added value so that we can continue recruiting and keeping the best minds. Our comprehensive Training and Continuing Professional Development programs aim to foster each and everyone according to their talents and abilities. A trusting leadership culture is designed to ensure that every single employee can contribute to the company's success in ways that are self directed, solution oriented, and efficient.

Thanks to its investments and acquisitions, through the years voestalpine has built a **portfolio comprising four divisions** that stands out through a unique combination of expertise in both materials and processing. These four divisions benefit from **mutual synergy effects**. The segments specialized in processing are expanding worldwide in their defined markets together with their long-term, strategic customers. In materials development, our focus is on continual refinement in terms of both technology and quality while maintaining capacities. The intensifying trend toward sustainability ensures ever growing demand for voestalpine's products.

THE voestalpine PORTFOLIO

With its top-quality products and system solutions, the voestalpine Group is a leading partner of the automotive and consumer goods industries as well as of the aerospace and oil & natural gas industries. In addition, we are the world market leader in rail technology systems, and in tool steel and special sections. The Group's broad customer base ensures earnings stability in a cyclical market environment overall.

STEEL DIVISION

GLOBAL QUALITY LEADERSHIP

in highest-quality strip steel, and market leader in heavy plate and foundry products for the most sophisticated applications in the energy sector.

36%

OF GROUP REVENUE

| | |
|----------------------------------|---------|
| Revenue (in millions of euros) | 5,701.8 |
| EBITDA (in millions of euros) | 1,150.9 |
| EBITDA margin | 20.2% |
| Employees (full-time equivalent) | 10,703 |

The Steel Division has been setting environmental benchmarks in steel production for years. At the same time, it is working to develop cutting-edge, hydrogen-based options that aim to make CO₂-neutral production of steel a reality. Thanks to its high-quality strip steel, the Steel Division is the first point of contact for major automotive manufacturers and suppliers worldwide. Moreover, it also is a key partner of the European white goods and mechanical engineering industries. It produces heavy plate for energy sector applications used under the most difficult conditions. Besides serving the oil & natural gas industries, it also provides customized solutions for generating renewable energy.

HIGH PERFORMANCE METALS DIVISION

GLOBAL LEADERSHIP

in tool steel, as well as leading position in high-speed steel, aerospace materials, special steel parts, and powder technology. Innovation leader in additive manufacturing.

20%

OF GROUP REVENUE

| | |
|----------------------------------|---------|
| Revenue (in millions of euros) | 3,052.2 |
| EBITDA (in millions of euros) | 399.4 |
| EBITDA margin | 13.1% |
| Employees (full-time equivalent) | 13,291 |

The High Performance Metals Division is a global leader in the manufacture and downstream processing of high performance metals—particularly tool steel, high-speed steel, and other special steel as well as titanium and nickel-based alloys. Its unique product portfolio is powerfully enhanced by component production, heat treatment, coating, and additive manufacturing—all of which is embedded in a global marketing and service network. The customers of these products include the automotive and consumer goods supplier industries, special purpose engineering companies, the oil & natural gas industries as well as the aerospace industry.

METAL ENGINEERING DIVISION

GLOBAL LEADERSHIP

in railway systems; global provider of complete welding solutions; European technology leader in premium wire products; and preferred provider of high-tech seamless tubes for the oil & natural gas industries as well as for industrial applications.

22%

OF GROUP REVENUE

| | |
|----------------------------------|---------|
| Revenue (in millions of euros) | 3,376.2 |
| EBITDA (in millions of euros) | 405.8 |
| EBITDA margin | 12.0% |
| Employees (full-time equivalent) | 13,528 |

As the leading provider worldwide of integrated track systems, the Metal Engineering Division's Railway Systems business unit offers customized, comprehensive solutions for all rail technology segments—from mass transit, to mixed traffic, all the way to heavy haul and high speed networks. The division's Industrial Systems business unit has established itself as a global, integrated provider of complete welding solutions. It also plays a leading role as a development partner and manufacturer of premium wire products and high-tech seamless tubes.

METAL FORMING DIVISION

GLOBAL LEADERSHIP

in defined niches that require the highest quality and the most sophisticated technology for metal processing solutions within a global network that generates the best possible customer value.

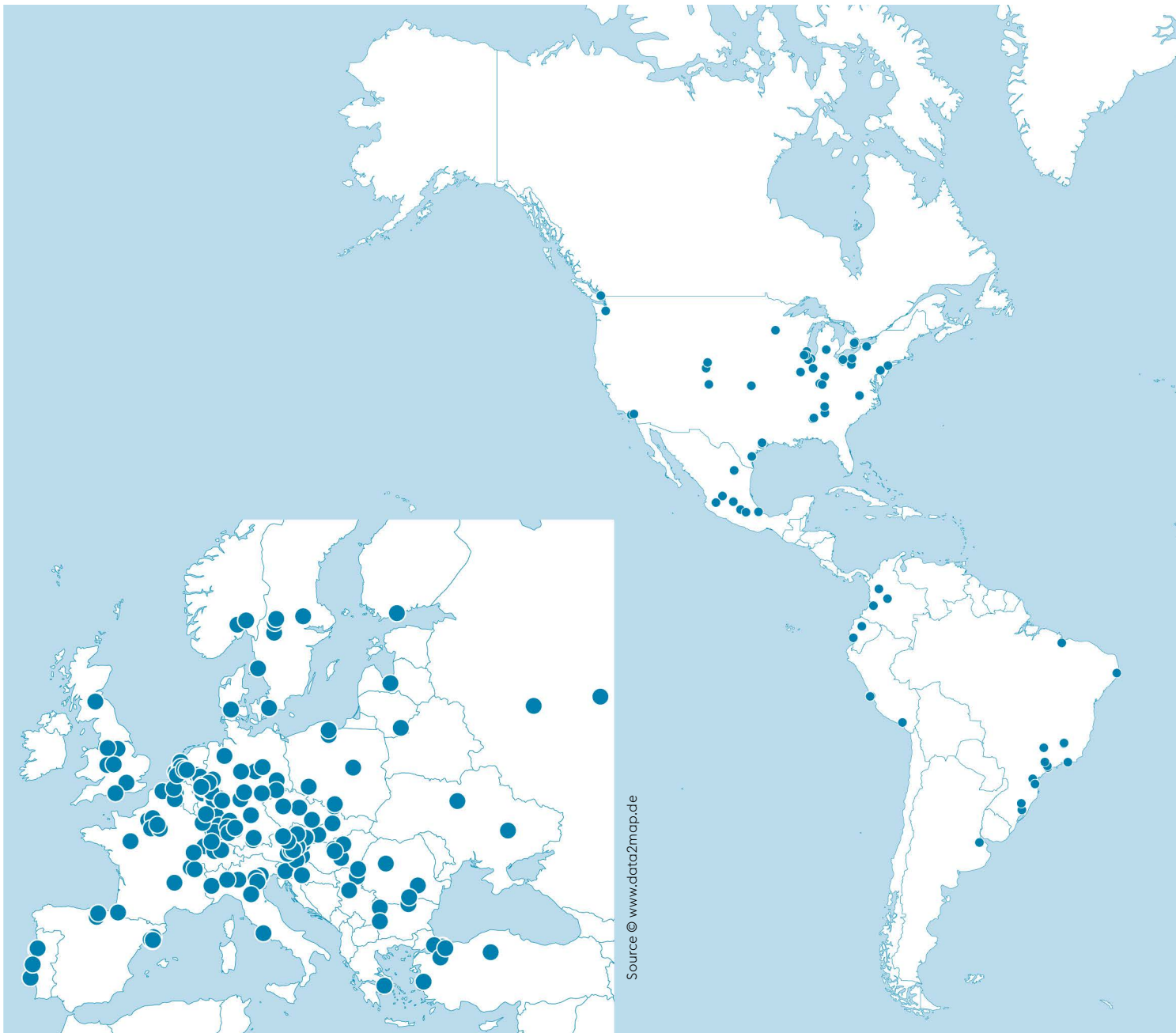
22%

OF GROUP REVENUE

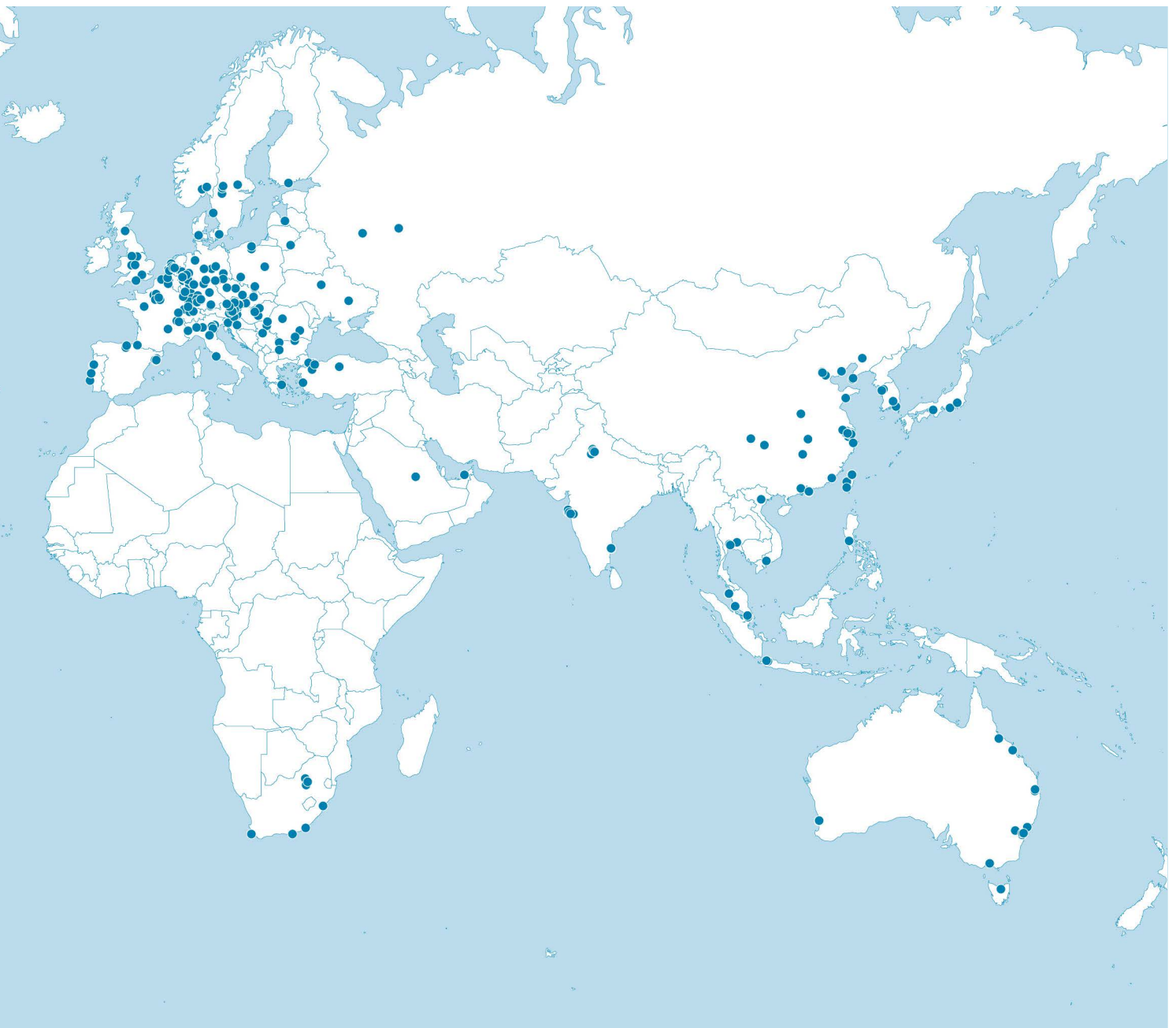
| | |
|----------------------------------|---------|
| Revenue (in millions of euros) | 3,474.4 |
| EBITDA (in millions of euros) | 433.1 |
| EBITDA margin | 12.5% |
| Employees (full-time equivalent) | 11,766 |

The Metal Forming Division is voestalpine's competence center for highly developed special sections, tube, and precision strip steel products as well as for pre-finished system components made of pressed, stamped, and roll-formed parts that are used in a wide range of industries, but especially in the premium automotive segment. The division combines materials and processing expertise unique in the industry with a global presence that make it the partner of choice for customers focused on innovation and quality.

voestalpine IS A GLOBAL COMPANY



We are a global Group that comprises about 500 companies and facilities in more than 50 countries on all five continents. With its top-quality products and system solutions, voestalpine is a leading partner of the automotive and consumer goods industries as well as of the aerospace and oil & natural gas industries. The company also is the world market leader in railway systems, tool steel, and special sections. voestalpine is fully committed to the global climate goals and works intensively to develop technologies that will decarbonize and reduce its CO₂ emissions in the long term.



SUPERVISORY BOARD

voestalpine AG

Dr. Wolfgang Eder

Chairman of the Supervisory Board (since 04/01/2022)

Initial appointment: 07/03/2019

Former Chairman of the Management Board of voestalpine AG, Linz

Dr. Joachim Lemppenau

Member of the Supervisory Board

Chairman of the Supervisory Board (until 03/31/2022)

Initial appointment: 07/07/1999

Former Chairman of the Management Board of Volksfürsorge Versicherungsgruppe, Hamburg

Dr. Heinrich Schaller

Deputy Chairman of the Supervisory Board (since 07/04/2012)

Initial appointment: 07/04/2012

CEO of Raiffeisenlandesbank Oberösterreich AG, Linz

KR Dr. Franz Gasselsberger, MBA

Member of the Supervisory Board, Chairman of the Audit Committee (since 07/03/2019)

Initial appointment: 07/01/2004

CEO of Oberbank AG, Linz

Mag. Ingrid Jörg

Member of the Supervisory Board

Initial appointment: 07/03/2019

President of Aerospace and Transportation, Constellium Switzerland AG, Zurich

Dr. Florian Khol

Member of the Supervisory Board

Initial appointment: 07/03/2019

Attorney at law; partner at Binder Grösswang Rechtsanwälte GmbH, Vienna

Mag. Maria Kubitschek

Member of the Supervisory Board

Initial appointment: 07/03/2019

Deputy Director of the Federal Chamber of Workers/Vienna Chamber of Workers, Vienna

Prof. Elisabeth Stadler

Member of the Supervisory Board

Initial appointment: 07/03/2019

Chairwoman of the Management Board of Vienna Insurance Group AG (Wiener Versicherung Gruppe), Vienna

Delegated by the Works Council:

Josef Gritz

Member of the Supervisory Board

Initial delegation: 01/01/2000

Chairman of the Works Council for Workers of voestalpine Stahl
Donawitz GmbH, Donawitz

Sandra Fritz

Member of the Supervisory Board

Initial delegation: 06/15/2019

Member of the Works Council for Salaried Employees of voestalpine AG, Linz

Hans-Karl Schaller

Member of the Supervisory Board

Initial delegation: 09/01/2005

Chairman of the Group Works Council of voestalpine AG, Linz
Chairman of the European Works Council of voestalpine AG, Linz

Gerhard Scheidreiter

Member of the Supervisory Board

Initial delegation: 01/01/2012

Chairman of the Works Council for Workers of voestalpine BÖHLER Edelstahl
GmbH & Co KG, Kapfenberg

MANAGEMENT BOARD

voestalpine AG



From left to right: Peter Schwab, Franz Rotter, Fiona Kasbauer (apprentice in process technology), Hubert Zajicek, Nadja Hemmer (apprentice in cutting machine technology), Herbert Eibensteiner, Franz Kainersdorfer, Robert Ottel, Philipp Bruckner (national champion in industrial control, AustrianSkills Championships 2021).



Dipl.-Ing. Herbert Eibensteiner

Chairman of the Management Board (since 07/03/2019), Member of the Management Board (since 04/01/2012), born 1963

Assigned areas of responsibility within the Group:

Corporate Development; R&D and Innovation Strategy; Strategic Human Resources Management; Corporate Communications and Corporate Image; Compliance; Legal; M&A; Strategic Environmental Management; Investor Relations; Information Competence Center (Trade & Statistics); Internal Audit

Dipl.-Ing. Dr. Franz Kainersdorfer

Head of the Metal Engineering Division, Member of the Management Board (since 07/01/2011), born 1967

Assigned area of responsibility within the Group:

Group's Long-Term Energy Supply

Mag. Dipl.-Ing. Robert Ottel, MBA

Chief Financial Officer (CFO), Member of the Management Board (since 04/01/2004), born 1967

Assigned areas of responsibility within the Group:

Corporate Accounting and Reporting; Controlling including Investment Controlling; Group Treasury; Taxes; Management Information Systems; Risk Management; Information Technology

Dipl.-Ing. Franz Rotter

Head of the High Performance Metals Division, Member of the Management Board (since 01/01/2011), born 1957

Assigned area of responsibility within the Group:

health & safety

Dipl.-Ing. Dr. Peter Schwab, MBA

Head of the Metal Forming Division, Member of the Management Board (since 10/01/2014), born 1964

Assigned area of responsibility within the Group:

Procurement Strategy

Dipl.-Ing. Hubert Zajicek, MBA

Head of the Steel Division, Member of the Management Board (since 07/04/2019), born 1968

Assigned area of responsibility within the Group:

Raw Materials

LETTER FROM THE MANAGEMENT BOARD

Ladies and Gentlemen:

In an economically positive environment, voestalpine's business year 2021/22 was adversely affected by both the COVID-19 pandemic and the outbreak of the war in Ukraine and thus was defined by highs and lows alike. Strong economic rebounds, hampered in just a few industrial sectors by supply chain issues, followed on the heels of the hard lockdowns in many parts of the world. Russia's attack on Ukraine dramatically changed the picture. Sentiment dampened considerably worldwide, and the steep increases in energy prices toward the end of the reporting period's third quarter developed into a real price shock, given the fallout from the war.

In the business year ended, voestalpine proved its great flexibility and adaptability yet again. While maintaining our laser focus on measures to boost efficiency, we were able to exploit the positive economic environment as best we could. Demand for our high-quality products developed along extremely robust trajectories in almost all market and product segments. We succeeded in securing our operations through suitably adjusted measures within a very short time of the war's outbreak. COVID-19 challenged us yet again during the business year ended and will continue to preoccupy us in the future. But our enhanced safety and hygiene measures helped to overcome the pandemic. In any case, the health of our employees always has the highest priority.

voestalpine posted record results for the business year 2021/22 despite this extremely challenging environment. All key performance indicators (KPIs)—revenue, EBITDA, EBIT, and equity—stand at all-time highs. Given these results, the Management Board proposes to pay a dividend of EUR 1.20 per share for the business year 2021/22. Our success would not have been possible without our employees' commitment and above-average performance. We want to take this moment to express our thanks to them.

The record results for the business year ended underscore the strength of both the Group's strategic alignment and its capabilities. As before, we will focus on high-tech segments that deliver highest quality standards and develop innovative solutions in collaboration with our customers with the aim of driving the company's value-added growth. Climate and environmental action are yet another focal point of the Group's strategy.

We are committed to the global climate goals, and our greentec steel program is an ambitious step-by-step plan for green steelmaking. We seek to achieve carbon (CO₂) neutral steel production by 2050 based on green hydrogen. We are already conducting intensive research on highly promising breakthrough technologies. We plan to replace the existing blast furnace route at our steel plants in Linz and Donawitz (both Austria) in part with a hybrid electric arc furnace as early as in 2027—an impor-

tant intermediate step toward emissions-neutral steelmaking. In and of itself, this retooling would enable us to significantly cut carbon dioxide emissions from 2027 by some 30%.

We also developed strategic options for our direct reduction plant in Texas, USA, as part of our evolving decarbonization plans. In early April, we announced that we had sold 80% of our equity interest in the plant to ArcelorMittal, the international steel conglomerate. This partnership allows us to secure our supplies of hot briquetted iron (HBI) in the long term. Despite technological changes, our continually evolving and refined raw material concept will enable us to manufacture high-tech steel for sectors including the automotive and rail industries, now and in the future.

Strategically and technologically, voestalpine is in the best possible position to successfully meet the challenges ahead. We are starting the business year 2022/23 on a positive note thanks to our excellent financial footing and full order books. But the current, difficult environment we face also harbors risks. Both the uncertain development of the global economy on account of COVID-19 and the unpredictable fallout from the Ukraine war make it hard to offer a long-term forecast.

Finally, we want to thank Dr. Joachim Lemppenau, who for 18 years served as the Chairman of our Supervisory Board, for the respectful and constructive collaboration he always championed. Dr. Lemppenau resigned as the Chairman of the Supervisory Board at the close of the business year 2021/22. His term of office represented a particularly successful chapter in our corporate history, one that we wrote together with our employees and you, the esteemed shareholders of voestalpine AG.

Linz, May 24, 2022

The Management Board

Herbert Eibensteiner

Franz Kainersdorfer

Robert Ottel

Franz Rotter

Peter Schwab

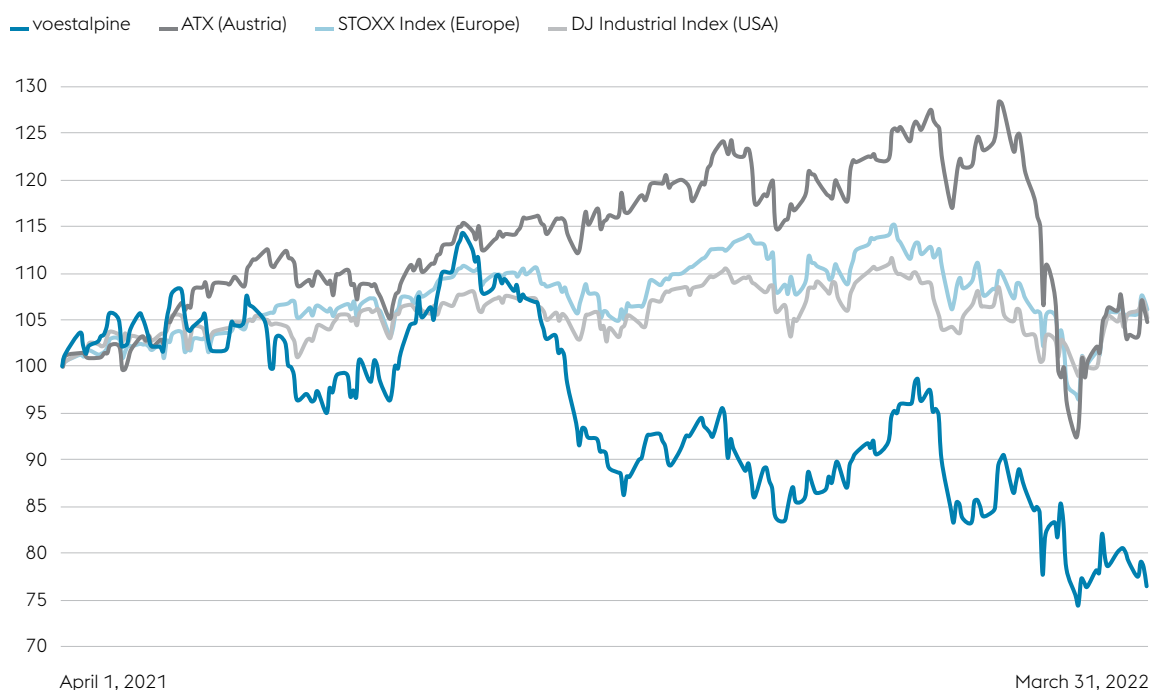
Hubert Zajicek

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INVESTOR RELATIONS

voestalpine AG VS. THE ATX AND INTERNATIONAL INDICES

Changes compared with March 31, 2021, in %



DEVELOPMENT OF THE voestalpine SHARE

The breakthrough in vaccines has caused the COVID-19 issue which, just last year, had dominated developments in the capital markets to recede into the background. Highly volatile price fluctuations in the steel and raw materials mar-

kets, sharp increases in energy costs, and disruptions in supply chains are among the many factors that affected especially steel industry stocks in the business year 2021/22.

The voestalpine share still moved laterally at the start of the reporting period. Initially, it was unable to keep pace with the upward revisions of

earnings forecasts despite the intensifying rebound in key global economies. Investors' confidence in the company's share did not solidify until the publication of both the results for the first quarter of the business year 2021/22, which surpassed analysts' expectations, and the Group's improved guidance on its operating results for the entire business year. In mid-August 2021, the share even exceeded the EUR 40 mark.

During the Northern summer of 2021, semiconductor supply chain problems intensified in the automotive industry. As the latter accounts for just under one third of total revenue, this segment's performance is particularly relevant to the Group's earnings. Later in the summer, the financial difficulties of the second-largest Chinese real estate group, Evergrande, dominated international economic news. Fears that its looming insolvency might trigger a chain reaction and weaken the global economy unsettled investors. Add to that the sharp increases in energy prices in the European spot markets along with the resulting adverse effects on the costs of energy-intensive production plants. During the Northern fall, however,

the voestalpine share stabilized at just over EUR 30 despite the unfavorable environment. Two factors were key to this development: For one, the economic environment of key customer segments except the automotive industry turned out to be robust. For another, following a short downward trend steel prices stabilized at a high level, as before.

The start of calendar year 2022 saw a rebound in automotive demand, only to be followed by rising fears of inflation owing to energy prices that remained high. The start of Russia's invasion of Ukraine at the end of February set in motion yet another threat scenario. This intensified the volatility of the voestalpine share toward the end of the reporting period.

The voestalpine share closed at EUR 27.02 as of March 31, 2022, down from EUR 35.78 as of April 1, 2021, the start of the business year—a decline of 23.5%. The leading Austrian share index (ATX), the STOXX Index Europe, and the Dow Jones Industrial recorded slight gains in the same period.

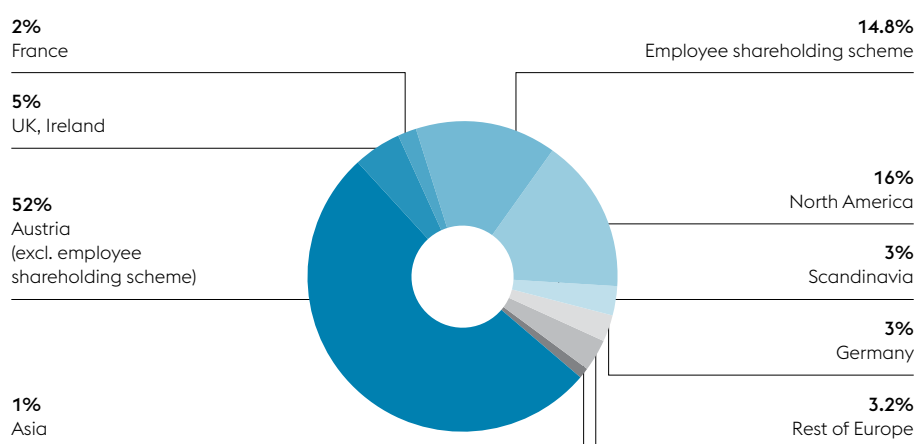
BONDS

| Type of bond | ISIN number | Issuing volume | Interest rate | Share price (03/31/2022) |
|----------------------------|--------------|-----------------|---------------|--------------------------|
| Corporate bond 2017 – 2024 | AT0000A1Y3P7 | EUR 500 million | 1.375% | 99.4 |
| Corporate bond 2019 – 2026 | AT0000A27LQ1 | EUR 500 million | 1.75% | 100.5 |

SHAREHOLDER STRUCTURE

The shareholder structure by region as of the end of the business year 2021/22 presents the following (indicative) picture:

SHAREHOLDER STRUCTURE



MAJOR INDIVIDUAL SHAREHOLDERS

| | |
|---|-------|
| Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG | < 15% |
| voestalpine employee shareholding scheme | 14.8% |
| Oberbank AG | 8.0% |

voestalpine AG is currently being analyzed by the following investment banks/ financial institutions:

- » Alpha Value, Paris
- » Baader Bank AG, Munich
- » Bank of America/Merrill Lynch, London
- » Barclays, London
- » Citigroup, London
- » Credit Suisse, London
- » Deutsche Bank, London
- » Erste Bank, Vienna
- » Exane BNP Paribas, Paris
- » Goldman Sachs, London
- » Jefferies, London
- » J.P. Morgan, London
- » Kepler Cheuvreux, Frankfurt
- » Morgan Stanley, London
- » Oddo BHF, Paris
- » Raiffeisen Centrobank, Vienna
- » Société Générale, Paris
- » UBS, London
- » Wiener Privatbank, Vienna

SHARE INFORMATION

| | |
|--------------------------------------|---|
| Share capital | EUR 324,391,840.99 divided into 178,549,163 no-par value shares |
| Treasury shares as of March 31, 2022 | 28,547 shares |
| Class of shares | Ordinary bearer shares |
| Stock identification number | 93750 (Vienna Stock Exchange) |
| ISIN | AT0000937503 |
| Reuters | VOES.VI |
| Bloomberg | VOE AV |

PRICES (AS OF END OF DAY)

| | |
|---|----------------------|
| Shares price high, April 2021 to March 2022 | EUR 40.36 |
| Share price low, April 2021 to March 2022 | EUR 26.30 |
| Share price as of March 31, 2022 | EUR 27.02 |
| Initial offering price (IPO) October 1995 | EUR 5.18 |
| All-time high price (July 12, 2007) | EUR 66.11 |
| Market capitalization as of March 31, 2022 ¹ | EUR 4,823,627,044.32 |

¹ Basis: Total number of shares minus repurchased shares.

BUSINESS YEAR 2021/22

| | |
|--|-----------------------|
| Earnings per share | EUR 7.28 |
| Dividend per share | EUR 1.20 ¹ |
| Carrying amount per share as of March 31, 2022 | EUR 38.73 |

¹ As proposed to the Annual General Meeting.

FINANCIAL CALENDAR

| | |
|---------------------------------------|------------------|
| Record date for attendance at the AGM | June 26, 2022 |
| Annual General Meeting | July 6, 2022 |
| Ex-dividend date | July 14, 2022 |
| Record date for dividend payment | July 15, 2022 |
| Dividend payment date | July 18, 2022 |
| Publication Q 1 2022/23 | August 4, 2022 |
| Publication Q 2 2022/23 | November 9, 2022 |
| Publication Q 3 2022/23 | February 8, 2023 |
| Business Year 2022/23 | June 7, 2023 |
| Annual General Meeting | July 5, 2023 |

CONSOLIDATED CORPORATE GOVERNANCE REPORT 2021/22

COMMITMENT TO THE CODE OF CORPORATE GOVERNANCE

The Austrian Code of Corporate Governance (“Code”) provides domestic stock corporations with a framework for managing and monitoring their company. It serves to establish a system for managing and controlling companies and groups that is accountable and geared to creating sustainable, long-term value. This is designed to ensure a high degree of transparency for all stakeholders of a company.

The Code is based on the provisions of Austrian stock corporation, stock exchange, and capital market law; the EU recommendations regarding the responsibilities of members of supervisory boards and the compensation of directors; as well as the OECD Principles of Corporate Governance. The Code has undergone a number of revisions since 2002. The present Corporate Gov-

ernance Report is based on the Code’s most recent amendment, which was adopted in January 2021.¹

» The Code can be accessed at www.corporate-governance.at

The Code achieves validity when companies voluntarily undertake to adhere to it. The Management Board and the Supervisory Board of voestalpine AG decided as early as 2003 to recognize the Code of Corporate Governance and have also accepted and implemented the amendments introduced since that date. voestalpine AG thus commits itself to comply with the Austrian Code of Corporate Governance as amended.

In addition to the mandatory “L Rules,” the company also complies with all of the “C Rules” and “R Rules” of the Code in the business year 2021/22.¹

¹ The Code of Corporate Governance contains the following rules: “L Rules” (= Legal) are measures prescribed by law; non-compliance with the “C Rules” (= Comply or Explain) must be justified; “R Rules” (= Recommendations) are recommendations.

COMPOSITION OF THE MANAGEMENT BOARD

» Dipl.-Ing. Herbert Eibensteiner

Chairman of the Management Board

Born 1963; Member of the Management Board since 04/01/2012; Chairman of the Management Board since 07/03/2019; End of his current term of office: 03/31/2024

Assigned areas of responsibility within the Group:

Corporate Development; R&D and Innovation Strategy; Strategic Human Resources Management; Corporate Communications and Corporate Image; Compliance; Legal; M&A; Strategic Environmental Management; Investor Relations; Information Competence Center (Trade & Statistics); Internal Audit

Positions at material subsidiaries² of the voestalpine Group:

voestalpine Stahl GmbH, Chairman of the Supervisory Board; voestalpine High Performance Metals GmbH, Chairman of the Supervisory Board; voestalpine Metal Engineering GmbH, Chairman of the Supervisory Board; voestalpine Metal Forming GmbH, Chairman of the Supervisory Board

» Dipl.-Ing. Dr. Franz Kainersdorfer

Head of the Metal Engineering Division

Born 1967; Member of the Management Board since 07/01/2011; End of his current term of office: 03/31/2024; Member of the Supervisory Board of VA Erzberg GmbH, Eisenerz, Austria

Assigned area of responsibility within the Group:

Group's Long-Term Energy Supply

Positions at material subsidiaries² of the voestalpine Group:

voestalpine Metal Engineering GmbH, Chairman of the Executive Management Board; voestalpine Stahl GmbH, Member of the Supervisory Board; voestalpine High Performance Metals GmbH, Member of the Supervisory Board; voestalpine Metal Forming GmbH, Member of the Supervisory Board; voestalpine Stahl Donawitz GmbH, Chairman of the Supervisory Board; voestalpine Rail Technology GmbH, Chairman of the Supervisory Board; voestalpine Tubulars GmbH, Chairman of the Supervisory Board; voestalpine Texas LLC, Member of the Board of Directors; voestalpine Rohstoffbeschaffungs GmbH, Deputy Chairman of the Advisory Board; voestalpine Wire Rod Austria GmbH, Member of the Supervisory Board

» Mag. Dipl.-Ing. Robert Ottel, MBA

Chief Financial Officer (CFO)

Born 1967; Member of the Management Board since 04/01/2004; End of his current term of office: 03/31/2024; Deputy Chairman of the Supervisory Board of APK-Pensionskasse AG, Vienna, Austria; Member of the Supervisory Board of Wiener Börse AG, Vienna, Austria

Assigned areas of responsibility within the Group:

Corporate Accounting and Reporting; Controlling including Investment Controlling; Group Treasury; Taxes; Management Information Systems; Risk Management; Information Technology

Positions at material subsidiaries² of the voestalpine Group:

voestalpine Stahl GmbH, Deputy Chairman of the Supervisory Board; voestalpine High Performance Metals GmbH, Deputy Chairman of the Supervisory Board; voestalpine Metal Engineering GmbH, Deputy Chairman of the Supervisory Board; voestalpine Metal Forming GmbH, Deputy Chairman of the Supervisory Board

² The material subsidiaries listed in this Report are the divisions' lead companies as well as subsidiaries of the voestalpine Group with revenue of over EUR 200 million.

» **Dipl.-Ing. Franz Rotter**

Head of the High Performance Metals Division

Born 1957; Member of the Management Board since 01/01/2011; End of his current term of office: 03/31/2024

Assigned area of responsibility within the Group:

health & safety

Positions at material subsidiaries² of the voestalpine Group:

voestalpine High Performance Metals GmbH, Chairman of the Executive Management Board; voestalpine Stahl GmbH, Member of the Supervisory Board; voestalpine Metal Engineering GmbH, Member of the Supervisory Board; voestalpine Metal Forming GmbH, Member of the Supervisory Board; voestalpine BÖHLER Edelstahl GmbH, Member of the Supervisory Board; Buderus Edelstahl GmbH, Chairman of the Supervisory Board; Uddeholms AB, Member of the Executive Board; voestalpine High Performance Metals Deutschland GmbH, Member of the Advisory Board; Villares Metals S.A., Member of the Supervisory Board

» **Dipl.-Ing. Dr. Peter Schwab, MBA**

Head of the Metal Forming Division

Born 1964; Member of the Management Board since 10/01/2014; End of his current term of office: 03/31/2024; Chairman of the Supervisory Board of the Austrian Institute of Technology (AIT), Vienna, Austria

Assigned area of responsibility within the Group:

Procurement Strategy

Positions at material subsidiaries² of the voestalpine Group:

voestalpine Metal Forming GmbH, Chairman of the Executive Management Board; voestalpine Stahl GmbH, Member of the Supervisory Board; voestalpine High Performance Metals GmbH, Member of the Supervisory Board; voestalpine Metal Engineering GmbH, Member of the Supervisory Board; voestalpine Automotive Components Cartersville LLC, Chairman of the Board; voestalpine Automotive Components Dettingen GmbH & Co KG, Chairman of the Advisory Board; voestalpine Automotive Components Schwäbisch Gmünd GmbH & Co KG, Chairman of the Advisory Board; voestalpine Krems GmbH, Chairman of the Supervisory Board; voestalpine Sadeff nv, Chairman of the Executive Board; voestalpine Precision Strip GmbH, Chairman of the Supervisory Board

» **Dipl.-Ing. Hubert Zajicek, MBA**

Head of the Steel Division

Born 1968; Member of the Management Board since 07/04/2019; End of his current term of office: 03/31/2024

Assigned area of responsibility within the Group:

Raw Materials

Positions at material subsidiaries² of the voestalpine Group:

voestalpine Stahl GmbH, Chairman of the Executive Management Board; voestalpine High Performance Metals GmbH, Member of the Supervisory Board; voestalpine Metal Engineering GmbH, Member of the Supervisory Board; voestalpine Metal Forming GmbH, Member of the Supervisory Board; voestalpine Grobblech GmbH, Chairman of the Supervisory Board; voestalpine Steel & Service Center GmbH, Chairman of the Supervisory Board; Logistik Service GmbH, Chairman of the Supervisory Board; voestalpine Texas LLC, Chairman of the Board of Directors; voestalpine Rohstoffbeschaffungs GmbH, Chairman of the Advisory Board

² The material subsidiaries listed in this Report are the divisions' lead companies as well as subsidiaries of the voestalpine Group with revenue of over EUR 200 million.

COMPOSITION OF THE SUPERVISORY BOARD

| | |
|---|--|
| <p>» Dr. Wolfgang Eder Born 1952</p> | <p>Chairman of the Supervisory Board (since 04/01/2022) Initial appointment: 07/03/2019 Former Chairman of the Management Board of voestalpine AG, Linz, Austria; Chairman of the Supervisory Board of Infineon Technologies AG, Neubiberg/Munich, Germany</p> |
| <p>» Dr. Joachim Lemppenau Born 1942</p> | <p>Member of the Supervisory Board Chairman of the Supervisory Board (until 03/31/2022) Initial appointment: 07/07/1999 Former Chairman of the Management Board of Volksfürsorge Versicherungsgruppe, Hamburg, Germany</p> |
| <p>» Dr. Heinrich Schaller Born 1959</p> | <p>Deputy Chairman of the Supervisory Board (since 07/04/2012) Initial appointment: 07/04/2012 CEO of Raiffeisenlandesbank Oberösterreich AG, Linz, Austria; Second Deputy Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna, Austria; Deputy Chairman of the Supervisory Board of AMAG Austria Metall AG, Braunau-Ranshofen, Austria</p> |
| <p>» KR Dr. Franz Gasselsberger, MBA Born 1959</p> | <p>Member of the Supervisory Board Chairman of the Audit Committee (since 07/03/2019) Initial appointment: 07/01/2004 CEO of Oberbank AG, Linz, Austria; Member of the Supervisory Board of Bank für Tirol und Vorarlberg Aktiengesellschaft, Innsbruck, Austria; Member of the Supervisory Board of BKS Bank AG, Klagenfurt, Austria; Member of the Supervisory Board of Lenzing AG, Lenzing, Austria</p> |
| <p>» Mag. Ingrid Jörg Born 1969</p> | <p>Member of the Supervisory Board Initial appointment: 07/03/2019 President of Aerospace and Transportation, Constellium Switzerland AG, Zurich, Switzerland</p> |
| <p>» Dr. Florian Khol Born 1971</p> | <p>Member of the Supervisory Board Initial appointment: 07/03/2019 Attorney at law; partner at Binder Grösswang Rechtsanwälte GmbH, Vienna, Austria</p> |
| <p>» Mag. Maria Kubitschek Born 1962</p> | <p>Member of the Supervisory Board Initial appointment: 07/03/2019 Deputy Director of the Federal Chamber of Workers/ Vienna Chamber of Workers, Vienna, Austria</p> |
| <p>» Prof. Elisabeth Stadler Born 1961</p> | <p>Member of the Supervisory Board Initial appointment: 07/03/2019 Chairwoman of the Management Board of Vienna Insurance Group AG (Wiener Versicherung Gruppe), Vienna, Austria; Member of the Supervisory Board of OMV Aktiengesellschaft, Vienna, Austria</p> |

Delegated by the Works Council:

| | |
|--|--|
| » Josef Gritz Born 1959 | Member of the Supervisory Board Initial delegation: 01/01/2000 Chairman of the Works Council for Workers of voestalpine Stahl Donawitz GmbH, Donawitz, Austria |
| » Sandra Fritz Born 1977 | Member of the Supervisory Board Initial delegation: 06/15/2019 Member of the Works Council for Salaried Employees of voestalpine AG, Linz, Austria |
| » Hans-Karl Schaller Born 1960 | Member of the Supervisory Board Initial delegation: 09/01/2005 Chairman of the Group Works Council of voestalpine AG, Linz, Austria; Chairman of the European Works Council of voestalpine AG, Linz, Austria |
| » Gerhard Scheidreiter Born 1964 | Member of the Supervisory Board Initial delegation: 01/01/2012 Chairman of the Works Council for Workers of voestalpine BÖHLER Edelstahl GmbH & Co KG, Kapfenberg, Austria |

All Supervisory Board positions held by shareholder representatives end as of the close of the Annual General Meeting of voestalpine AG tasked with adopting resolutions regarding the business year 2023/24.

None of the members of the Supervisory Board missed more than one half of the meetings of the Supervisory Board during the business year 2021/22.

COMPENSATION REPORT FOR MANAGEMENT BOARD AND SUPERVISORY BOARD

The compensation of the members of the Management Board and the members of the Supervisory Board for the business year 2021/22 is accounted for as part of the Compensation Report to be prepared in accordance with Sections 78c and 98a Austrian Stock Corporation Act (*Aktien-gesetz – AktG*). The Compensation Report will be submitted to the Annual General Meeting on July 6, 2022, for a vote and subsequently published on the company's website. In contrast to previous years, therefore, there will be no separate reporting on compensation as part of the Consolidated Corporate Governance Report.

INFORMATION REGARDING THE INDEPENDENCE OF THE MEMBERS OF THE SUPERVISORY BOARD

Under Rule 53 of the Austrian Code of Corporate Governance, the majority of the members elected to the Supervisory Board by the Annual General Meeting shall be independent of the company

and its Management Board. The Supervisory Board shall establish and publish criteria regarding such independence (see www.voestalpine.com » Investors » Corporate Governance).

Based on the criteria established by the Supervisory Board, seven of eight members elected to the Supervisory Board by the Annual General Meeting have confirmed that they consider themselves to be independent. The Supervisory Board member, Dr. Wolfgang Eder, pointed out in his confirmation that, given his position as the Management Board Chairman of voestalpine AG until July 3, 2019, he does not fulfill one of the Supervisory Board's criteria of independence. With the exception of Dr. Heinrich Schaller (who represents the shareholder, Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG) and Mag. Maria Kubitschek (who represents the voestalpine Mitarbeiterbeteiligung Privatstiftung), none of the Supervisory Board members elected by the Annual General Meeting are shareholder members with an investment of more than 10% in voestalpine AG or represent the interests of shareholders holding stakes in excess of 10% (Rule 54).

As legal counsel to voestalpine AG and its subsidiaries, the law firm of Binder Grösswang Rechts-

anwälte GmbH, of which the Supervisory Board member Dr. Florian Khol is a partner, provided legal services in the business year 2021/22 particularly in connection with matters related to corporate, capital market, and real estate law. Fees for these matters were billed at customary market rates. For the business year 2021/22, total net fees of EUR 19,237 (2020/21: EUR 23,930) were incurred for services provided by the law firm of Binder Grösswang Rechtsanwälte GmbH. The Supervisory Board member, Prof. Elisabeth Stadler, is the Chairwoman of the Management Board of Vienna Insurance Group AG (Wiener Versicherung Gruppe – VIG). The voestalpine Group has purchased insurance policies from VIG at terms and conditions customary for the market and industry primarily for the following areas: property/business interruptions, corporate liability, and transportation. VIG accounted for about 35.5% (2020/21: about 36.2%) of the voestalpine Group's premiums for insurance programs in the business year 2021/22.

COMMITTEES OF THE SUPERVISORY BOARD

The Articles of Association authorize the Supervisory Board to appoint committees from among its ranks and to define their rights and responsibilities. The committees may also be given the right to make decisions. In accordance with the ratio defined in Section 110 (1) Austrian Labor Constitution Act (*Arbeitsverfassungsgesetz – ArbVG*), the employee representatives on the Supervisory Board have the right to nominate members with a seat and a vote for Supervisory Board committees. The following Supervisory Board committees have been established:

GENERAL COMMITTEE

The General Committee simultaneously serves as the Nomination Committee as defined in the Code. The Chairman of the Supervisory Board and one or all of his deputies are members of the General Committee. With the exception of matters concerning relations between the company and the members of the Management Board, pursuant to Section 110 (1) ArbVG one or two employee representatives are also members of the General Committee.

The General Committee is responsible for executing, amending, or rescinding directors' contracts with members of the Management Board as well as for all matters associated with the administration of Management Board members' stock option plans. As the Nomination Committee, the General Committee submits recommendations to the Supervisory Board concerning potential candidates for positions on the Management and/or Supervisory Board that are becoming vacant. The General Committee is authorized to make decisions in urgent cases.

Members of the General Committee of the Supervisory Board:

- » Dr. Joachim Lemppenau
(Chairman—until March 31, 2022)
- » Dr. Wolfgang Eder
(Chairman—from April 1, 2022)
- » Dr. Heinrich Schaller
- » Hans-Karl Schaller

AUDIT COMMITTEE

The Audit Committee is tasked with the responsibilities set forth in Section 92 (4a) AktG as well as in Rule 40 of the Code. Hence it is responsible for monitoring the financial reporting process; reviewing and monitoring the auditor's independence and supervising their work; reviewing and preparing the approval of the annual financial statements; reviewing the proposal for the appropriation of earnings, the Management Report, and the Consolidated Corporate Governance Report; as well as approving non-audit services. It is also tasked with monitoring the consolidated financial reporting process, reviewing the Group's Consolidated Financial Statements, and submitting a recommendation for the selection of the auditor. The Audit Committee also is responsible for monitoring the effectiveness of the Group-wide Internal Control system, Internal Audit, and the Risk Management system as well as for reporting the findings of its reviews to the Supervisory Board.

Members of the Audit Committee of the Supervisory Board:

- » KR Dr. Franz Gasselsberger, MBA (Chairman)
- » Dr. Wolfgang Eder
- » Dr. Joachim Lemppenau
- » Dr. Heinrich Schaller
- » Hans-Karl Schaller
- » Josef Gritz

COMPENSATION COMMITTEE

The Compensation Committee consists of at least two shareholder representatives, including the Chairman of the Supervisory Board. It prepares proposals for the Compensation Policy applicable to the members of the Management Board and monitors whether the directors' contracts with Management Board members comply with the Policy.

Members of the Compensation Committee of the Supervisory Board:

- » Dr. Joachim Lemppenau
(Chairman—until 03/31/2022)
- » Dr. Wolfgang Eder
(Chairman—from 04/01/2022)
- » Dr. Heinrich Schaller
- » Hans-Karl Schaller

In the business year 2021/22, the majority of members of all Supervisory Board committees met the criteria for independence pursuant to Rule 53 of the Code of Corporate Governance.

NUMBER OF AND SIGNIFICANT CONTENT OF THE SUPERVISORY BOARD AND COMMITTEE MEETINGS IN THE BUSINESS YEAR 2021/22

During the business year 2021/22, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Association; it held four plenary sessions, three meetings of the Audit Committee, and four meetings of the General Committee.

In both the General Committee and the Audit Committee meetings, the Management Board provided comprehensive oral and written information regarding the development of the company's business as well as its financial management and position.

In addition to addressing the regular reports on the Group's current business and financial position, at its meetings the Supervisory Board dealt especially with matters related to sustainability and innovation as well as information technology and the digital transformation—all of which will determine the future. Hence possible future scenarios involving CO₂-reduced steel production at the company's plants in Linz and Donawitz (both Austria) were front and center. At its meeting in March 2022, the Supervisory Board took a first step toward decarbonizing the production of steel by making an important decision that will move the voestalpine Group from coal-based blast furnace technology to electric arc furnace technology powered by electricity from sustainable sources. As early as in the Northern summer of 2022, the Group will start to clear the future construction site required for this purpose and carry out infrastructure modification work at both aforementioned steelmaking facilities. The estimated investment costs for the project's first phase are in the low three-digit million euro range. During the current business year, the Supervisory Board will have to make final decisions on investments in the electricity-based technology that will serve as a partial replacement for the blast furnace-based technology still in use at this time. The construction of the new facilities will begin in 2024. One electric arc furnace each is to be commissioned in Linz and Donawitz in early 2027. As of now, the estimated investment costs are about EUR 1 billion. Following this technological shift, the voestalpine Group will be able to cut its carbon dioxide emissions by some 30%—a significant first step. This represents a reduction of three to four million tons of CO₂ per year—roughly equivalent to 5% of Austria's total annual carbon emissions. In the long term, the company seeks to achieve carbon neutral steel production largely on the basis of green hydrogen; its relevant research on promising breakthrough technologies already is at an advanced stage.

Just as in the preceding business year, furthermore, in the business year 2021/22 the Supervisory Board also explored strategic options for the direct reduction plant used to produce hot briquetted iron (HBI) in Corpus Christi, Texas, USA. At its meeting on March 22, 2022, the Supervisory Board approved the sale of a majority stake in the plant. Pursuant thereto, the Management Board signed a sale agreement with ArcelorMittal on April 14, 2022, regarding the sale of 80% of voestalpine's stake in voestalpine Texas Holding LLC. An agreement on the guaranteed, long-term supply of 420,000 tons annually of the HBI produced in Corpus Christi is an element of voestalpine's remaining equity interest of 20%. This supply will provide the basis for the aforementioned initial steps to decarbonize the production of steel in both Linz and Donawitz. In addition, this partnership will mitigate the spot market risk arising from the HBI that voestalpine does not need. The Texas-based HBI plant has a production capacity of about two million tons of HBI per year. The closing of the transaction is planned for June 2022.

Over and above issues related to the compensation of the Management Board and the Supervisory Board, the latter's General Committee also dealt with a change in the Compensation Policy applicable to the members of the Supervisory Board, which was resolved at both the Supervisory Board meeting on June 8, 2021, and the Annual General Meeting on July 7, 2021.

The Audit Committee concerned itself especially with the preparation and review of the company's consolidated and annual financial statements, the auditor's independence as well as topics related to the current and future structure of the Internal Control system, the risk management system, and Internal Audit.

The auditor of the auditing firm, Deloitte Audit Wirtschaftsprüfungs GmbH, attended all three meetings of the Audit Committee in the business

year 2021/22 and was available for questions and discussions.

At the Supervisory Board meeting on March 22, 2022, Dr. Joachim Lemppenau resigned from his position as the Chairman of the Supervisory Board effective as of the end of March 2022; subsequently, Dr. Wolfgang Eder was elected the new Chairman effective April 1, 2022. However, Dr. Lemppenau will continue to make himself available to the Supervisory Board as a member until the end of his current term of office, i.e., up to the Annual General Meeting 2024.

At its meeting on March 22, 2022, the Supervisory Board also carried out the self-evaluation required under Rule 36 of the Code and, after asking the Management Board to leave the room, used a list of questions to address the general cooperation between Management Board and Supervisory Board, the quality and scope of the documents made available to the Supervisory Board as well as organizational issues.

PRINCIPLES OF THE voestalpine GROUP'S COMPENSATION POLICY

Employees' total compensation takes the form of fixed, market-rate salaries, some of which are supplemented by variable compensation.

The amount of the fixed salaries is based on the activities, role, and position of the given employee, as well as their individual experience and expertise. Any relevant statutory requirements and contracts under collective bargaining agreements or works agreements are complied with as applicable. In the event of supplementary, variable compensation, the amount of the given component of compensation is contingent on the achievement of stipulated targets. Depending on the given employee's role, both qualitative and quantitative targets are agreed. The qualitative targets are usually set for one business year at a time, whereas the quantitative targets are usually set

for one business year at a time and, in part, for a minimum of three years.

Group-wide requirements applicable to managing directors and officers concern the amount of the maximum possible variable compensation and the weighting of the targets. Compensation packages for all other employees are determined by each individual company in line with market conditions, taking into account both local practice and local requirements. Various compensation elements are possible in this connection, including non-monetary components:

- » Pension plans (e.g., the Austrian pension fund)
- » Insurance (e.g., accident insurance)
- » Discounts at the cafeteria
- » Coupons

The compensation packages of managing directors and officers always include variable compensation (bonus) and, in some cases, a pension plan and a company car.

COMPOSITION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Professional suitability (i.e., whether the candidate possesses the requisite competence and experience) and personality traits (e.g., personal integrity) are material criteria in the selection and appointment of Management Board members. In addition, age and gender are also included in the decision-making process. Independent management audits by external advisers that are conducted as necessary ensure that the decisions are also based on objective evaluations. At present, no woman sits on the Management Board of voestalpine AG. The members of the Management Board are between 53 and 64 years of age, possess a range of educational credentials primarily in technical fields as well as widely ranging professional and international management experience. The shareholder representatives on the

Supervisory Board are elected by the Annual General Meeting in accordance with the applicable statutory framework. At this time, the Supervisory Board includes four women and two non-Austrian nationals. The members of the Supervisory Board are between 51 and 79 years of age and possess a wide range of professional expertise as well as professional and management experience.

STEPS FOR PROMOTING WOMEN

In the business year 2021/22, the percentage of female executives was 12.9%, thus down slightly from 13.6% the previous business year. One woman has been appointed to a divisional management position since the business year 2013/14.

As part of internal leadership development efforts, great importance is placed on continuing to increase the percentage of female participants. The Group thus takes care to ensure that women are represented at each training level of the Leadership Development Program (“value:program”). New iterations of the value:program were launched in the business year 2021/22 after a hiatus of about 1.5 years on account of the pandemic. Owing to international travel restrictions, however, in the business year 2021/22 only 131 employees from 14 countries were able to participate in this multi-stage executive development program; women accounted for 12.2% of the enrollees.

Overall, the percentage of women in the voestalpine Group in the business year 2021/22 was 15.4% (previous year: 14.8%). There are industry-specific, historical, and cultural reasons for this percentage—which remains low compared with other industries. In the public’s consciousness, the image of a steel and technology Group still conforms to the image of heavy industry, with the result that broad-based recruitment of female employees is a challenging undertaking. Nonetheless, the percentage of women in the voestalpine Group among salaried employees up to the age of 30

is now around 39.7%. Despite all of our efforts, however, women still only account for a mere 8.5% among workers.

None of the Group companies have explicit “female quotas.” Instead, the voestalpine Group strives to raise the percentage of women in the Group at all levels in the long term through appropriate measures. This includes a number of activities, some of which are country specific, e.g., participation in the “Girls’ Day;” the specific advancement of women in technical trades requiring apprenticeships, and/or boosting the hiring of female graduates of technical schools and universities. In addition, the establishment and expansion of in-house child care facilities and/or collaborations with external facilities is being accelerated. Such facilities and collaborations can be found at the Group’s plants in Linz and Leoben/Donawitz, Austria, for instance. As a result of these efforts, by now women are also employed in leadership positions in traditionally male-dominated, technical areas of the company. Women also hold executive positions in the financial, legal, strategic, communications, and human resources departments in a number of Group companies. For example, “Legal and Compliance” in two of the four divisions is headed by women.

As part of the annual Human Resources Report, data on the percentage of women in executive positions is regularly collected and analyzed

based on qualifications and training programs for the purpose of monitoring the long-term impact of all measures.

EXTERNAL EVALUATION OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Austrian Code of Corporate Governance provides for a regular external evaluation of the company’s compliance with the Code. This evaluation was carried out by the Group’s auditor as part of the audit of the 2021/22 financial statements. The review did not bring to light any facts and circumstances that would cause us to assume that this company’s Consolidated Corporate Governance Report 2021/22 does not comply with material aspects of the Code. Compliance with the Code’s C rules pertaining to the auditor (Rules 77 through 83) was reviewed and confirmed by the law firm, WOLF THEISS Rechtsanwälte GmbH & Co KG. This review confirmed compliance with Rules 77 through 83.

The external review report may be viewed on the company’s website: www.voestalpine.com

Linz, Austria, May 24, 2022

The Management Board

Herbert Eibensteiner

Franz Kainersdorfer

Robert Ottel

Franz Rotter

Peter Schwab

Hubert Zajicek

This report is a translation of the original German-language report, which is solely valid.

COMPLIANCE

CODE OF CONDUCT

In its business segments, voestalpine is a globally leading steel and technology group with a unique combination of materials and processing expertise. With its top-quality products and system solutions, voestalpine is a leading partner to the automotive and consumer goods industries as well as to the aerospace and oil & natural gas industries. The company also is the world market leader in railway systems, tool steel, and special sections. As a reliable partner, voestalpine not only takes ownership of the challenges facing its customers, but also is fully aware of its particular responsibilities in its dealings with customers, suppliers, and other business partners as well as with its employees and shareholders. Consequently, in all of their professional actions and decisions both the executive and the non-executive personnel must comply with all statutory and other external requirements as well as with all internal rules and regulations applicable to voestalpine AG and its Group companies. This understanding is expressed in the Code of Conduct of voestalpine AG, which provides the basis for the morally, ethically, and legally sound conduct of all of the Group's employees. The Management Board explicitly and emphatically commits to both this Code of Conduct and a zero-tolerance policy toward violations thereof.

COMPLIANCE MANAGEMENT SYSTEM

A new, comprehensive Compliance management system encompassing risk analysis/prevention and identification/reaction was established in the voestalpine Group during the business year 2011/12, thus placing Compliance on a very broad, Group-wide basis. In addition to a Group Compliance Officer, additional Compliance officers have been appointed for all divisions and a number of business units as well as larger Group

companies. The Group Compliance Officer reports directly to the Chairman of the Management Board, but is not bound by instructions.

The Compliance organization is responsible for the following areas:

- » Antitrust law;
- » Corruption;
- » Compliance with capital market regulations;
- » Fraud (internal cases of theft, fraud, embezzlement, breach of trust);
- » Conflicts of interest; and
- » Special issues that are assigned to the Compliance officers by the Management Board of voestalpine AG (e.g., UN or EU sanctions).

All other Compliance issues—e.g., environmental law, taxes, accounting, labor law, protection of employees or data—are not part of the Compliance officers' sphere of responsibility. Other organizational units are responsible for these Compliance issues.

COMPLIANCE GUIDELINES

The provisions of the Code of Conduct are supplemented and fleshed out by Group guidelines as follows:

» ANTITRUST LAW

This guideline describes the prohibition of agreements restricting competition; establishes rules for dealing and interacting with industry associations, professional associations, and/or other sector organizations; and defines particular rules of conduct for employees of the voestalpine Group.

» BUSINESS CONDUCT

Among other things, this guideline regulates conduct relative to gifts, invitations, and other benefits; donations, sponsoring, and secondary

employment; as well as private purchases of goods and services by employees from customers and suppliers.

» **GUIDELINE ON DEALINGS WITH BROKERS AND CONSULTANTS**

This guideline prescribes the procedure to be followed prior to contracting with or engaging sales representatives, marketing and other consultants, or lobbyists. An objective analysis of business partners' environment and scope of activities before establishing business relationships with them serves to ensure that the business partners also comply with both applicable law and the voestalpine Code of Conduct.

The Code of Conduct is available in 21 languages, and the Compliance Guidelines in 14. The entire body of Compliance rules and regulations applies Group-wide.

PREVENTION

Preventive measures are the first line of defense of an efficient Compliance management system. Comprehensive training programs to that end have been carried out across the Group in recent years. E-learning systems, in particular, are increasingly being used in addition to face-to-face training in order to achieve the broadest possible training effect. For example, to date web-based courses have been used to train some 13,600 Group employees in antitrust law and some 28,500 employees with respect to the Code of Conduct, in each case including a final test. Face-to-face training is tailored to target groups, for one, and generally carried out as part of executive training programs and in connection with specific training programs for non-executive employees in sales and procurement, for another. In the business year 2021/22, however, such face-to-face training was offered only in part on account of the COVID-19 pandemic along with the resulting

governmental restrictions and/or internal protection and security measures or was replaced by training via video conferencing. Over and above these measures, Compliance issues are repeatedly brought to the attention of voestalpine's personnel through regular communications, especially employee magazines and poster campaigns or in the context of Group and divisional events.

» Information on the subject of Compliance in the voestalpine Group is also available on the website of voestalpine AG and, specifically for employees, on the Group's intranet.

WHISTLEBLOWING SYSTEM

A web-based whistleblower system was launched in January 2012. Reports of Compliance violations should be made openly for the most part, i.e., divulging the whistleblower's name. This web-based system, however, offers the additional possibility of reporting misconduct anonymously and of communicating with whistleblowers in ways that allow them to remain completely anonymous. The system is designed to systematically utilize internal information for the purpose of identifying Compliance risks in the Group early on and effectively.

CONSOLIDATED MANAGEMENT REPORT 2021/22

This Consolidated Management Report refers to the Consolidated Financial Statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as mandated by Section 245a (1) of the Austrian Commercial Code (*Unternehmensgesetzbuch – UGB*).

CORPORATE GOVERNANCE REPORT

The consolidated Corporate Governance Report for the business year 2021/22 has been published on voestalpine AG's website under the "Investors" tab.

» The complete web address is:

<http://www.voestalpine.com/group/en/investors/corporate-governance>

CORPORATE RESPONSIBILITY REPORT

As regards the reporting on the consolidated, non-financial statement, please see the Corporate Responsibility Report (CR Report) for the business year 2021/22 that was prepared separately from the consolidated financial statements pursuant to Section 267a (6) UGB. It, too, is available on voestalpine AG's website under the "Corporate Responsibility" tab.

REPORT ON THE GROUP'S BUSINESS PERFORMANCE AND ECONOMIC SITUATION

In the business year 2021/22, the COVID-19 pandemic was key to developments in the macroeconomic environment for extended stretches of time. The fallout from the pandemic had not

yet been fully overcome when, toward the end of the reporting period, Russia's attack on Ukraine ushered in a totally new dynamic.

An easing of conditions predominated in the first three business quarters following the hard lockdowns occasioned by the pandemic in many parts of the world. Growing immunization coverage made it possible to reopen economies step by step. The resulting strong growth momentum continued for most of the reporting period. It was curbed solely by supply chain problems in some industries that rely on global value chains.

In the Northern fall of 2021, the Omicron mutation of the coronavirus triggered a massive increase in new COVID-19 infections. Given the vaccination coverage rates achieved as well as most people's ability by then to handle protective measures, however, both Europe and North America opted to forego comprehensive lockdowns. China, by contrast, where the new wave did not arrive until the final business quarter, reacted yet again with large-scale lockdowns.

Russia's attack on Ukraine in the fourth quarter of the business year 2021/22 triggered a fundamental change in the macroeconomic environment. Sentiment was dampened worldwide. The massive increases in energy prices that had already started in the third quarter developed into an actual price shock on account of the West's sanctions against Russia.

EUROPE

The economic environment in Europe throughout the first three quarters of the reporting period was positive. Over and above governmental support measures, this was due also to high levels of consumer spending that drove domestic demand, particularly at the start of the business year. As time wore on, however, especially after the Northern summer of 2021, individual industries began to see bottlenecks in their input material supplies. This had a particularly strong impact on the automotive industry, where the lack of semiconductor chips intensified production delays starting in the second business quarter. In addition, skyrocketing new COVID-19 infection rates put a damper on economic growth starting in the third business quarter. Not only did steep increases in energy prices push inflation much higher, they also impeded exports to both Asia and North America, where energy prices were much lower.

In the final business quarter, the ramifications of Russian troops' invasion of Ukraine eclipsed the economic upward trend that had set in once most COVID-19-related restrictions were lifted.

The Ukraine war has caused a marked deterioration in Europe's economic climate. The ongoing, extreme increase in energy prices is fueling inflation and, in part, has prompted certain industries in Europe to enact production cutbacks. Declines in commerce, sharp increases in transportation costs as well as renewed disruptions of supply chains all contributed to the dampening of consumer sentiment.

Considered against this backdrop, voestalpine's facilities in Europe delivered solid performance in the business year 2021/22. Manufacturing companies strongly oriented toward the automotive industry, however, had to contend with slightly weaker capacity utilization. Those voestalpine entities that make products and services available to the rail technology sector maintained solid production levels. The aerospace industry, which was massively impacted by the pandemic, saw a steady rebound that even accelerated toward the end of the reporting period. Those of the company's business units that deliver products to the oil and natural gas industry benefited over the course of the business year from the rising energy prices. The Ukraine war, which started toward the end of the fourth business quarter, had but a negligible impact on results for the reporting period on the whole. But the shock of the energy price increases still had a profound impact on the business year's last month.

NORTH AMERICA

Echoing developments in Europe, economic growth in North America at the start of the business year 2021/22 was highly dynamic but began to wane during the Northern summer of calendar year 2021. Just as in the preceding season, a flood of new COVID-19 infections palpably dampened economic activity toward the close of the third business quarter, which coincides with the Northern winter. As trends go, the Omicron wave did not last quite as long in North America as it did in Europe. Hence private consumption continued to drive economic growth, due also to high levels

of savings and the associated higher levels of household wealth.

Sharply rising inflation rates occurred in tandem with robust wage and salary increases amid historically high employment levels. North America was affected by rising energy prices as well, but the price shock was not in any way comparable to the severity of the situation in Europe. In contrast to the European Central Bank (ECB), the U.S. Federal Reserve (Fed) announced in the light of growing inflation that it will taper its expansionary monetary policy and raise interest rates in the future. The dampening effect of this policy on economic sentiment made itself felt immediately.

Even industrial sectors in North America whose value chains are globally integrated increasingly faced difficulties. In the final business quarter, foreign trade was affected as well by the slowdown in Europe's economic activity owing to the Ukraine war. Hence the fourth business quarter saw a surprisingly strong reduction in economic activity.

voestalpine's facilities in North America succeeded in exploiting the region's positive economic environment throughout the business year 2021/22 overall and delivered satisfactory performance. Additionally, the exports of voestalpine's European entities benefited from the ongoing rebound in the American oil and natural gas sector as well as in the aerospace industry.

SOUTH AMERICA/BRAZIL

While the economic momentum in Brazil was still very strong at the start of the business year 2021/22, it flattened out as time wore on. High inflation rates resulting from increases in the cost of raw materials and subsequently also of foodstuffs had a dampening effect on consumer spending. But the metal working industry continued along a robust trajectory in this environment regardless. In the business year's last quarter, the war in Ukraine and the sanctions against Russia associated with it pushed raw materials

prices yet higher. As one of the world's largest exporters of commodities, Brazil should profit from this scenario because the country's domestic economy is expected to benefit as well.

voestalpine's Brazilian facilities did indeed hold their ground in this environment. Over and above their alignment with robust local market segments, good developments on the export side were pivotal, too.

ASIA/CHINA

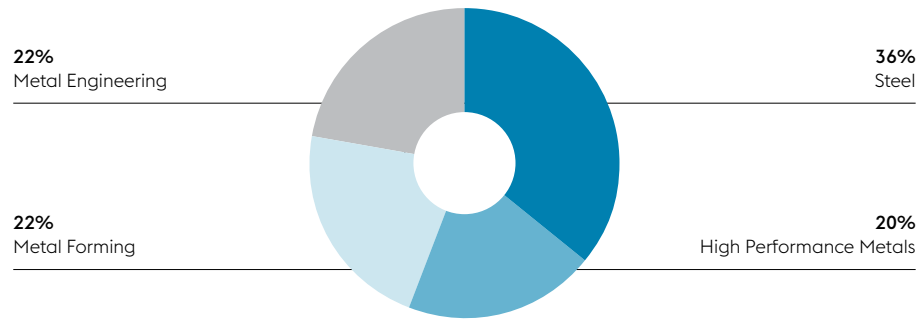
The slowdown in China's economic momentum throughout the business year 2021/22 was more pronounced than the downturn in the other major economies. While the government had enacted economic stimulus measures in the previous year to support the economy across the board, in the reporting period it steadily cut back on these programs. Following the problems with Evergrande, the situation in the company's real estate market continued to intensify during the Northern summer of 2021, putting a damper on the investment climate. The country's infrastructure and real estate sectors—the Chinese steel industry's two most important customer segments—were weakened.

Subsequently and in response to pressure from government agencies in light of environmental policies, starting in the middle of the business year 2021/22 China's production of crude steel shrank for the first time in many years.

Energy shortages and the resulting temporary power cuts further impacted the country's economy after the Northern summer of 2021. The economic momentum did not begin to palpably accelerate until the start of the fourth business quarter, before it got hammered yet again, this time by the spread of the Omicron variant. In keeping with their COVID-19 policy so far, Chinese government agencies imposed strict limitations on people's mobility in many regions as well as an extensive lockdown in Shanghai. This affected both declining private consumption and the ma-

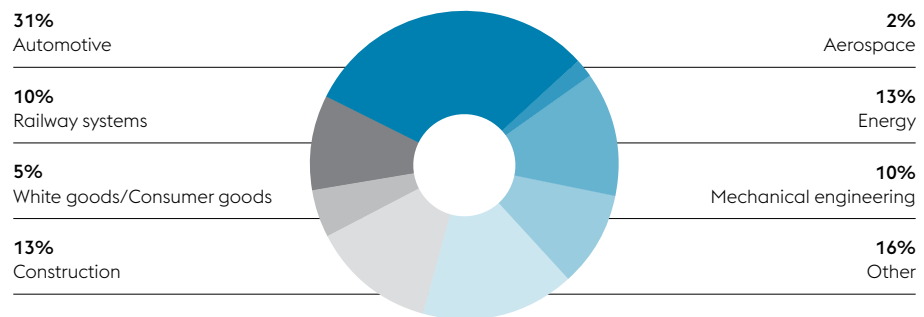
REVENUE BY DIVISIONS

As percentage of total divisional revenue, business year 2021/22



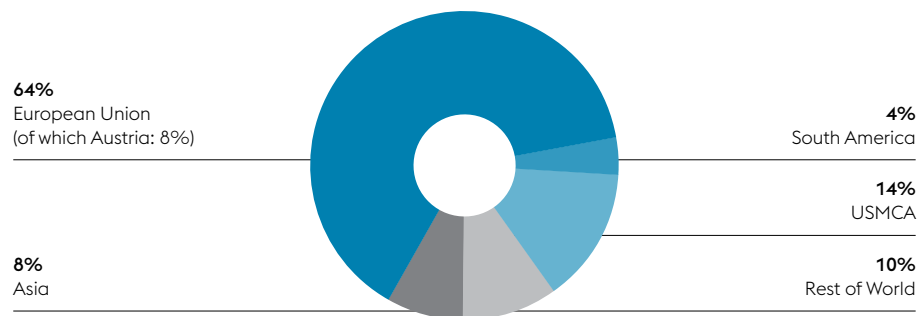
REVENUE BY INDUSTRIES

As percentage of Group revenue, business year 2021/22



REVENUE BY REGIONS

As percentage of Group revenue, business year 2021/22



nufacturing sector. In turn, new supply chain difficulties began to pile up again. The Ukraine war, however, did not yet adversely affect China's economic growth during the business year ended.

voestalpine's facilities in China delivered good economic performance despite the partly unfavorable environment. With the exception of the rail technology segment, voestalpine's entities in China focus chiefly on consumer-oriented markets such as the automotive and the consumer goods industry.

REPORT ON THE FINANCIAL KEY PERFORMANCE INDICATORS OF THE voestalpine GROUP

REVENUE

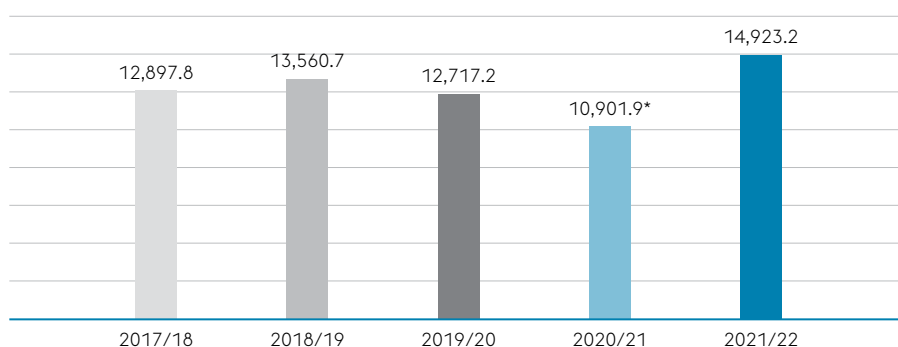
In terms of both revenue and earnings, as of March 31, 2022, the voestalpine Group closed the books on its most successful business year since its founding. The outstanding performance of both the Steel Division and the Metal Forming Division in the reporting period paved the way for this stunning outcome. These two divisions' key

performance indicators (KPIs) hit all-time highs as well. The High Performance Metals Division and the Metal Engineering Division (the Group's two other business units) also substantially boosted their year-over-year revenue and earnings. In sum, the voestalpine Group's revenue for the business year 2021/22 rose by 36.9% to EUR 14,923.2 million (2020/21: EUR 10,901.9 million). Note that the voestalpine Texas Group is shown in the consolidated financial statements as a discontinued operation and that the previous year's figures have been adjusted accordingly. Both volume and price effects pushed revenue growth at the Group level. While all four divisions, but particularly the Metal Engineering Division, expanded their deliveries, the Steel Division is the unit that profited primarily from the sharp price increases. As far as developments in key customer segments are concerned, the rebound in the oil and natural gas sector contributed to the revenue growth, whereas demand in the automotive industry remained highly volatile in the reporting period also. Revenue rose continually over the course of the business year, but jumped suddenly in the fourth business quarter.

REVENUE OF THE voestalpine GROUP

In millions of euros

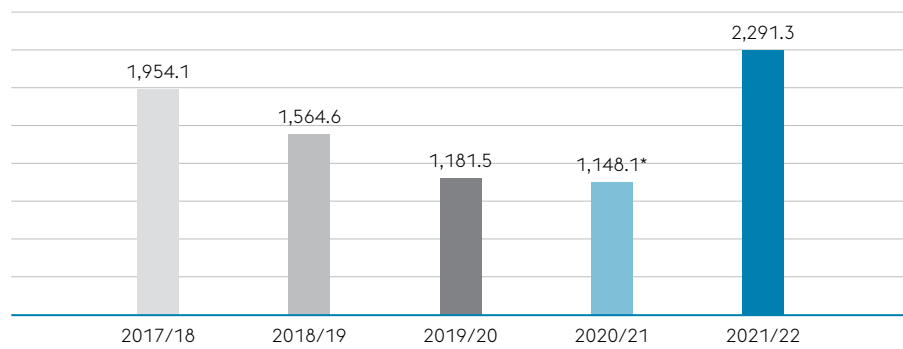
* Business year 2020/21, retroactively adjusted.



EBITDA

In millions of euros

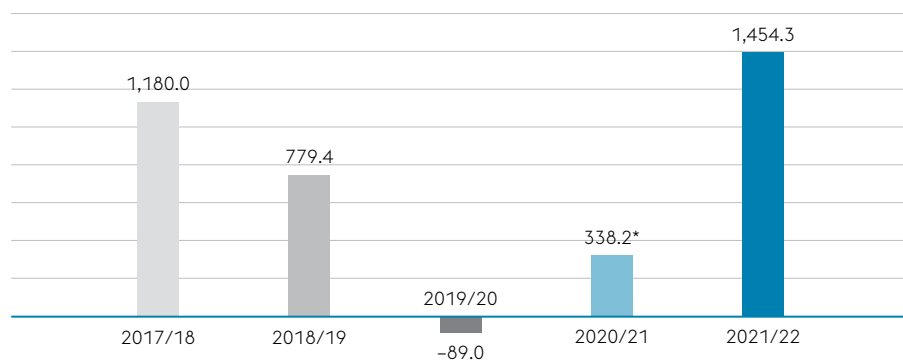
* Business year 2020/21, retroactively adjusted.



EBIT

In millions of euros

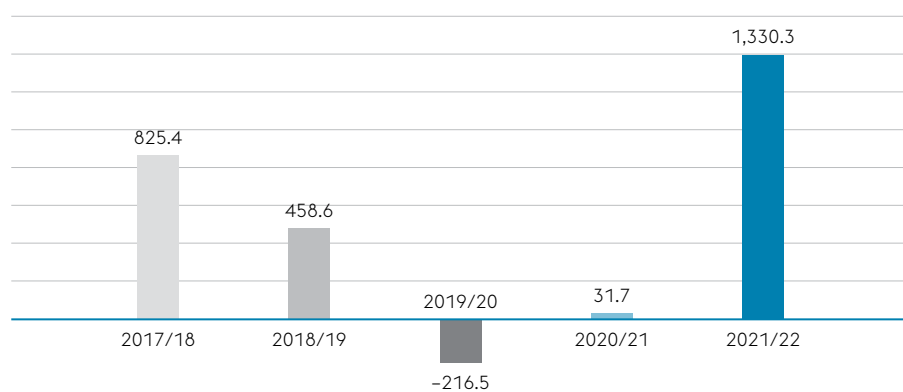
* Business year 2020/21, retroactively adjusted.



PROFIT AFTER TAX

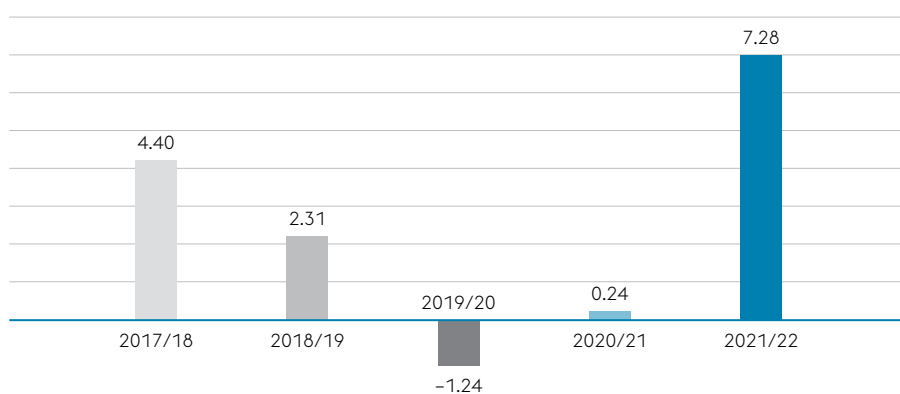
In millions of euros

Before deduction of non-controlling interests.



EPS – EARNINGS PER SHARE

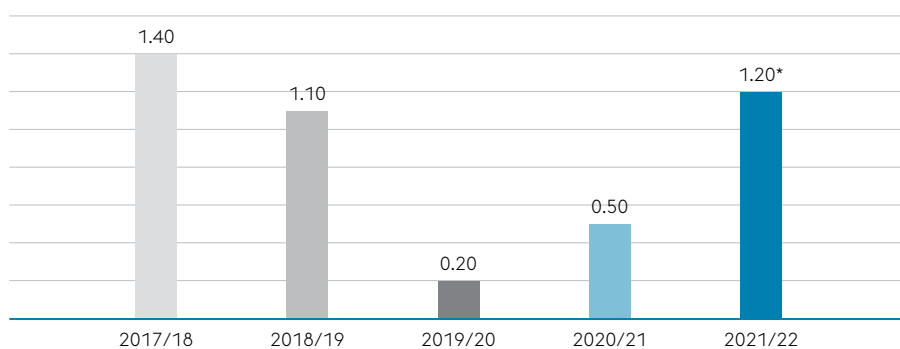
In euros



DIVIDEND PER SHARE

In euros

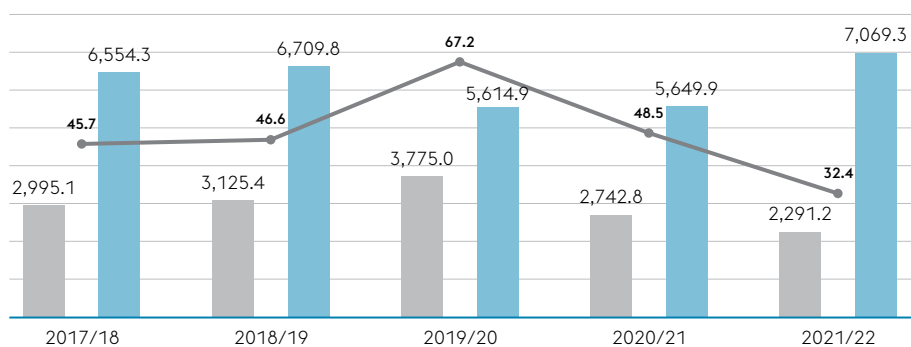
* As proposed to the Annual General Meeting.



NET FINANCIAL DEBT – EQUITY – GEARING RATIO

In millions of euros

■ Net financial debt ■ Equity — Gearing (in %)



OPERATING INCOME

The voestalpine Group posted all-time high operating results for the reporting period. EBITDA almost doubled year over year, from EUR 1,148.1 million with a margin of 10.5% in the business year 2020/21 to EUR 2,291.3 million with a margin of 15.4% in the business year 2021/22, also because EBITDA for the previous business year was but moderate due to the COVID-19 pandemic. Fully one half of EBITDA for the business year ended is attributable to the Steel Division. But the three other divisions substantially expanded their operating results year over year as well. The Metal Forming Division, for example, posted historically high operating results. At EUR 1,454.3 million with a margin of 9.7%, the voestalpine Group's EBIT for the business year 2021/22 multiplied several times over the previous year's EBIT of EUR 338.2 million with a margin of 3.1%.

Negative non-recurring effects impacted voestalpine's EBIT for both the previous business year and the reporting period. In the business year 2020/21, impairment losses at two Group companies—voestalpine Tubulars and voestalpine Special Wire—lowered EBIT by a total of EUR 34 million. In the business year 2021/22, impairment losses mainly at Buderus Edelmetall (EUR 15 million) and at voestalpine Automotive Components Cartersville (EUR 64 million) reduced EBIT by a total of EUR 79 million. However, this was offset in part by a total of EUR 12 million in reversals of impairment losses.

PROFIT BEFORE AND AFTER TAX

The accelerated reduction in the Group's liabilities in recent business years further lowered its net financial income for the reporting period to EUR -71.8 million (2020/21: EUR -103.4 million). This yields a profit before tax of EUR 1,382.5 million for the business year 2021/22, up from EUR 234.8 million for the business year 2020/21. At EUR 20.9 million, tax expenses for the previous business year were positive. The tax expense for the reporting period is EUR -310.1 million, which equates to a tax rate of 22.4%. Hence the profit after tax

from continued operations for the business year 2021/22 is EUR 1,072.4 million (2020/21: EUR 255.7 million). Given the pending sale of 80% of voestalpine's stake in its Texas subsidiary, the profit after tax of EUR 257.9 million from discontinued operations for the business year 2021/22 includes EUR 256.6 million in reversals of impairment losses on the higher fair value. The previous business year's figure of EUR -224.0 million, in turn, included a total of EUR 163 million in impairment losses for the voestalpine Texas Group. In sum, this yields a profit after tax of EUR 1,330.3 million for the business year 2021/22, up from EUR 31.7 million a year earlier.

PROPOSED DIVIDEND

Subject to the approval of the Annual General Meeting of voestalpine AG, which will take place on July 6, 2022, a dividend of EUR 1.20 per share will be paid to the company's shareholders. Thanks to the Group's excellent earnings performance, this constitutes an increase of 140% compared with the previous business year's dividend of EUR 0.50 per share. Relative to the 2021/22 earnings per share of EUR 7.28 reported in accordance with IFRS (2020/21: EUR 0.24), the current proposal equates to a distribution ratio of 16.5%. This ratio is lower than the long-established average simply because, in the previous reporting period, the dividend exceeded earnings per share. Relative to the voestalpine share's average price of EUR 33.63 in the business year 2021/22, the dividend yield is 3.6%, a substantial increase over the previous business year's 2.0%.

CASH FLOWS

The cash flows from operating activities fell in 2021/22 by 23.9% to EUR 1,242.9 million (2020/21: EUR 1,633.5 million) despite the extraordinary year-over-year increase in the after-tax profit, chiefly due to the change in working capital. While it had been reduced by EUR 633.3 million in the previous business year, it rose by EUR 599.4 million in the reporting period due substantially to the extreme increases in the cost of raw materials. Moreover, internal inventories were

sharply reduced in the business year 2020/21 owing to the COVID-19 pandemic, but were subsequently adjusted to higher capacity utilization rates as a result of the rebound in the business year 2021/22. While investments in intangible assets and property, plant and equipment rose slightly year over year, they remained low anyway in the reporting period. There were no acquisitions either. Hence cash flows from investing activities changed but slightly, from EUR –665.8 million in the previous business year to EUR –629.8 million in the reporting period. The accelerated pace at which the Group extinguished its financial liabilities without actually taking on new non-current borrowings caused the cash flows from financing activities to change from EUR –595.6 million in the business year 2020/21 to EUR –948.3 million in the business year 2021/22. For the reporting period, this translates into a reduction in cash and cash equivalents by EUR 335.2 million (2020/21: EUR 372.1 million).

GEARING RATIO

While the voestalpine Group had already lowered the gearing ratio (net financial debt as a percentage of equity) in the previous business year by a significant amount to 48.5%, the ratio as of March 31, 2022, is 32.4% and thus lower yet again. This equates to the lowest year-end net financial debt since the business year 2012/13 and to the lowest gearing ratio since the acquisition of Böhler-Uddeholm in the business year 2007/08. The consolidation of investments that

the Group undertook in recent years helped to reduce its financial liabilities. While net financial debt had fallen in the business year 2020/21 by more than EUR 1 billion to EUR 2,742.8 million, in the business year 2021/22 it shrank yet again to EUR 2,291.2 million (in each case as of March 31). The probable proceeds for the sale of 80% of the Group's equity interest in voestalpine Texas will further help to extinguish net financial debt in the current business year 2022/23. At EUR 7,069.3 million as of March 31, 2022, the voestalpine Group's equity surpassed the EUR 7 billion mark for the first time in its history. Compared with the level of EUR 5,649.9 million as of March 31, 2021, equity thus rose by EUR 1.4 billion or 25.1% in the reporting period thanks to the Group's record results.

HUMAN RESOURCES

In the business year 2020/21, voestalpine made personnel reductions in response to the COVID-19 pandemic and the resulting challenges in the economic environment. However, the number of employees started to grow yet again in that business year's fourth quarter due to the brightening of economic sentiment. This trend continued throughout the subsequent business year (2021/22), because the improvement in order levels required commensurate adjustments in personnel. On the whole, the number of employees (FTE) as of March 31, 2022, rose year over year by 3.2% to 50,225 (March 31, 2021: 48,654).

Net financial debt can be broken down as follows:

NET FINANCIAL DEBT

| In millions of euros | 03/31/2021 | 03/31/2022 |
|---|----------------|----------------|
| Financial liabilities, non-current | 2,846.2 | 2,646.2 |
| Financial liabilities, current | 1,220.7 | 623.9 |
| Cash and cash equivalents | -1,159.7 | -842.8 |
| Other financial assets | -145.3 | -145.6 |
| Loans and other receivables from financing | -19.1 | -21.0 |
| Net financial debt from discontinued operations | 0.0 | 30.5 |
| Net financial debt | 2,742.8 | 2,291.2 |

QUARTERLY DEVELOPMENT OF THE voestalpine GROUP

| In millions of euros | 1 st quarter 2021/22 ¹ | 2 nd quarter 2021/22 ¹ | 3 rd quarter 2021/22 ¹ | 4 th quarter 2021/22 | BY | | Change in % |
|-------------------------------------|---|---|---|------------------------------------|----------|----------------------|----------------|
| | | | | | 2021/22 | 2020/21 ¹ | |
| Revenue | 3,373.9 | 3,432.5 | 3,697.1 | 4,419.7 | 14,923.2 | 10,901.9 | 36.9 |
| EBITDA | 521.7 | 496.4 | 505.2 | 768.0 | 2,291.3 | 1,148.1 | 99.6 |
| EBITDA margin | 15.5% | 14.5% | 13.7% | 17.4% | 15.4% | 10.5% | |
| EBIT | 331.5 | 306.9 | 316.2 | 499.7 | 1,454.3 | 338.2 | 330.0 |
| EBIT margin | 9.8% | 8.9% | 8.6% | 11.3% | 9.7% | 3.1% | |
| Profit before tax | 310.9 | 288.4 | 301.3 | 481.9 | 1,382.5 | 234.8 | 488.8 |
| Profit after tax ² | 259.2 | 226.5 | 211.9 | 632.7 | 1,330.3 | 31.7 | 4,096.5 |
| Employees (full-time equivalent) | 48,880 | 49,068 | 49,157 | 50,225 | 50,225 | 48,654 | 3.2 |

¹ Business year 2020/21, 1st quarter to 3rd quarter, retroactively adjusted.

² Before deduction of non-controlling interests.

STEEL DIVISION

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

Developments in the European steel market during the first six months of the business year 2021/22 revolved entirely around its rebound from the ramifications of the COVID-19 pandemic. Occasionally, strong demand exceeded supply, and it was not until the third business quarter that a semblance of balance returned to the market. By then the production facilities of most steel manufacturers were back in full swing. Demand for steel from the automotive industry weakened after the Northern summer of 2021, because this sector had to curtail production owing to the lack of electronic components even though its order books were full.

In the final quarter of the reporting period, Russia's war of aggression against Ukraine led to distortions in the European steel market. The rapid enactment of European sanctions against steel products from Russia and Belarus triggered shortages of available materials in the European steel market. The war and Europe's partial dependence on Russian natural gas gave energy prices, which had already risen sky-high by that time, another push, in turn causing substantial increases in European steel producers' operating costs.

The Steel Division's key markets performed very well in this environment.

The **automotive industry** saw very good demand during the business year 2021/22, but was un-

able on an annualized basis to service it in full due to supply chain bottlenecks in the semiconductor industry. The outbreak of the war in Ukraine created new supply chain problems just as the situation was showing signs of easing at the start of the fourth business quarter. Wire harnesses manufactured in Ukraine were affected the most at this juncture. For the Steel Division's third quarter, in particular, this meant a slight increase in volatility with respect to call-ups of orders for materials as well as slightly diminished demand for steel products from the automotive industry. But proactive work to redirect the supply flows to alternative customer segments largely cushioned the impact of these developments.

The **consumer goods and white goods industries** saw stable, high demand throughout the reporting period. In isolated cases, this segment too had to contend with temporary difficulties in procuring supplies of electronic components. In contrast to the automotive industry, however, this issue did not trigger a decline in the demand for the Steel Division's steel products.

In the **mechanical engineering industry**, the entire business year was marked by good demand, especially for high-quality steel grades.

The **construction industry** for its part also benefited from very solid demand throughout the reporting period. Not until the end of the business year 2021/22 did the enormous volatility in European steel prices make it difficult to plan construction projects.

The **energy sector**, in its capacity as a key market for the heavy plate segment, delivered positive performance throughout the reporting period due to the increases in the price of crude oil and natural gas, yet contract awards for major projects are still pending. Given the significant market share of Russian and Ukrainian imports into the European heavy plate market, the war in Ukraine triggered significant shortages in supplies and generally steep increases in heavy plate prices.

While the steel markets in both Europe and North America rebounded dynamically from the COVID-19 pandemic throughout the business year ended, steel production in China sharply declined starting in the second business quarter.

Aside from the expiration of economic stimulus measures, this was also due to the declining momentum in the real estate sector. Add to that governmentally decreed production curtailments in the fourth business quarter for reasons relating to environmental action throughout the country, especially during the Olympic Winter Games in Beijing.

These developments had a direct impact on the global iron ore market, because China has by far the greatest steel production capacities worldwide. Following the steep price increases during the first six months of the business year 2021/22, the price of iron ore fell from its highs in the Northern summer of 2021 through to the third business quarter by more than one half, only to rise again substantially in the fourth.

By contrast, the increase in the price of metallurgical coal was interrupted just once by a short consolidation phase toward the end of the reporting period's third quarter; it reached a historic high toward the end of the business year. This development was rooted in China's energy shortages that led to generalized increases in coal prices and was further fueled by the Ukraine war on account of the sanctions levied against Russian coal.

Given the Steel Division's specific procurement structure as well as delays on account of logistical issues, all of this continually pushed up the division's raw materials costs over the course of the business year 2021/22. Starting in the third business quarter, the sky-high costs of raw materials were exacerbated by sudden surges in the costs of electricity and natural gas that continued to rise dramatically in the reporting period's last quarter.

While spot market steel prices developed along a volatile trajectory in line with market dynamics and the substantial rise in the operating costs of European steelmakers throughout the business year 2021/22, they did follow an unequivocal upward trend throughout the reporting period. This upward trend, which had already started in the business year 2020/21, reached its apex after the Northern summer of 2021 when it reversed up to the beginning of the Ukraine war. At the end of the reporting period, spot market prices jumped to new highs on the tightening of steel supplies in the European market.

The Steel Division sells its products directly to its customers based on contracts that have different terms. While its sale prices were therefore not quite as volatile, it generally managed nonetheless to pass on to the market the increases in the cost of both raw materials and energy.

Given solid conditions in the North American steel market, the operating performance of the Group's direct reduction plant in Corpus Christi, Texas, USA, was positive throughout the business year ended. The third business quarter was the only time production was curtailed due to a planned maintenance shutdown. Toward the end of the business year 2021/22, the war in Ukraine caused the price of hot briquetted iron (HBI) to shoot up, because HBI and pig iron from Russia and Ukraine were no longer available.

Following a process of about one year during which the division worked on strategic options for

the Texas direct reduction plant, on April 14, 2022, voestalpine signed an agreement with Arcelor-Mittal regarding the sale of 80% of its equity stake in the facility. The closing of this transaction is expected to take place in the next three months.

FINANCIAL KEY PERFORMANCE INDICATORS

The Steel Division posted record high key performance indicators (KPIs) for the business year 2021/22. Excellent prices were the main factor driving this development. Year over year, delivery volumes improved slightly by some 5%, but the previous business year had been massively affected early on by the fallout from the COVID-19 pandemic. Pursuant to IFRS 5, the voestalpine Texas Group is shown in the discontinued operations category of the Consolidated Financial Statements, given the sale of the 80% stake that has been initiated. Accordingly, the Steel Division's KPIs both for the reporting period and the previous business year do not include the numbers for the Texas Group (unless otherwise indicated). In sum, the division boosted revenue in the business year 2021/22 by 48.0% to EUR 5,701.8 million (2020/21: EUR 3,852.0 million). In terms of earnings, the division succeeded in substantially raising its margin in an environment marked by steep increases in the cost of raw materials and energy. It posted outstanding performance for the fourth business quarter, in particular, which translated into even greater earnings improve-

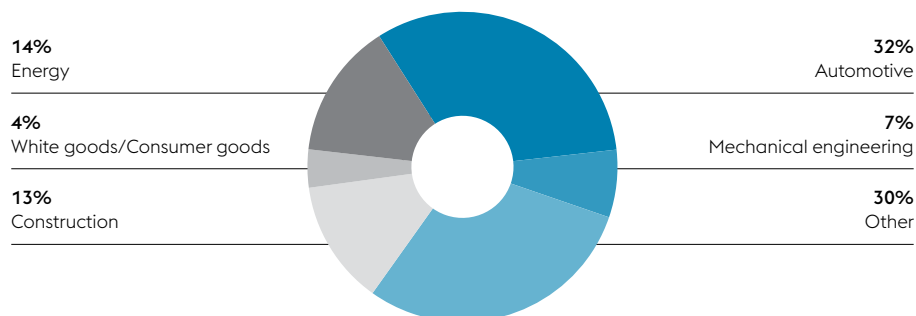
ment. On the whole, EBITDA soared 129.4% year over year to EUR 1,150.9 million with a margin of 20.2% (2020/21: EUR 501.8 million, margin of 13.0%). EBIT skyrocketed by 280.3% to EUR 889.1 million with a margin of 15.6% (2020/21: EUR 233.8 million, margin of 6.1%).

The quarter-on-quarter (QoQ) comparison of the third and fourth quarters of the business year 2021/22 clearly underscores the upward trend as well. Revenue rose substantially by 25.7% to EUR 1,800.7 million in the fourth business quarter, up from EUR 1,433.0 million in the third. Developments in the operating result (EBITDA) were even more pronounced. Long-term contracts that were renegotiated as of January 1, 2022, lifted the average price level significantly in the fourth business quarter. The increase in delivery volumes between the third and fourth quarters also supported this development. Against this backdrop, EBITDA jumped by 44.1% to EUR 391.2 million in the fourth business quarter, up from EUR 271.5 million in the third. The EBITDA margin rose accordingly from 18.9% to 21.7%. EBIT presented a similar picture, jumping by 57.8% to EUR 325.9 million (margin of 18.1%), up from EUR 206.5 million (margin of 14.4%) in the third business quarter.

Given the positive economic environment throughout the business year 2021/22, the number of employees (FTE) rose slightly by 2.3% to 10,703 as of the March 31 reporting date (March 31, 2021: 10,461).

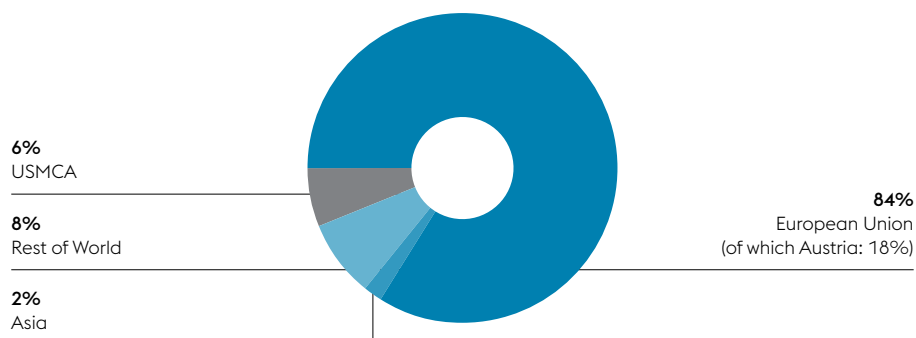
CUSTOMERS OF THE STEEL DIVISION

As percentage of divisional revenue, business year 2021/22



MARKETS OF THE STEEL DIVISION

As percentage of divisional revenue, business year 2021/22



QUARTERLY DEVELOPMENT OF THE STEEL DIVISION

In millions of euros

| | 1 st quarter 2021/22 ¹ | 2 nd quarter 2021/22 ¹ | 3 rd quarter 2021/22 ¹ | 4 th quarter 2021/22 ¹ | BY | | Change in % |
|-------------------------------------|---|---|---|---|---------|----------------------|----------------|
| | | | | | 2021/22 | 2020/21 ¹ | |
| Revenue | 1,205.9 | 1,262.2 | 1,433.0 | 1,800.7 | 5,701.8 | 3,852.0 | 48.0 |
| EBITDA | 245.1 | 243.1 | 271.5 | 391.2 | 1,150.9 | 501.8 | 129.4 |
| EBITDA margin | 20.3% | 19.3% | 18.9% | 21.7% | 20.2% | 13.0% | |
| EBIT | 178.8 | 177.9 | 206.5 | 325.9 | 889.1 | 233.8 | 280.3 |
| EBIT margin | 14.8% | 14.1% | 14.4% | 18.1% | 15.6% | 6.1% | |
| Employees (full-time equivalent) | 10,429 | 10,581 | 10,594 | 10,703 | 10,703 | 10,461 | 2.3 |

¹ Business year 2020/21, 1st quarter to 3rd quarter, retroactively adjusted.

HIGH PERFORMANCE METALS DIVISION

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

In the business year 2021/22, the market environment of the High Performance Metals Division improved significantly year over year. The special materials product segment saw the most dramatic upward trend: As it serves the oil & natural gas industry as well as the aerospace industry, this segment focuses on precisely those two industrial sectors that were massively affected by the COVID-19 pandemic and then profited the most from the subsequent recovery. Thanks to its two main customer segments, the automotive and the consumer goods industries, the tool steel product segment delivered very good performance as well. It succeeded in translating the sharp increases in raw material costs for scrap and alloying elements into higher customer prices based on the alloy surcharge mechanism. Developments in the alloy segment finally turned volatile in the reporting period's fourth quarter. In particular, the price of nickel, the most important input material, started to move erratically in early March 2022 as a direct consequence of the Ukraine war. The increases in the cost of energy had already started to make themselves felt in the Northern fall of 2021 when the prices of electricity and natural gas jumped significantly in Central Europe. Growing uncertainty as to natural gas supplies in Europe due to the onset of the Ukraine war led to even greater price fluctuations in the business year's final quarter. Hence special steel plants in both Germany and Austria were faced

with sharply higher energy costs than those in Sweden and Brazil. Compared with the situation in the European Single Market, therefore, it was much more difficult to pass on the dramatically rising costs of electricity and natural gas to customers in regions other than Europe, because competitors in those areas did not have to contend with comparable price increases.

TOOL STEEL

The automotive industry's economic environment was good during the business year 2021/22. The greater range of car model variants—from vehicles powered by conventional combustion engines to those engineered for e-mobility—had a positive impact on tool steel demand. The industry's recovery was particularly pronounced in Europe. Yet North and South America as well as China also saw strong growth in the demand for tool steel used in the automotive industry. Market conditions in the consumer goods industry, the second-largest driver of tool steel demand, were very good also. Consumption in Asia, which is very important to the High Performance Metals Division, benefited from the general rebound of the relevant economies. And tool steel orders for Brazil's general mechanical engineering sector were especially strong.

SPECIAL MATERIALS

The High Performance Metals Division's special materials product segment benefited from a significant upward trend in the business year 2021/22. Continuously rising oil prices, which approached

an all-time high in early March 2022 due to the Ukraine war, stimulated investments in the oil and natural gas sector. Activities in this segment had already bottomed out at the start of the reporting period. The number of new projects in the offshore segment, where the materials used must satisfy particular requirements, also began to grow. Thanks to its high-quality product range, the division benefited from the momentum across the board. Increasingly, new applications such as high performance materials used in carbon capture and geothermal technology are the result of manifold transformations in industries with large greenhouse gas (GHG) emissions. Considered by region, the division substantially boosted its business volume in North America. While the Section 232 tariffs of 25% on steel imports into the U.S., which were enacted in 2018, still had a negative effect, a new treaty that took effect on January 1, 2022, offers some relief. Particular quotas of steel imports—staggered according to product category and country of origin—are now eligible for duty-free entry into the United States from Europe.

Following its meltdown in the previous year owing to the COVID-19 pandemic, the aerospace industry saw a continual upward trend throughout the business year 2021/22. In part, regional air traffic already returned to pre-crisis levels, thus steadily pushing up demand for short-haul aircraft. Nonetheless, it will take at least a few more years for overseas air traffic to reach pre-pandemic levels, with the result that demand for wide-body aircraft will develop after a considerable delay. In Europe, the value chains stabilized over the reporting period thanks to increased construction of short and medium-haul aircraft. In the U.S., orders from the aerospace industry also began to grow.

HIGH PERFORMANCE METALS PRODUCTION

Capacity utilization in the High Performance Metals Production segment rose substantially in the business year 2021/22 thanks to rising de-

mand. The segment processed its large order volume in due time despite some of the bottlenecks resulting from the disruptions in international supply chains. However, extremely high energy costs at voestalpine Edelstahl Deutschland in Wetzlar, Germany, led to a few production shutdowns at the close of the reporting period. At voestalpine BÖHLER Edelstahl, the construction of the new special steel plant in Kapfenberg, Austria, continued apace. The plant's commissioning is still slated for the Northern summer of 2022.

ADDITIVE MANUFACTURING (3D PRINTING)

In the business year ended, the High Performance Metals Division continued to expand its strategic, cutting-edge field of Additive Manufacturing. Currently, it operates two research facilities along with two production plants in Austria and Sweden for manufacturing the powder. It also maintains seven Value Added Services facilities in Europe, North America, and Asia for assembling components that are manufactured using additive processes. Linking local additive manufacturing centers with the company's own production of powder serves to secure its technology leadership across the entire process chain.

VALUE ADDED SERVICES

In recent years, the division has steadily worked to expand its strategy of distinguishing itself from the competition through a broad services portfolio. Its global Value Added Services business segment had a substantially stabilizing effect on earnings despite the massive market distortions arising from the COVID-19 pandemic a year earlier. In the business year 2021/22, the segment's processing and sales centers delivered excellent performance yet again, thus making a crucial contribution to the solid performance of the High Performance Metals Division on the whole. High demand for tool steel and for services such as mechanical processing, heat treatments, and surface coatings largely accounted for this development.

FINANCIAL KEY PERFORMANCE INDICATORS

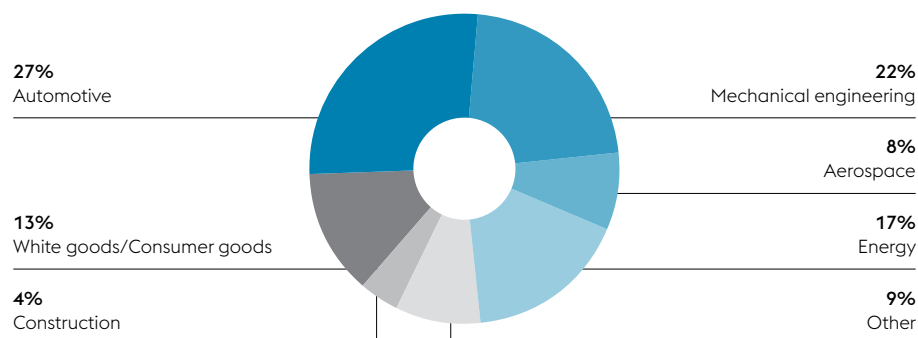
The key performance indicators (KPIs) for the business year 2021/22 clearly show that the High Performance Metals Division has returned to its growth trajectory after the COVID-19-related decline in the previous business year. Year over year, the division boosted revenue by almost one third to EUR 3,052.2 million (2020/21: EUR 2,299.8 million). Over and above the increase in delivery volumes of about 15%, higher prices stemming from the significant increase in the cost of both scrap and alloys were key to this result. The tool steel and special materials product segments contributed equally to this positive development. The earnings improvement was even more pronounced: EBITDA soared by 86.3% to EUR 399.4 million with a margin of 13.1% (2020/21: EUR 214.4 million, margin of 9.3%). Aside from the increase in the gross margin, higher volumes also contributed decisively to this result. EBIT improved many times over in the business year 2021/22 to EUR 226.9 million (2020/21: EUR 48.8 million), causing the margin to jump from 2.1% to 7.4%. Non-recurring effects at Buderus Edelstahl in Wetzlar, Germany, in the reporting period must be considered in this connection. A total of EUR 15 million in impairment losses weighed on EBIT here.

The quarter-on-quarter (QoQ) comparison of the third and fourth quarters of the reporting period further underscores the significant improvement in the KPIs of the High Performance Metals Division. Revenue jumped by 21.0% to EUR 890.8 million in the fourth quarter, up from EUR 735.9 million in the third. The seasonal increase in delivery volumes as well as rising prices on account of higher raw materials costs contributed to this outcome. The same factors also drove the positive earnings performance. Consequently, EBITDA rose in the fourth quarter of the business year 2021/22 by 65.4% to EUR 129.5 million with a margin of 14.5% (third quarter: EUR 78.3 million, margin of 10.6%). EBIT almost doubled in the same period, from EUR 39.0 million to EUR 75.9 million. This although Buderus Edelstahl had to recognize impairment losses of EUR 15 million in the reporting period's fourth quarter. The EBIT margin climbed from 5.3% to 8.5%.

As regards human resources, in the business year 2020/21 the sharp downturn in the wake of the COVID-19 pandemic required workforce reductions at a number of facilities. As of the close of the business year 2021/22, the number of employees (FTE) of the High Performance Metals Division rose once again by 5.6% to 13,291 (2020/21: 12,586). This increase results from the personnel adjustments that were made against the backdrop of the brightening economic environment.

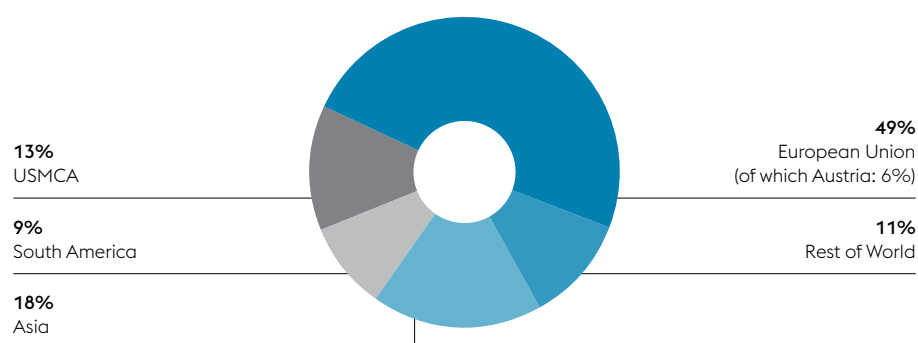
CUSTOMERS OF THE HIGH PERFORMANCE METALS DIVISION

As percentage of divisional revenue, business year 2021/22



MARKETS OF THE HIGH PERFORMANCE METALS DIVISION

As percentage of divisional revenue, business year 2021/22



QUARTERLY DEVELOPMENT OF THE HIGH PERFORMANCE METALS DIVISION

In millions of euros

| | 1 st quarter 2021/22 | 2 nd quarter 2021/22 | 3 rd quarter 2021/22 | 4 th quarter 2021/22 | BY | | Change in % |
|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------|---------|----------------|
| | | | | | 2021/22 | 2020/21 | |
| Revenue | 704.2 | 721.3 | 735.9 | 890.8 | 3,052.2 | 2,299.8 | 32.7 |
| EBITDA | 101.2 | 90.4 | 78.3 | 129.5 | 399.4 | 214.4 | 86.3 |
| EBITDA margin | 14.4% | 12.5% | 10.6% | 14.5% | 13.1% | 9.3% | |
| EBIT | 61.4 | 50.6 | 39.0 | 75.9 | 226.9 | 48.8 | 365.0 |
| EBIT margin | 8.7% | 7.0% | 5.3% | 8.5% | 7.4% | 2.1% | |
| Employees (full-time equivalent) | 12,802 | 12,891 | 13,083 | 13,291 | 13,291 | 12,586 | 5.6 |

METAL ENGINEERING DIVISION

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The performance of the Metal Engineering Division in the business year 2021/22 returned to the level prevailing prior to the outbreak of the COVID-19 pandemic. While the division's Railway Systems business segment followed a solid trajectory as usual, this time it went hand in hand with a substantial improvement in the performance of the Industrial Systems business segment. The brightening economic environment in the oil and natural gas sector contributed substantially to this outcome. Moreover, the steps that the division took in the business year 2020/21 to lower costs and boost efficiency had a sustained, positive effect on its performance in the reporting period. The exorbitant increases in the cost of energy that buffeted Europe during the business year's second half were a challenge. But it was not possible to pass these higher costs on directly, especially not in connection with long-term Railway Systems projects. While the contracts generally contain price escalation clauses for key raw materials, this does not apply to energy.

The **Railway Systems** business segment, which boasted solid capacity utilization even during strict lockdowns, continued along its highly satisfactory trajectory during the reporting period. Its global alignment, in particular, is the factor that tends to offset regional market weaknesses and thus has a stabilizing effect. Add to that the broad range of high-quality products on which

the segment relies. Experience shows that higher volumes are to be expected in the first half of any business year, because investments in the railway infrastructure of the division's key markets in the Northern hemisphere tend to diminish during the colder season. The rails product segment offers a comprehensive range of high-quality track grades for heavy haul transportation as well as for high speed, mixed, and mass transit systems. In the business year 2021/22, this segment benefited from good development of demand in the so-called "D-A-CH" region comprising Germany, Austria, and Switzerland (the German acronym means "roof"). The Eastern European market saw a palpable rebound, with demand in Poland developing especially well. Deliveries to overseas markets, however, were slightly lower than expected.

The turnout systems product segment develops and manufactures individual systems solutions in turnout technology. A global network of production facilities ensures that customers can be served locally. Austria, Switzerland, and Spain were the European countries that generated good business momentum during the reporting period. In North America, improving demand from the Class I segment of the major freight railroads in the U.S. stimulated sales. A year earlier, these rail operators had scaled back their investments in the rail network due to the dampening of economic sentiment. The initially very challenging environment in Mexico improved as well. In South America, the massive increases in raw materials

prices caused mine operators to make large investments in rail technology. voestalpine's turnout plants in Brazil thus saw good capacity utilization throughout the business year 2021/22. Component orders from Chinese rail operators in the high-speed segment, by contrast, were highly volatile.

Aside from drive and locking systems for turnouts, the signaling technology product segment also designs monitoring and diagnostic systems for fixed assets and rolling stock. The fallout from the COVID-19 pandemic slightly slowed down the solid growth momentum that this segment had experienced previously. Travel restrictions, for example, led to delays in the development of new markets outside Europe. In the European core markets, however, demand was good throughout the reporting period.

The **Industrial Systems** business segment, which had faced difficult conditions in the business year 2020/21, saw a pronounced upward trend during the business year 2021/22. Its wire technology product segment substantially expanded its business volume and solidified its position as an innovative partner for complex wire solutions used in the automotive supplier industry. Order levels were good although the automotive industry's environment remains a challenge. The intensification of the semiconductor supply chain problems among original equipment manufacturers (OEMs) during the Northern summer of 2021 was exacerbated by wire harness supply bottlenecks that made themselves felt in the fourth business quarter on account of the war in Ukraine. Although passenger car production numbers dropped to historic lows in Europe against this backdrop, capacity utilization at wire technology's production facilities remained satisfactory.

The Tubulars product segment of the Industrial Systems business unit delivered the most dramatic rebound. Its main plant in Kindberg, Austria, produces seamless tubes for the oil and natural

gas industries. Continually rising crude oil prices stimulated drilling activities. In the previous business year, investments basically came to a standstill on account of the global economic meltdown resulting from the COVID-19 pandemic. But the February 2022 outbreak of the Ukraine war, in particular, caused international oil prices to skyrocket. The so-called rig count in the United States, the segment's most important sales region, rose significantly year over year in response to this development. Given booming demand coupled with the high cost of raw materials and energy, the spot market prices of Oil Country Tubular Goods (OCTG) reached record levels toward the end of the reporting period. As for the Section 232 protectionist tariffs in the United States, matters have improved for Tubulars since January 1, 2022. While tariffs of 25% were generally slapped on to steel imports from Europe until that date, a new quota system has taken effect since then. As a result, most deliveries of seamless tubes from Austria to the U.S. are exempt from customs duties. Capacity bottlenecks in international container shipping have intensified the volatility of deliveries to overseas markets.

The welding product segment offers welding solutions for high-end industries such as the oil and natural gas sector, the metal industry, and the automotive industry. Here, too, the COVID-19 crisis had a considerable impact during the business year 2020/21. In the business year 2021/22, by contrast, welding posted dramatic gains in all its key customer segments. Regionally speaking, the sales volume in Europe developed along a highly positive trajectory. The segment's business volume in China expanded as well, even though energy shortages in the Northern fall of 2021 led to temporary production shutdowns at the plant in Suzhou. Mexico, Brazil, and Canada all offered a positive market environment, whereas the momentum in the United States was initially restrained. Demand in these markets, too, did not begin to recover until the end of the reporting period.

FINANCIAL KEY PERFORMANCE INDICATORS

As a result of the brightening economic environment in the Industrial Systems business segment, the key performance indicators (KPIs) of the Metal Engineering Division for the business year 2021/22 are very good. Revenue rose 26.6% year over year to EUR 3,376.2 million (2020/21: EUR 2,667.3 million). The increase in delivery volumes in Industrial Systems accounts for much of this increase. Seamless tube deliveries benefited from the positive momentum in the oil and natural gas sector. In addition, Industrial Systems also expanded its sales of wire products for the automotive supplier industry. The division turned the higher prices resulting from sharp increases in the cost of raw materials and energy to its advantage across all product groups. Earnings present a similar picture. While the Railway Systems business segment continued its solid performance year over year, it is the Industrial Systems business unit that accounts for the increase in earnings during the reporting period. The wire technology and tubulars product segments, which had to contend with steep operating losses in the business year 2020/21 owing to COVID-19, successfully reversed the trend in the business year 2021/22. In sum, the division's EBITDA soared 76.7% year over year to EUR 405.8 million (2020/21: EUR 229.7 million). The EBITDA margin thus improved from

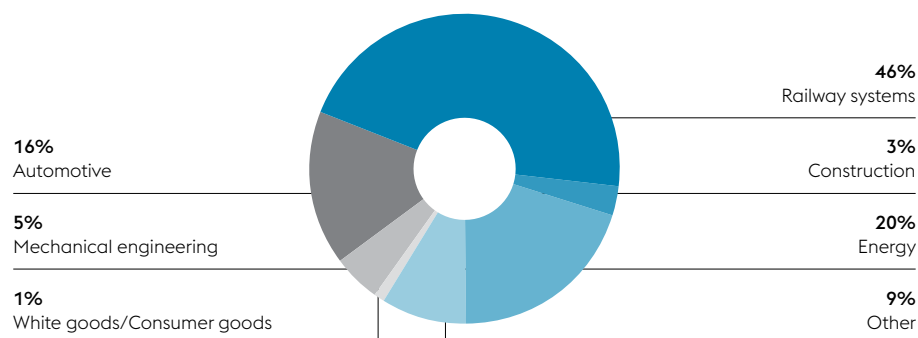
8.6% to 12.0%. While EBIT of EUR 16.3 million (margin of 0.6%) was only slightly positive in the business year 2020/21, it came to EUR 227.9 million (margin of 6.8%) in the business year 2021/22.

The Metal Engineering Division also delivered substantial quarter-on-quarter (QoQ) increases during the reporting period. Revenue rose 5.2% to EUR 902.9 million in the fourth quarter, up from EUR 858.4 million in the third. While the business volume of Railway Systems weakened a bit, Industrial Systems posted higher revenue thanks to greater delivery volumes in combination with better pricing. In particular, Industrial Systems succeeded in boosting wire product deliveries. EBITDA rose in the fourth business quarter to EUR 119.2 million (margin of 13.2%), up from EUR 86.9 million (margin of 10.1%) in the third, thus delivering highly satisfactory performance. The division's EBIT for the fourth business quarter reached EUR 74.1 million (margin of 8.2%), up 73.5 % from EUR 42.7 million (margin of 5.0%) in the third.

As of March 31, 2022, the Metal Engineering Division had 13,528 employees (FTE). This represents an increase of 2.9% compared with the number (13,145) as of the same date in the previous business year. The upturn in the oil and natural gas industries as well as improved conditions in the automotive supplier industry made suitable adjustments in personnel numbers necessary.

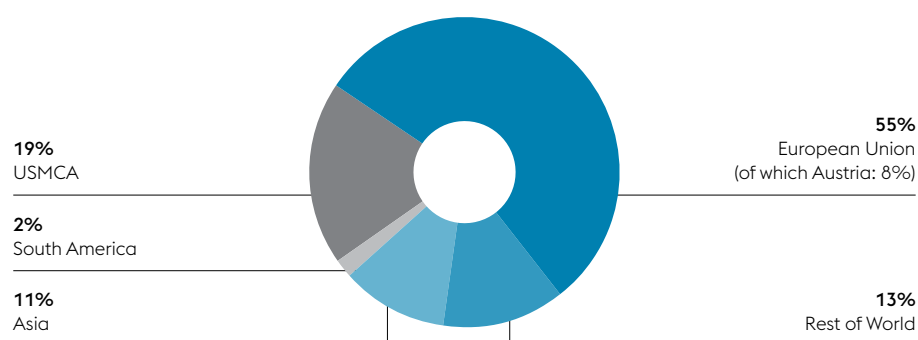
CUSTOMERS OF THE METAL ENGINEERING DIVISION

As percentage of divisional revenue, business year 2021/22



MARKETS OF THE METAL ENGINEERING DIVISION

As percentage of divisional revenue, business year 2021/22



QUARTERLY DEVELOPMENT OF THE METAL ENGINEERING DIVISION

In millions of euros

| | 1 st quarter 2021/22 | 2 nd quarter 2021/22 | 3 rd quarter 2021/22 | 4 th quarter 2021/22 | BY | | Change in % |
|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------|---------|----------------|
| | | | | | 2021/22 | 2020/21 | |
| Revenue | 800.9 | 814.0 | 858.4 | 902.9 | 3,376.2 | 2,667.3 | 26.6 |
| EBITDA | 96.2 | 103.5 | 86.9 | 119.2 | 405.8 | 229.7 | 76.7 |
| EBITDA margin | 12.0% | 12.7% | 10.1% | 13.2% | 12.0% | 8.6% | |
| EBIT | 51.9 | 59.2 | 42.7 | 74.1 | 227.9 | 16.3 | 1,298.2 |
| EBIT margin | 6.5% | 7.3% | 5.0% | 8.2% | 6.8% | 0.6% | |
| Employees (full-time equivalent) | 13,063 | 13,276 | 13,146 | 13,528 | 13,528 | 13,145 | 2.9 |

METAL FORMING DIVISION

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The Metal Forming Division delivered clearly positive performance in the business year 2021/22 although the economic environment of the automotive industry, its most important customer segment, was very unfavorable. Key to the good results were those business segments that do not have any supplier relations with the automotive sector at all or only to a smaller degree. Tubes & Sections, Precision Strip as well as Warehouse & Rack Solutions delivered excellent performance, thus making up for the market-related weakness of Automotive Components. The division also benefited from high prices resulting from sharp increases in the cost of input materials, especially steel and aluminum.

While automotive sales in the European Union had already dropped in calendar year 2020 by about one quarter owing to the economic fallout from the COVID-19 pandemic, new vehicle registrations in calendar year 2021 were even lower. Note, however, that the extremely low sales figures for 2021 do not reflect weak demand but rather stem from supply chain disruptions and associated production cutbacks. The semiconductor supply chain problems that started to affect automotive production in early 2021 intensified during the Northern summer. The upstream suppliers to the original equipment manufacturers (OEMs) also had to adjust their production levels. While the semiconductor supply chain crisis eased a bit at the start of calendar year 2022,

conditions came to a head yet again toward the end of the business year 2021/22. Deliveries of wire harnesses, a product largely manufactured in Ukraine, declined sharply as a direct consequence of the Ukraine war. These negative developments greatly affected the division's **Automotive Components** business segment in the reporting period. Demand from automotive production plants was low overall. In addition, the volatility of order call-ups in tandem with short-term cancellations had a negative impact on this unit's performance. The market data underscore the difficulties that Automotive Components faces in its business environment. In Germany, the segment's most important market, automotive production declined in calendar year 2021 for the fifth consecutive year. Initially, the supply chain bottlenecks affected the OEMs in China and North America and hence the suppliers in these regions to a much lower degree. Toward the end of the reporting period, however, supply chain problems increasingly became an issue for automakers in the United States. Intensifying energy shortages affected production at voestalpine's facility in Shenyang, China, in the Northern fall of calendar year 2021, which led to a governmentally decreed power cut that lasted several days. Toward the end of the business year 2021/22, a comprehensive COVID-19 lockdown in Shenyang forced voestalpine's plant to shut down for about two weeks. Considered against the backdrop of these clearly challenging conditions, Automotive Components delivered satisfactory performance for the reporting period. The restructurings that were undertaken in previous business years are

having an increasingly positive effect on the segment's performance.

Tubes & Sections delivered excellent performance in the business year 2021/22. Unusually high prices in tubes and sections resulting from sharply rising pre-materials costs have not yet had a negative impact on demand. Good capacity utilization at the segment's European production plants was driven by highly satisfactory orders from the agricultural and construction machinery industries. The momentum in both the storage technology and the construction industry was strong as well. While demand in Europe from the solar industry in the reporting period's first half was still subdued, conditions steadily improved as time wore on. Conditions in the commercial vehicle industry, by contrast, turned a bit for the worse in the business year's fourth quarter. Recently, deliveries to the truck and trailer industry declined, also because the unit stopped supplying a customer in Russia on account of the Ukraine war. Business in safety-related tube components for the global automotive supplier industry did not rebound even a bit until the second half of the reporting period. The economic momentum in Great Britain continued to accelerate as the year wore on, just as in Continental Europe. Tubes & Sections did very well outside of Europe, too. The segment's business volume in the United States, for example, rose sharply in the business year 2021/22. voestalpine's U.S. roll forming and welding facilities reported full capacity utilization particularly in the reporting period's last quarter. Both the construction industry and storage technology drove the strong demand, while the rebound in aerospace has been weak so far. In Brazil, the unit performed exceedingly well thanks to the prospering solar industry. The agricultural machinery and commercial vehicle industry delivered particularly dynamic performance. In contrast to the slumping national economy, the segment's Brazilian facilities held their ground throughout the business year 2021/22 thanks to their specific product and sector mix.

The **Precision Strip** business segment also delivered highly satisfactory results during the reporting period. Orders for the precision strip technology of voestalpine's European entities reached all-time highs, particularly those for bimetallic strip used in the sawmill industry. However, the bottlenecks in deliveries of input materials had a potentially adverse effect on the development of business. In the U.S., too, high demand especially for band saw steel filled the order books. In China, solid domestic demand dominated the market environment. In the second half of the business year 2021/22, however, growing problems in intercontinental transportation besides exorbitant increases in the cost of both electricity and natural gas in Europe had a somewhat dampening effect on exports to overseas markets.

The boom in the **Warehouse & Rack Solutions** business segment, which is driven especially by the growing trend toward e-commerce, continued unabated in the reporting period. In the past two years, the COVID-19 lockdowns throughout the world boosted the unit's momentum yet further. Given that orders were at record highs in the business year's first half, the segment accepted only select new projects during the second half. The availability and/or pricing of pre-materials as well as high freight costs in connection with projects overseas had a potentially dampening effect. On the whole, the Warehouse & Rack Solutions business unit delivered highly satisfactory performance in the business year 2021/22 also.

FINANCIAL KEY PERFORMANCE INDICATORS

The performance of the Metal Forming Division in the business year 2021/22 was very good, both in terms of revenue and the operating result (EBITDA). This is remarkable, not least due to the challenging conditions facing the Automotive Components business unit. Accordingly, the divi-

sion's other three business segments—Tubes & Sections, Precision Strip as well as Warehouse & Rack Solutions—largely drove its significant upward trend. The fact that the fallout from COVID-19 in the reporting period was milder than in the previous business year accounts in part for the substantial year-over-year increase. On the whole, the Metal Forming Division boosted revenue in the business year 2021/22 by 36.0% to EUR 3,474.4 million (2020/21: EUR 2,553.9 million). It benefited from excellent pricing across all four business units thanks to its ability to pass on high pre-materials costs. The division also posted extraordinary growth in its operating result (EBITDA) for the business year 2021/22, which jumped by 58.2% to EUR 433.1 million with a margin of 12.5% (2020/21: EUR 273.8 million, margin of 10.7%). With the exception of Automotive Components, all business segments boasted high capacity utilization at their production plants. EBIT soared year over year by 78.1%, from EUR 124.0 million (margin of 4.9%) to EUR 220.8 million (margin of 6.4%). Note that a total of EUR 64 million in impairment losses at voestalpine Automotive Components Cartersville had a negative impact on EBIT, whereas EUR 12 million in reversals of impairment losses had a positive effect.

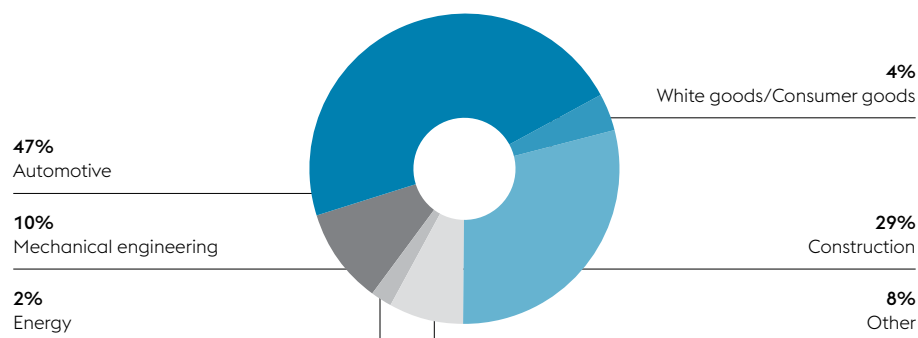
The division's quarter-on-quarter (QoQ) performance during the business year 2021/22 was positive as well. Three of its four business segments

posted revenue growth from the third to the fourth quarter, and the revenue of Warehouse & Rack Solutions remained stable at a high level. The growth in the business volume is chiefly due to the ability of the division's units, particularly Automotive Components and Tubes & Sections, to pass on dramatic increases in input material costs. Against this backdrop, the division's revenue for the fourth quarter rose by 22.1% to EUR 1,020.9 million (Q3 2021/22: EUR 836.4 million). Earnings present a similar picture. Highly satisfactory volume and price growth—albeit subject to high input material costs—drove the marked increase in EBITDA in the fourth business quarter by 70.4% to EUR 152.5 million (Q3 2021/22: EUR 89.5 million). The EBITDA margin thus climbed from 10.7% to 14.9%. EBIT declined slightly by 2.3% to EUR 50.8 million with a margin of 5.0% (Q3 2021/22: EUR 52.0 million, margin of 6.2%). As stated in the year-over-year comparison, EUR 64 million in impairment losses and EUR 12 million in reversals of impairment losses were taken in the reporting period's fourth quarter.

At 11,766, the number of employees (FTE) in the Metal Forming Division as of March 31, 2022, was 2.1% higher than the previous business year's figure (11,525). This increase reflects the improved economic environment and growing capacity utilization at the division's production plants, in turn requiring personnel adjustments.

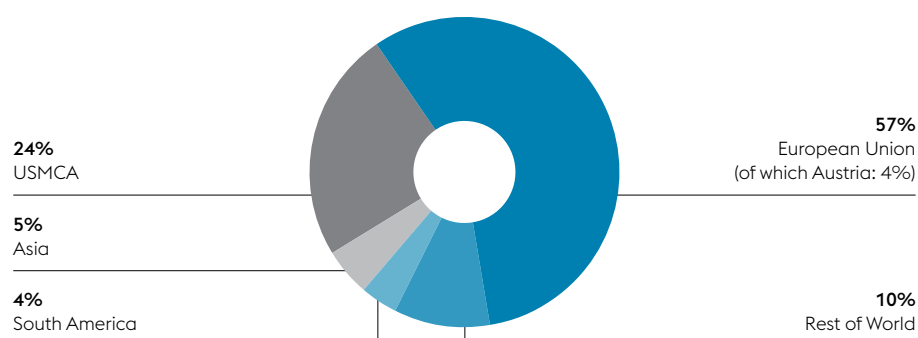
CUSTOMERS OF THE METAL FORMING DIVISION

As percentage of divisional revenue, business year 2021/22



MARKETS OF THE METAL FORMING DIVISION

As percentage of divisional revenue, business year 2021/22



QUARTERLY DEVELOPMENT OF THE METAL FORMING DIVISION

In millions of euros

| | 1 st quarter 2021/22 | 2 nd quarter 2021/22 | 3 rd quarter 2021/22 | 4 th quarter 2021/22 | BY | | Change in % |
|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------|---------|----------------|
| | | | | | 2021/22 | 2020/21 | |
| Revenue | 825.5 | 791.6 | 836.4 | 1,020.9 | 3,474.4 | 2,553.9 | 36.0 |
| EBITDA | 104.5 | 86.6 | 89.5 | 152.5 | 433.1 | 273.8 | 58.2 |
| EBITDA margin | 12.7% | 10.9% | 10.7% | 14.9% | 12.5% | 10.7% | |
| EBIT | 68.0 | 50.0 | 52.0 | 50.8 | 220.8 | 124.0 | 78.1 |
| EBIT margin | 8.2% | 6.3% | 6.2% | 5.0% | 6.4% | 4.9% | |
| Employees (full-time equivalent) | 11,629 | 11,386 | 11,405 | 11,766 | 11,766 | 11,525 | 2.1 |

INVESTMENTS

For the voestalpine Group, the close of the business year 2021/22 constitutes the end of a three-year phase during which investments in property, plant, and equipment; intangible assets; and equity interests fell significantly short of current depreciation. This approach was designed to enable necessary replacement investments and to optimize existing plants and facilities. Projects serving to ensure the Group's quality and technology leadership were also initiated during this consolidation phase. For example, the construction of the new special steel plant in Kapfenberg, Austria, is a cutting-edge project that has already progressed very far. Reducing investments for a time also served to better evaluate and plan future projects. Going forward, voestalpine will once again train its focus on highly profitable growth projects in its processing divisions. In particular, this will also entail paying close attention to the implementation of the technological transformation at the Group's steel production facilities in Linz and Donawitz (both Austria). Accordingly, in March 2022 the Supervisory Board of voestalpine AG approved initial substantive steps regarding the technological switch from the coal-based blast furnace route to the green electricity-based electric arc furnace route. On the whole, the voestalpine Group's investments during the reporting period come to EUR 709.9 million, up 16.0% on the previous business year's level of EUR 612.1 million.

At EUR 246.3 million, the **Steel Division** boosted its investment volume in the business year 2021/22 by 59.0% compared with a mere EUR 154.9 million in the business year 2020/21. In early October 2021, the division held the groundbreaking ceremony for the construction of a fully automated pickling line with tandem cold mill (Beta 3) that is budgeted at EUR 188 million. This launched the implementation phase of the division's largest investment project in recent years. The construction of the factory floor, where the new state-of-the-art pickling line will be located, has already begun. Beta 3 will set new benchmarks for both the digital transformation of processes and sus-

tainability. In addition, the facility will also make important contributions to product quality, specifically, in connection with the production of high and highest tensile steel for the automotive, white goods, and construction industries as well as the production of electrical steel strip for e-mobility applications. Beta 3 is slated to have a manufacturing capacity of about two million tons and will probably be started up at the end of calendar year 2023. The refitting of the hot-dip galvanizing lines at the Linz plant serves the same goal, namely, improving the product mix. The existing facilities are being retrofitted so that the division can respond to the growing demand for high-tensile steel. As the plans call for limited production shutdowns in order to avoid jeopardizing current operations, the upgrades of the hot-dip galvanizing lines will not be completed before calendar year 2027. During the business year ended, voestalpine also set the stage for climate-friendly steel production in the long term. Pursuant to the aforementioned Supervisory Board resolution, work to clear the future construction site and carry out infrastructure measures will commence in the Northern summer of 2022. In calendar year 2023, the Supervisory Board will make a final decision whether to invest in an electric arc furnace to replace a blast furnace.

At EUR 211.5 million, the investment expenditure of the **High Performance Metals Division** in the business year 2021/22 is 3.6% lower than the EUR 219.3 million it spent in the previous business year. This decline is also related to the construction of the new special steel plant in Kapfenberg—the voestalpine Group's largest investment project in recent years. The investment expenditure for the plant in the reporting period was much lower year over year. In the business year 2021/22, key implementation steps concerned the detail engineering for the supply of media and electrical power to the melting facility. The cold start-up work was launched once the casting facility was finalized. Initial smelting tests will be conducted upon completion of a detailed inspection of the new plant, including component and component

group integration tests. The start-up is slated for the Northern summer of 2022. An electroslag re-melting (ESR) facility was commissioned at the production site of Villares Metals in Sumaré, Brazil, during the reporting period. The growing demand for high quality special steel grades underscores the economic viability of this investment. Villares Metals also invested in the expansion of service centers at several of its facilities in Brazil.

At EUR 127.2 million, the investments of the **Metal Engineering Division** during the business year 2021/22 were 1.9% lower year over year (2020/21: EUR 129.6 million). The successful start-up of continuous casting plant 4 (CC4) in Donawitz brought the division's larger investment projects to a close for the time being. In the business year ended, the focus was on modest replacement investments and/or projects serving to boost efficiency and productivity. For example, the tubulars product segment invested in a multi-purpose finishing line at the facility in Kindberg, Austria. Preparations for the comprehensive overhaul of the rotary hearth furnace were launched at the same site. In the future, this division will increasingly focus

its investments on projects involving metallurgical transformation.

The investment expenditure of the **Metal Forming Division** in the business year 2021/22 was EUR 130.2 million, up 30.5% from EUR 99.8 million in the business year 2020/21. Highly specific growth projects were brought to fruition in the Automotive Components business unit. The start-up of the fourth phs line that is used to form press-hardened steel at the division's facility in Shenyang, China, during the reporting period is but one example. Another plant of the same type is being built in Shenyang and will likely be operational in the business year 2022/23. The Tubes & Sections business segment invested in both roll forming and welding facilities at various sites in order to strengthen its position as a technological pioneer and to respond to additional customer needs. The Precision Strip business segment focused mainly on replacement and maintenance investments. In the coming years, the Metal Forming Division will once again train its focus on trailblazing growth projects.

ACQUISITIONS & DIVESTMENTS

The voestalpine Group did not make any acquisitions in the business year 2021/22. Management focused instead on strengthening the Group's existent portfolio. However, the Steel Division initiated a significant divestment in the reporting period. After carefully analyzing, exploring, and weighing all strategic options, voestalpine decided to continue refining the business model of the direct reduction plant in Corpus Christi, Texas, USA, in cooperation with a partner. This plant, which produces hot briquetted iron (HBI), was opened in October 2016 after a construction period of about 2.5 years and fully started up in April 2017. The investment expenditure for the plant, which has a total capacity of two million tons of HBI per year, was USD 1,012 million (about EUR 870 million at the then prevailing foreign exchange rate). In recent years, voestalpine Texas succeeded in stabilizing its business model as well as its production and customer structure. In calendar years 2019 and 2020, however, the plant had to take a total of EUR 372 million in impairment losses due to challenging market conditions. The sale (the signing took place in April 2022) of 80% of voestalpine's stake in the plant

to ArcelorMittal enabled voestalpine to secure an annual supply of 420,000 tons of HBI for itself pursuant to a long-term contract. This delivery commitment guarantees that voestalpine will be able to implement its plan regarding the input materials required for the initial step in the decarbonization of steel production in both Linz and Donawitz, Austria. This plan calls for using electric arc furnaces at both facilities starting in 2027 and provides for an input materials mix comprising scrap, liquid pig iron, and HBI.

As of March 31, 2022, a measurement gain of EUR 256.6 million was recognized in connection with the fair value measurement. An inflow of liquidity in the amount of about EUR 620 million (based on the forex rate of USD/EUR 1.11 as of March 31, 2022) will lower the net financial debt of the voestalpine Group in the same amount upon the transaction's closing. Furthermore, the income from the plant up to the closing will accrue to voestalpine. The closing will likely take place about three months from the reporting date.

HUMAN RESOURCES

As of March 31, 2022 (the close of the business year 2021/22), the voestalpine Group had 46,938 employees excluding apprentices and leased personnel. Compared with March 31, 2021, this corresponds to a reduction in the workforce by 890 employees or 1.9%. When 1,369 apprentices and 3,386 leased employees are included, the total full-time equivalent (FTE) rises to 50,225 person years, a year-over-year increase by 3.2% (+1,571 FTE). A total of 55.1% of the Group's employees (27,667 FTE) work at Group locations outside of Austria, and 44.9% (22,558 FTE) work in Austrian voestalpine companies. As of the close of the reporting period, the Group had 1,369 apprentices. Of these, 62.9% were being trained at facilities in Austria and 37.1% at facilities abroad. Overall, the number of apprentices rose year over year by 60 individuals or 4.6%.

EMPLOYEE SHAREHOLDING SCHEME

voestalpine has had an employee shareholding scheme since 2001, which has been continually expanded since then. Besides the company's workforce in Austria, employees in Great Britain, Germany, the Netherlands, Poland, Belgium, the Czech Republic, Italy, Switzerland, Romania, Spain, and Sweden also have a share in "their" company. The voting rights associated with stock issued to employees are combined in the voestalpine Mitarbeiterbeteiligung Privatstiftung (employee foundation for the Group's employee shareholding scheme), making this entity a stable, key shareholder of voestalpine AG. As of March 31, 2022, a total of about 24,500 employees have a stake in voestalpine AG. They hold about 25.4 million shares which, due to the general bundling of voting rights, represent 14.2% of the company's share capital (previous year: 14.1%). In addition, former and active employees of voestalpine hold approximately 1.0 million "private shares" of voestalpine AG via the foundation, which equates to 0.6% of the voting shares. The foundation exercises the voting rights of these shares, too, as long

as the given employees do not exercise their right to freely dispose of the shares. On the whole, therefore, as of March 31, 2022, the voting rights of 14.8% of the share capital of voestalpine AG are pooled in the foundation.

THE STAHLSTIFTUNG

The Stahlstiftung (Steel Foundation) was founded in Linz, Austria, in 1987. Its aim was to provide employees of the VOEST-ALPINE Group (as it was called at the time), who had to leave the company due to a crisis, as well as employees of companies outside of the Group with opportunities for reorienting themselves professionally. Up to four years of training and continuing professional development were funded for this purpose. In the business year 2021/22, 80.0% of the participants looking for work were able to develop a new professional perspective with the help of the Stahlstiftung. The fact that this number was about 4% higher than in the business year 2020/21 reflects the recovery of the labor market throughout the reporting period. As of the March 31, 2022, reporting date, Stahlstiftung assisted 370 individuals, 73.0% of whom were former employees of the voestalpine Group. Overall there were 694 active Stahlstiftung participants in the business year 2021/22, i.e., 21.8% less than in the previous year (888 individuals). The activities of 63 individuals related to an educational leave were also supported during the reporting period over and above the participants covered by the Stahlstiftung in its capacity as a classic employee fund.

APPRENTICES & YOUNG SKILLED WORKERS

Due to restrictions related to the COVID-19 pandemic, the annual voestalpine Group Apprentice Day had to take place digitally yet again. This event enables apprentices to network Group-wide and helps them to perceive their own workplace in the context of the entire Group. Apprentices

thus met on October 5, 2021, for a hybrid event. The Management Board as well as select representatives of the Linz (Austria) facility spoke via livestream from voestalpine Stahlwelt to approximately 500 apprentices and their trainers from Austria, Germany, and Switzerland. Individuals at locations outside of these three countries connected with trainers and apprentices interactively and provided insights into apprenticeship activities and environmental management at their respective facilities. The apprentices learned during the “voestalpine goes green” contest how deeply the concept of sustainability has already taken root in the Group: Both professional and environmental commitment and engagement were honored here. The festive award presentation during the digital Group Apprentice Day shed yet more light on the importance that future professionals attach to the environmental perspective.

voestalpine remains committed to its goal to offer young people solid training and continuing professional development (CPD). Approximately 500 trainee slots will be available at the start of the training program in the Northern fall of 2022. The company invests about EUR 90,000 per apprentice in the comprehensive three or four-year training program. In order to efficiently approach suitable applicants, in recent years voestalpine has continually expanded its social media activities on Facebook, Instagram, and YouTube. A new apprenticeship website (www.voestalpine.com/lehre) went live on September 2, 2021, just in time for the start of the training year. Through this web-based platform, voestalpine is setting new benchmarks for the range of digital information being made available to future skilled personnel. Designed as an app that can be read on mobile devices, it offers features similar to those available on social media such as a bookmark function and thus is in line with young people’s media habits. voestalpine’s apprentices themselves provided a lot of valuable ideas for the website’s design.

New communications approaches and channels replaced conventional trade shows and open houses—in some cases, even face-to-face interviews that could not be held as usual on account of COVID-19. The new avenues include a digital open house, digital corporate presentations in schools, and/or participation in digital trade shows. When recruiting, the company continually evaluates together with the applicant whether it is fea-

sible in the light of the current, local COVID-19 situation to meet for face-to-face interviews.

The European vocational competition known as EuroSkills was held in Graz from September 22 to 26, 2021; this was the first time it took place in Austria. Through its participation as a “gold partner,” voestalpine demonstrated yet again that it is fully committed to fostering the advancement of tomorrow’s skilled workforce. In addition to the contestant—Alex Mayrhofer (of voestalpine Stahl GmbH, Linz, Austria)—the company was represented at EuroSkills by a robot arm that its apprentices themselves had built as well as by three voestalpine trade show booths that featured so-called Try-a-Skill stations and about 50 committed apprentices and trainers.

voestalpine’s representatives also made a lasting impression at other national and international competitions. At the Austrian Skills 2021 occupational championships, two young skilled workers—Philipp Bruckner and Lukas Frühwirth (also of voestalpine Stahl GmbH)—won gold and silver, respectively, in the Electrical Systems (Industrial Control) category. This qualifies them for the WorldSkills 2022 in Shanghai, China, and the EuroSkills 2023 in Saint Petersburg, Russia. Sebastian Bruggaber from Kapfenberg, Austria, also did very well at the Austrian Skills 2021: He won third place in the Welding Technology category.

The Group’s excellent numbers with respect to completed apprenticeships create a solid base of skilled workers for the future: Fully 85.9% of all apprentices in Austria, Germany, and Switzerland who took the final apprenticeship exam in the business year 2021/22 passed it. Of the Austrian graduates, 60.7% even did so with good or excellent grades.

DEVELOPMENT OF EXECUTIVES

Owing to the worldwide pandemic, the business year 2021/22 was characterized yet again by governmental restrictions (e.g., travel bans) and/or internal approaches to safety and security. Nonetheless, the Group’s tried and tested “value:program”—a Group-wide executive development program—took place in part in a face-to-face format, with only a few digital modules. In the future, too, the training and CPD programs

tailored to target groups at all executive levels will once again be organized in a way that combines face-to-face and online courses that are supplemented by external programs for post-graduates and business school students. Given the program's specific requirements and its success in its current form, there are no plans to convert the entire program into a purely online format. What makes it so valuable over and above the comprehensive skills training imparted by international top experts is the intensive collaboration on the part of individual members of voestalpine's leadership team. They engage in their capacity as speakers, project managers, or sparring partners, so to speak, in wide-ranging exchanges of experience. This mixture of external and internal know-how along with the Group's commitment to ensuring that employees possess advanced qualifications make the voestalpine leadership program a central component of the Group's claim to being "one step ahead." Every year and under normal circumstances, just under 200 international employees participate in the multi-stage program. In the business year 2021/22, however, only 131 employees from 14 countries completed or started it.

OTHER EMPLOYEE DEVELOPMENT PROGRAMS

In order to foster and boost relevant employee capabilities and skills in a manner that is both functional and regional, the voestalpine Group offers a number of additional programs such as the "Purchasing Power Academy"; the "HR Academy"; the "Early Career Program" in North America; and the "Young Professional Training Program" (YPTP) in China. Many of these programs did not take place at all during the reporting period due to the pandemic or—where possible and meaningful—only via new, digital formats. The positive experiences gained through this type of blended learning (i.e., combinations of face-to-face and online training) will enable us to take the next steps in the direction of digital delivery of executive training programs. The "High Mobility Pool" (HMP) program aimed at developing talent at the Group level had to be suspended yet again in the business year 2021/22, because it was still not possible to carry out international recruiting. Individual divisions and business units offered their

extensive employee training and CPD programs only to a very limited degree as well.

EMPLOYEE SURVEY

The most recent employee survey took place in the fall of 2019. Subsequently, the Group companies were called upon to analyze the findings together with their employees, to develop suitable action plans on that basis as well as to report the two most important measures and their respective degree of implementation to the Group. The final reporting as to these measures ended as of March 30, 2022. It showed that fully 90% of the planned actions had already been completed or are still being implemented. More than 80% of the measures implemented achieved the targeted objective. The next voestalpine employee survey is scheduled for the Northern fall of 2022. It will be conducted in 239 Group companies in 47 countries, and the findings will be made available in 26 different languages. Kincentric, an external partner, will once again carry out the survey. The questionnaire consisting of 16 questions and three statistical disclosures will remain largely unchanged in order to ensure comparability with the previous survey. The findings will be available at the end of November 2022 and will be provided to the Group companies so that they can restart the process of reviewing, aggregating, and analyzing them.

COOPERATION WITH EDUCATIONAL INSTITUTIONS

Many voestalpine companies offer students the option of enrolling in internships. Among other things, this is focused on scientific work in cooperation with voestalpine companies. Currently, numerous diploma and masters theses as well as dissertations are being written in collaboration with the Group. voestalpine uses innovative formats tailored to different target groups to introduce itself to potential personnel, for example, in connection with numerous training programs that it carries out in cooperation with the University of Mining and Metallurgy in Leoben, Austria. These range from sponsoring commitments aimed at kindling young people's interest in technical degrees, to the so-called #voestalpinetalks (a colla-

borative event with all student representatives), all the way to support for the annual “teconomy” student trade show. Because the so-called #voestalpinetalks could not be held yet again in the business year 2021/22 owing to the COVID-19 pandemic, voestalpine and the University of Mining and Metallurgy along with the representatives of the degree programs organized a t-shirt design contest. The best participants were awarded prizes, and the winning t-shirts were produced and distributed among the students.

MEASURES RELATED TO THE COVID-19 PANDEMIC

Given the COVID-19 pandemic, voestalpine along with its employees had to operate in crisis mode worldwide also during the business year 2021/22.

Depending on infection rates, national requirements, and operational parameters, large numbers of employees continued to work from home. Individual solutions for employees with dependent children were also put in place in this connection. But critical infrastructure workers continued to work on site. voestalpine put in place comprehensive hygiene measures for them and made face masks and disinfection materials available to them at no charge. Shift changes were reorganized to ensure that requirements regarding minimum distances between people could be fulfilled. Both meal offerings and cafeteria operations were adapted to applicable requirements as well. Numerous Group companies also offer COVID-19 testing options, from self-tests to antigen and PCR

tests, at facilities that provide occupational medical services. In order to raise the vaccination rate across the board, voestalpine contributed its own vaccination campaigns that were carried out by its own medical personnel and supported national public interest campaigns aimed at boosting people’s willingness to be vaccinated.

Due to differences in local environments as well as different statutory and governmental requirements, it is not possible to harmonize all measures across all of the Group’s facilities. However, a Coronavirus Task Force that was established at Group headquarters back in February 2020 continued its work in close coordination with the Chairman of the Management Board and in cooperation with all divisional task forces. The Group’s wide-ranging COVID-19 measures are continually evaluated and adapted to the given situation. For example, aside from self-protection steps, minimum physical distancing requirements, the wearing of face masks or coverings, and preventive hygiene measures (e.g., handwashing and disinfecting), they also include pointers as to the right conduct in case of suspected infection, avoidance of business trips to the extent possible, proper dealings with customers and suppliers, and broad-based communication measures across the entire Group.

These were extraordinary challenges that voestalpine had to master anew and repeatedly in the business year 2021/22 as well. That this succeeded is largely thanks to the commitment and flexibility of the company’s entire workforce.

RAW MATERIALS

While prices for the key raw materials used in the production of steel were already subject to highly volatile developments in previous business years, some of the price fluctuations on the international spot markets in the business year 2021/22 were downright erratic. Trends that saw key input materials for the steel industry moving against each other also intensified during the reporting period. This is because raw materials prices were not just affected on the demand side but, in particular, were also exposed to considerable fluctuations on the supply side. For example, in the reporting period both mining and logistics were hampered by torrential rain—in Brazil in January 2022 and on the East Coast of Australia in March 2022—by the ramifications of the COVID-19 pandemic, among other things. In the fourth business quarter, the outbreak of the Ukraine war reduced the global availability of raw materials pivotal to steelmaking. This is because the areas in both Ukraine and Russia affected by the crisis are home to significant quantities of iron ore, coking coal, and certain types of alloys. Substantial increases in the costs of transportation and logistics resulting directly from COVID-19 contributed to the high cost of raw materials on the international spot markets during the business year 2021/22. The developments in Russia and Ukraine also played a dominant role in the price of energy. Natural gas prices in Europe surged as early as in the fall of calendar year 2021 due to reduced deliveries. The start of the war in Ukraine dramatically intensified this dynamic yet further. Subsequently, the increases in the price of natural gas directly affected the trajectory of electricity prices.

IRON ORE

Historically, at about USD 165 per ton (CFR China), the spot market price of iron ore was already high at the start of the business year 2021/22. In China, by far the world's largest steel producer by volume, infrastructure projects as well as the real estate sector drove the demand for iron ore. Ex-

tensive work to expand mining capacity in Australia, the world's largest producer of iron ore, was carried out over many years but had started to subside in recent years. Since the January 2019 dam burst in an iron ore mine in the Brazilian state of Minas Gerais, moreover, not all of Brazil's mining capacity has returned to the market. The global balance of iron ore supply and demand is out of sync due not only to the global steel industry's robust rebound, but also and in particular due to the record volume of steel production in China during the first half of calendar year 2021. The record-breaking run of spot market prices continued unabated until July 2021, culminating in an all-time high of USD 220 per ton. This was the first time ever that the price of iron ore breached USD 200. In subsequent months, however, the price collapsed by almost 60% to about USD 90 per ton. This was triggered by politically motivated steps that the Chinese government took to counteract an overheating of the raw materials markets and to put in place processes aimed at regulating air pollution. Cutbacks in China's infrastructure projects led very quickly to cutbacks in steel production and to a commensurate decline in demand for iron ore. The price trend did not reverse until iron ore inventories were built up again toward the end of calendar year 2021 in anticipation of the Chinese New Year and the Winter Olympics. Inclement weather in Brazil in January 2022 also contributed to the sustained upward momentum in prices. Subsequently, prices remained high, especially in light of the Ukraine war and the resulting reduction in iron ore supplies. Toward the end of the business year 2021/22, the price of iron ore finally settled around USD 150 per ton.

COKING COAL

Just as in previous business years, in the reporting period supply side developments largely determined the movement of coking coal prices in the international spot markets. But fluctuations in the price of metallurgical coal were very differ-

ent from those affecting iron ore. For example, at about USD 115 per ton (FOB Australia), the price of high-grade coking coal at the start of the business year 2021/22 moved laterally at a very low level despite the strong momentum in China's steel sector. First signs of an upward trend in prices made themselves felt as early as in June 2021, with the trend intensifying significantly over the Northern summer. At the end of September 2021, i.e., right at the moment when the demand for steel in China began to subside, the price of coking coal was at an all-time high of just over USD 400 per ton. There are many causes for this development. China has been cutting back on coal mining in recent years for environmental reasons. During the first half of the business year 2021/22, floods and accidents in the country's coal mines along with COVID-19-induced closures of its border with Mongolia (which by now has become China's most important source of metallurgical coal) led to a supply shock. Furthermore, the political tensions between Australia and China have led to a redirecting of the international flow of goods, in this case metallurgical coal. While China is now turning increasingly to U.S. coal mines in addition to those in Mongolia, numerous Asian and European steel manufacturers are increasingly turning to major Australian coal mines to cover their need for coal. The cost of coking coal remained very high in the reporting period's second half as well, finally reaching an all-time high of USD 660 per ton in mid-March 2022 due to the Ukraine war. Aside from the greater difficulty in obtaining Russian coal, torrential rain on Australia's East Coast further limited supplies in an already tight market. The price of coking coal fell a bit toward the end of the business year 2021/22, finally settling at about USD 560 per ton.

STEEL SCRAP

High-quality scrap is used in blast furnace-based steelmaking to supplement pig iron, and it is the main input material in electric arc-based steel

production. While the steel industry in Europe ramped up its capacities yet again at the start of calendar year 2021, the production output of the European automakers—a key supplier of high-quality scrap—remained low on account of supply chain problems. The price of steel scrap rose sharply in the fourth quarter of the business year 2020/21, with the upward trend continuing unabated at the start of the business year 2021/22. However, the volatility in the price of steel scrap during the reporting period was not as pronounced as it was in connection with iron ore and coking coal. Specifically, the price of steel scrap (CFR Turkey) was about USD 430 per ton in April 2021. It rose to about USD 470 per ton by July 2021 and then fluctuated between USD 440 and USD 500 per ton through the end of calendar year 2021. Prices did not shoot up sharply on fears of inadequate supplies until the outbreak of the Ukraine war. At the close of the business year 2021/22, steel scrap was selling for about USD 660 per ton.

ALLOYS

Alloys are a key cost factor in the High Performance Metals Division. They are used in steel production alongside pig iron and scrap to manufacture highest-quality steel grades. The price of nickel on the London Metal Exchange (LME) jumped by about one third in the first three quarters of the business year 2021/22—despite slightly lower volatility than in recent years—from about USD 16,000 per ton to about USD 20,900 per ton. This alloy, which is most important to the High Performance Metals Division, saw not only massive price surges in the reporting period's fourth quarter, especially due to the outbreak of the Ukraine war, but also trading disruptions that lasted several days. Following the invasion of Ukraine, planned sanctions against Russia, one of the world's largest nickel producers, further fueled prices on the LME. In early March 2022, fears of supply chain bottlenecks led to all-time high closing prices of just under USD 43,000 per

ton. The markets calmed down a bit only after trading was suspended for a few days. Subsequently, the price of nickel fell slightly, finally settling at just under USD 33,400 per ton toward the close of the business year 2021/22. The war in Ukraine has also adversely affected supplies of other alloys, such as ferrovanadium and ferrotitanium, and contributed to erratic price movements in the fourth business quarter. The energy-intensive mining of ferrochromium has become more expensive owing to the significant increases in energy costs during the reporting period's second half.

ENERGY

The price of natural gas in Europe climbed to historic highs in consequence of the Ukraine war, breaching EUR 200 per MWh (Spotmarket THE Settlement, Germany) for the first time. Fears of cutbacks in natural gas deliveries or even a complete suspension of deliveries have led to absolute all-time highs. However, the initial increases in European natural gas prices already occurred back in the Northern summer of 2021. This was

caused by the expanding economic activity simultaneously with both reductions in gas deliveries and rising CO₂ emission allowance prices. The throttling of natural gas deliveries from Russia stems from the tensions surrounding the start-up of the Nord Stream 2 pipeline. Against this backdrop, the price exceeded all-time highs of EUR 175 per MWh toward the end of calendar year 2021. By contrast, it was still less than EUR 25 per MWh at the start of the business year 2021/22. The price of electrical energy on European electricity exchanges rose more or less in lockstep with the price of natural gas. Electricity prices are determined by the marginal cost of the most expensive type of electricity produced; as a result, the price trajectory of natural gas materially determined the price of electrical energy during the reporting period. While the procurement price of electricity at the start of the business year 2021/22 hovered around EUR 50 per MWh (Spotmarket EXAA AT Base), it had risen many times over to about EUR 270 per MWh by the close of the third business quarter. Toward the end of the reporting period, prices were just under EUR 300 per MWh.

RESEARCH AND DEVELOPMENT

voestalpine's corporate strategy focuses on leadership in innovation, technology, and quality. In the Group's view, the continual development of new products and production processes is indispensable to its ability to distinguish itself from the competition and to defend its technology leadership. Research and Development (R&D) thus are a key to voestalpine's business model, because R&D-driven innovation ensures the company's success in the long term. Our vision that absolutely all R&D projects concerning products and processes must make a positive contribution to sustainability is critical to our readiness for the future.

RESEARCH EXPENDITURES OF THE voestalpine GROUP

After declining in the crisis year 2020/21, both R&D expenditures in the business year 2021/22 and the R&D budget for the business year 2022/23 shot up to new highs. This continues previous years' overall trend and reflects the importance that the Group attaches to research and development.

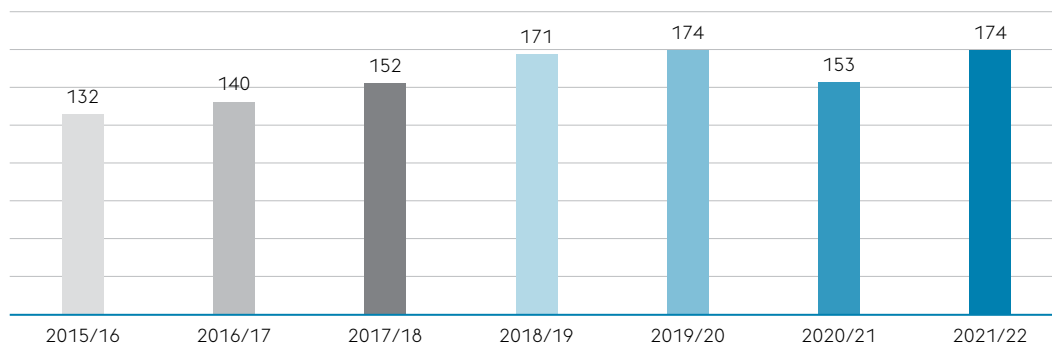
ORGANIZATION OF RESEARCH AND DEVELOPMENT IN THE voestalpine GROUP

The Research and Development unit is decentralized and spread out over more than 75 voestalpine Group companies worldwide. Proximity to the respective operations and markets thus enables the unit to focus first and foremost on the development of products and technology. In addition, voestalpine carries out comprehensive implementation projects as well as intensive basic research in collaboration with many national and international partners.

Global megatrends related to technology and the environment provide the basis for the divisions' long-term R&D projects that help to define the Group's strategy. Regularly updated R&D roadmaps contain detailed descriptions of the medium-term planning.

RESEARCH EXPENDITURE FOR THE voestalpine GROUP

In millions of euros, R&D gross expenditure (without R&D facility investments)



STEP-BY-STEP PLAN TO ACHIEVE CLIMATE-NEUTRAL STEEL PRODUCTION

Carbon neutrality in 2050: This is the European Green Deal's envisioned climate target. Regulatory pressure on the European steel industry, which currently accounts for more than 6% of EU-wide carbon dioxide (CO₂) emissions from fossil fuels, thus is correspondingly high. Markets, too, especially the automotive industry, have become increasingly vocal in recent years as to the need for steel products that are produced with the smallest possible carbon footprint.

voestalpine's greentec steel program serves to pursue an ambitious step-by-step plan for the decarbonization of steelmaking in the long term. In a first step, the Group now also offers all flat steel products that are manufactured by its Linz-based Steel Division in a CO₂-reduced version. Compared with the conventional production route, this approach achieves a direct reduction in CO₂ emissions by some 10% thanks to adjustments in both the reducing agents and the raw materials mix as well as the complete shift to green electricity. This does not in any way affect the excellent quality that our customers expect from us in terms of both materials and processing. Over and above the orders we have already received, demand for sophisticated steel products in the greentec steel edition—such as hot-rolled steel strip, isovac[®] electrical steel strip, or phs-ultraform[®]—will remain high.

The next step in voestalpine's step-by-step plan provides for cutting CO₂ emissions by one third up until 2030. This will require replacing the existing blast furnace route in part with a hybrid electric furnace route. Scrap, liquid pig iron, and hot briquetted iron (HBI) are the three most important pre-materials for the electric furnace route, which will be used for carbon-neutral production of high quality steel.

This approach goes hand in hand with a focus in R&D on materials science, which ensures that we can continue producing the required, high-quality steel grades in the future even when the raw materials mix has changed.

The long steel solutions of the Metal Engineering Division are oriented toward sustainability as well. To this end, voestalpine Stahl Donawitz GmbH is conducting intensive research as part of a so-called "Green Frontrunner4longsteel" project on simulation methods and processes that prepare the ground for the green transformation and support it. The digital transformation is pivotal in this connection. For example, in the future smart scrap sorting methods will enable the upcycling of low-quality scrap, and dynamic alloying methods will ensure high product quality despite potential changes in the raw materials mix.

At the same time, the voestalpine Group is carrying out intensive research on breakthrough technologies with the aim of gradually increasing the use of green hydrogen in steelmaking. The goal is to achieve climate-neutral steel production overall by 2050.

All planned tests on the hydrogen electrolyzer facility have been successfully completed. The generation of hydrogen in an electrolyzer facility using electricity is a typical example of so-called "sector coupling." This electrolyzer facility is being operated at the Group's Linz plant as a standby for the purpose of stabilizing the power grid.

Various follow-up projects related to the management of hydrogen and CO₂ have already been launched. Among other things, they examine the separation and subsequent storage (i.e., carbon capture and storage (CCS)) or use (i.e., carbon capture and utilization (CCU)) of CO₂ as well as the use of hydrogen as a reducing agent in metallurgical processes. A pilot plant was commissioned at the Group's Donawitz, Austria, facility

as part of the Sustainable Steelmaking (SuSteel) project—a groundbreaking initiative serving to research the direct production of steel using hydrogen plasma. Batch operations have been launched at Primetals' hydrogen-based fine ore reduction (Hyfor) pilot plant in Donawitz, where iron ore fines are reduced to hot briquetted iron using hydrogen.

OPTIMIZING PRODUCTION PROCESSES

To maintain operational excellence, voestalpine continually analyzes and further refines production and processing cycles along the value chains in order to intensify production efficiency and resource conservation. The digital transformation is key to success in this respect.

For example, related development work includes model-based rules for relevant process steps that enable significant quality improvements in strip steel while reducing the resources required to produce it.

Processes are also optimized via measurement systems equipped with machine learning algorithms so that measurements can be taken directly at the production line and analyzed. Systems of this nature have already been implemented, for instance, to determine the grain sizes of input materials in the blast furnaces at the Group's Linz and Donawitz plants as well as at its direct reduction plant in Corpus Christi, Texas, USA. Strip steel quality assurance or the production of wire are based on self-learning systems too.

The metallurgical process and forming technologies used for high-alloy special steel are continually optimized in order to satisfy the demand for premium quality while ensuring efficient production.

Europe's most advanced 3D sand printing facility for steel castings was commissioned at the

voestalpine Foundry in Traisen, Austria. It serves primarily the energy sector as well as the automotive and railway industries. The sand molds are manufactured directly from CAD data using 3D printers and have replaced the previously used wooden patterns. In particular, this makes it possible to produce molds for complex castings more quickly and seamlessly which, in turn, also results in much shorter final processing or even eliminates it entirely. The elimination of the wooden pattern, for one, and the integrated sand recycling and reduced logistics expenditure, for another, make 3D sand printing much more sustainable and environmentally friendly than its predecessor process.

Research in Metal Additive Manufacturing focuses chiefly on powder development and processing in addition to services such as engineering as well as tool and component production.

The efficient use and management of rail resources in the future will require fully networked railway systems. As part of the Rail4Future project, voestalpine Railway Systems GmbH is working to accomplish this highly complex research task in close collaboration with Austrian Railways (ÖBB) and other partners. In the future, simulations and digital twins will serve to substantially shorten the innovation cycles of new products and digital solutions.

At voestalpine BÖHLER Aerospace GmbH, work on developing large forgings for the aerospace industry is now fully based on simulations and will achieve significant efficiency gains going forward.

The voestalpine Böhler Welding Group conducts research on environmentally friendly solutions in welding technology. ECOspark® served to develop copper-free solid wire used in joint welding. Over and above its excellent efficiency in both manual and automated welding processes, solid wire also conserves resources.

The Metal Forming Division is working to further refine processing technologies such as roll forming, press hardening, and welding, and uses simulation methods to optimize them. The aim is to create fully networked processes. To this end, work is being done to develop closed loop systems in which neural algorithms design self-optimizing production lines. Roll forming processes are used to manufacture complex and dimensionally accurate components for vehicle cabins, aircraft components, or high-bay warehouses.

INNOVATIVE PRODUCTS

voestalpine's innovation strategy does not serve to increase quantities; instead, it focuses on achieving value-added growth and, increasingly, sustainability. The company works to develop innovative product solutions for customers and, simultaneously, to ensure sustainable qualities of both product and process development. Visibility and transparency ensure that defined sustainability criteria are applied to all R&D projects.

The Steel Division's New Business Incubator was established for the purpose of subjecting ideas to exacting tests beyond the confines of the division's day-to-day business. Conceived as a workshop, this program provides a framework for exploring ideas in terms of their feasibility and market potential as well as for developing suitable business models for them. Tailormade functional steel (tfs), which comprises coated steel with integrated sensor technology for a range of functionalities, is one of the products that has come out

of the incubator. This product was introduced at Blechexpo21 in Stuttgart, Germany, an international trade fair for sheet metal working.

The Steel Division's highest tensile steels are some of the products that offer customers sustainability gains. They reduce the weight of autobody parts, thus helping to lower vehicles' fuel consumption and emissions.

To turn these highest tensile steels into products, the High Performance Metals Division continually refines tool steel that is manufactured using powder metallurgy. Coatings highly resistant to wear and tear ensure that the tools have long useful lives. The division also develops both new coatings and suitable facilities for them.

Work to integrate sensors in components and tools is becoming ever more important because it makes it possible to directly observe and monitor their condition as well as to prevent losses through early and targeted maintenance. Intelligent sensors also ensure continuous monitoring of the smart turnout systems that are manufactured by voestalpine Railway Systems. This development serves to identify looming failures in due time and thus to enhance track safety and availability.

The Tubulars business unit conducts intensive research on solutions for storing and transporting hydrogen. The unit's in-depth competence with respect to materials and threads provides an excellent basis for developing high-grade products for a sustainable future.

ENVIRONMENT

ENVIRONMENTAL INVESTMENTS AND EXPENDITURES

In the business year 2021/22, the voestalpine Group significantly boosted both investments and current expenditures relating to environmentally-relevant projects and activities. Investments in environmental action soared by 75% year over year, from EUR 15.3 million to EUR 26.7 million. Compared with the business year 2020/21, which was marked by the COVID-19 pandemic, this change includes investments serving to catch up particularly on environmental action projects aimed at cutting carbon dioxide emissions and on energy projects. Current operating expenses relevant to the environment jumped by 46%, from EUR 300.1 million to EUR 437.5 million.

EU EMISSIONS TRADING / CO₂ ALLOWANCES

The increase in expenditures mainly stems from the significant increase in the price of emissions trading allowances. In the reporting period, the expense arising from trading CO₂ allowances

was EUR 235.0 million, up from EUR 76.7 million in the previous business year, with the Steel Division accounting for fully EUR 164.4 million of the cost.

voestalpine's need to purchase emissions trading allowances results from its overall need for allowances commensurate with its verified emissions less the no-cost allowances allocated to the company. Roughly one-third of emissions had to be covered by allowance purchases in the business year 2021/22, just as on average in recent years.

greentec steel: THE voestalpine CLIMATE NEUTRALITY PLAN

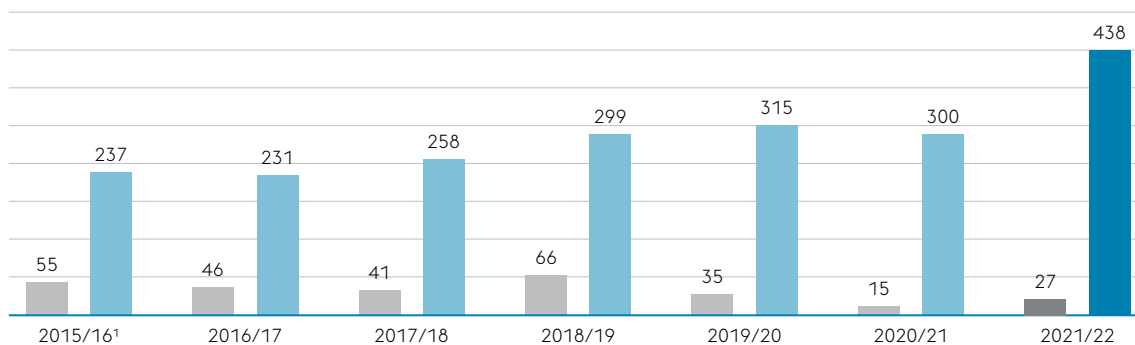
voestalpine's greentec steel program entails an ambitious, step-by-step plan for achieving climate neutrality. Preparations for the plan and initial implementation steps currently are the main focus of the Group's environmental engagement.

In a first step, this approach provides for the incremental switch from the coal-based blast furnace route to electric arc furnace technology

ENVIRONMENTAL EXPENDITURES

In millions of euros

■ Environmental investments ■ Environmental operating expenses



¹ In the business year 2015/16, in addition to the emissions-intensive Austrian Group sites, a number of other, primarily international, production companies were included.

driven by green power. Subject to considerations of economic feasibility, one electric arc furnace each will be commissioned at the Group's steel facilities in Linz and Donawitz (both Austria) as early as at the start of 2027. The planned production capacity will be about 2.5 million tons per year, of which Linz will account for 1.6 million tons and Donawitz for 900,000 tons.

In March 2022, the Supervisory Board of voestalpine AG approved an amount in the three-digit millions to fund the initial implementation steps. The work to clear the necessary construction sites along with infrastructural preparations can now begin. A decision as to final approval of the investments required for the two electric arc furnaces will be taken in the Northern spring of 2023, in turn making it possible to begin construction in 2024. In part, this is predicated on the commissioning of a 220 kV power line in Linz by the end of calendar year 2026.

By itself, this initial step toward implementation of an electric furnace route leads voestalpine to expect that it will be able to achieve a roughly 30% reduction in its CO₂ emissions in Austria by 2030. This equates to a reduction of about three to four million tons of carbon dioxide annually—or close to 5% of Austria's total current CO₂ emissions. The greentec steel concept has been submitted to the EU ETS Innovation Fund for financing; it will serve as the basis for hydrogen metallurgy in the long term.

By continuing to refine its green hydrogen approach, voestalpine aims to bring about carbon neutral steel production by 2050. A number of extensive research and development projects that are being undertaken together with partners in industry and science focus on this technology. Among others, these projects include the Linz-based H2FUTURE hydrogen pilot plant in regards to which the planning for a follow-on project to be carried out under the auspices of the "Hydrogen and Carbon Management Austria" (HCMA) project is available; the SuSteel pilot plant in

Donawitz that aims to enable sustainable steel production in a single process step based on iron ore using hydrogen plasma; as well as the Hyfor research project at the same site concerning the use of hydrogen to reduce ultrafine ores.

The overall feasibility of such comprehensive approaches to the technological transformation is contingent on a number of critical prerequisites: secure and stable supplies of both renewable energy and green hydrogen at competitive prices as well as adequate investment options for the participating entities, including support from vehicles of change and transformation. The concrete, political decisions both at the level of the EU and nationally were still pending at the time the present Report was prepared.

CORPORATE ENVIRONMENTAL MEASURES

Concurrently with the preparation of the fundamental technological shift, in the business year 2021/22 voestalpine took other, immediately effective steps in connection with climate action and resource efficiency.

The Group-wide installation of photovoltaics (PV) units on a total surface of some 310,000 m² with an output of just under 61 megawatt peak (MWp) sets new standards for both power output and dedicated surface area in connection with sustainable captive power generation. Additional PV units are being prepared.

In terms of products, at this time the need to respond as best as possible using existing technology to customers' demand for green steel poses the greatest challenge. Work to optimize modes of operation and the energy used serves these needs. For example, the Steel Division started shipping CO₂-reduced steel from its Linz plant for the first time at the end of calendar year 2021. Over and above the use of green electricity, this steel is also based on an innovative raw materials

mix that is achieved by adjusting both the reducing agents and the raw materials mix as well as by maximizing the amount of scrap used. A CO₂ footprint that has been reduced by some 10% is the outcome so far of this greentec steel edition. This approach is being incrementally expanded to other Steel Division product groups.

At the Hagfors (Sweden) plant of the High Performance Metals Division, the first climate-neutrally produced tool steel rolled off the assembly line in late 2021. Extensive, proprietary technology developed solely for this purpose enabled this innovation. Liquefied natural gas (LNG) is replaced by fossil fuel-free liquefied biogas (LBG), and all transportation within the plant is powered by green electricity or fossil fuel-free diesel (HVO100). This production concept cuts carbon emissions by up to 90%. voestalpine also utilized the gold standard carbon offset as per the UN's sustainability targets because, for now, a type of carbon that cannot be eliminated stays in the metal scrap and graphite. The Hagfors facility plans to achieve complete climate neutrality by 2030 and to apply the same approach to its entire value chain by 2035.

The Metal Engineering Division has taken a number of steps to continue cutting its energy consumption. For example, this entailed work to optimize the blast furnace gas (BFG) network at the Donawitz plant, the Group's most energy-intensive facility. This expanded the degree to which the facility's captive power plant can utilize the resulting BFG to generate captive energy by some 7,000 MWh.

Improvements in the waste heat network enabled further increases in the captive power plant's efficiency. Optimizing the fuel preheating process

made it possible to expand captive power generation by an additional 4,000 MWh annually.

At the Group's facility in Kindberg, Austria, construction of a new rotary hearth furnace stack is in the preparatory stage; it will serve heat extraction purposes. This will make it possible to feed up to 15 GWh to the planned district heating plant that supplies the city of Kindberg.

Furthermore, a multitude of measures aimed at further optimizing the use of materials, hydrological circuits, and clean air activities at the division's Austrian and international facilities have been taken. Yet more projects are being implemented—for example, in Linz—with respect to the electromobility charging infrastructure, the shift to electric vehicles and forklifts for inter-facility transportation, the thermal refurbishment of production floors, and the retrofitting of facilities with energy-saving LED lighting.

The Metal Forming Division, which manufactures innovative products for PV units, among other things, aims to achieve climate-neutral production by 2035. Its facilities in Kematen and Böhlerwerk in Lower Austria cover their need for electrical energy through both their own hydropower plants on the Ybbs River and certified renewable energy. New PV units have further raised the share of captive power generated. The division is also carrying out a comprehensive energy reduction project in collaboration with an industrial partner. This involves lowering the use of both electricity and natural gas, for example, by replacing existing drives and engines with higher-efficiency types, installing heat pumps to recover energy, and using district heating to heat both production and administrative facilities.

PRODUCT SUSTAINABILITY

As far as product sustainability assessments are concerned, voestalpine's current focus is on environmental aspects and thus on analyses of the products' environmental footprint and potential improvements.

Environmental product declarations (EPDs) are a critical tool that voestalpine uses to determine and communicate products' environmental impact based on their life cycle assessments. The EPDs are based on two international standards (EN 15804 and ISO 14025) that are audited and verified by independent third parties. voestalpine has listed and published environmental product declarations for various products (e.g., hot-dip galvanized strip steel and electrical steel strip) in the declarations program of the German "Institut

Bauen und Umwelt" (IBU), an association of building product manufacturers. EPDs for a number of other products are in preparation.

voestalpine is working intensely on developing measurable targets derived from the current approach to the technological transformation in accordance with state-of-the-art climate science. A number of different options for verifying such science-based targets are being explored.

Furthermore, the production entities of the Steel Division completed their certification as sustainable steelmaking facilities in the business year ended. This is based on a sustainability approach that rests on three pillars—environment, social, and governance (ESG). Fulfilment of ResponsibleSteel's strict standards is the prerequisite for obtaining the certification.

REPORT ON THE COMPANY'S RISK EXPOSURE

Proactive risk management, as it has been understood by and regularly practiced in the voestalpine Group, serves to ensure the Group's existence as a going concern in the long term and to boost its value and thus is key to the success of the voestalpine Group on the whole. The existing risk management system is rooted in a general policy that applies throughout the Group and is continually updated and refined. The **systematic risk management process** helps management to both identify risks early on and initiate appropriate precautionary measures with the aim of averting or preventing risks. In the sense of responsible corporate management that is oriented toward sustainability and shareholder value alike, risk management is an integral part of the decision-making and business processes at all hierarchy levels of all of the company's divisions. Risk management covers both the strategic and the operational levels and thus is a major factor in the Group's sustainable success.

Strategic risk management serves to evaluate and safeguard the Group's strategic planning. The strategy is reviewed as to its conformity with the Group's system of objectives in order to ensure value-added growth through the best possible allocation of resources. **Operational risk management** is based on a revolving procedure ("identify and analyze, assess, manage, document, and monitor") that is run several times a year uniformly across the entire Group. Operational risk management also includes ensuring conformity with the given strategy. Identified risks are appraised using a nine-field assessment matrix that evaluates possible losses and the probability of their occurring. In the main, this involves documenting operational, environmental, market, procurement, technological, financial, human resource, compliance, and IT risks as well as other sustainability risks at both the strategic and the operational level. A supporting checklist is available for risk identification; it is regularly reviewed as to its topicality and adjusted as necessary. Taking both risk appetite and risk capacity into account, actions taken to control risk entail dif-

ferent strategies. This includes wording such as "avoid/avert," "mitigate," and "secure" as well as combinations thereof; the wording, "bear" risk, comes into play to the extent that financial considerations preclude any other actions. Local management is responsible for making decisions as to what steps to pursue and implement. The operating units appoint risk managers who, in coordination with the respective management, drive and are responsible for the decentralized risk management process in the given units. Risk management is supported by a special web-based IT system. **Overall responsibility** for risk management, however, rests with the Management Board of voestalpine AG.

Among other things, the **Audit Committee** of voestalpine AG is tasked with continually addressing questions related to risk management and the Internal Control System (ICS) as well as the monitoring thereof. Both risk management and internal control are integral components of existing management systems within the voestalpine Group. Internal Audit monitors all operational and business processes, including the risks associated with them, as well as the ICS. As regards both the reporting on and the appraisal of the audit results, Internal Audit acts as an independent in-house department not bound by instructions. An external auditor reviews and evaluates the design and suitability of the existing **risk management process** once a year (Rule 83 of the Austrian Code of Corporate Governance (ACCG)).

DESCRIPTION OF MATERIAL FIELDS OF RISK

UKRAINE WAR

The final weeks of the business year 2021/22 were marked by the Ukraine war and its associated human, social, geopolitical, and economic ramifications, some of which are still not fully foreseeable. voestalpine AG has been monitoring the looming deterioration in the situation in Ukraine for quite some time and started early on to pre-

pare emergency measures. The safety of the company's employees at its (temporarily closed) sales office in Kyiv, Ukraine, was and is the Group's main concern. The team and their families were evacuated from the areas most at risk. Both sales and customer services are being provided through our Polish sales office.

Alternative suppliers and transport routes were identified and activated to ensure that relevant supplies of raw materials (e.g., iron ore, iron ore pellets, pulverized coal injection (PCI) coal, alloys, and natural gas) to our production plants (especially the steelworks in Austria) are not interrupted. Inventories—particularly of the raw materials, iron ore, and coal—have also been built up, with the result that relevant supplies are assured through the Northern fall of 2022. voestalpine consumes about six terawatt hours (TWh) of natural gas per year at its Austrian facilities; a natural gas storage capacity of one terawatt hour (TWh) was put in place at the start of the current (i.e., 2022/23) business year. We are in the process of feeding natural gas into this storage facility. Moreover, voestalpine has entered into a contract for the delivery of non-Russian liquified natural gas (LNG) at market prices for the second quarter of the business year 2022/23. Production activities at the affected voestalpine facilities were proceeding as planned at the time this Report was prepared. An internal task force continuously monitors and assesses both the overall situation and current developments so that it can initiate all necessary countermeasures as quickly as possible.

Developments regarding natural gas supplies are also monitored throughout. At the time this Report was prepared, natural gas was still being delivered as planned, but the pressure to enact an EU-wide embargo on Russian energy was growing. Given the close interdependence of value chains and energy flows, any suspension of natural gas deliveries—which could also be triggered by the Russian side and/or by the destruction of pipelines—would likely lead to massive re-

strictions in the entire European Economic Area (EEA), with wide-ranging ramifications that are very difficult or impossible to predict. To prepare for the eventuality of governments deciding to impose energy allotments, voestalpine AG in its capacity as a major consumer of natural gas has put in place emergency plans at its affected Austrian and German facilities in order to maintain minimum production levels at those plants and to prevent any damage to equipment, should an emergency scenario come to pass. Due to its additional capacity as a supplier of direct heating in Austria, the voestalpine Group also plays an important role in maintaining basic public energy supplies, which would have to be taken into account in case of natural gas allotments. The company is in constant contact with the relevant government agencies so that it is duly prepared for all conceivable scenarios. We are also continuously monitoring and assessing developments and/or follow-on effects of a potential EU embargo on Russian crude oil deliveries, but crude oil is of secondary importance to the energy supplies of our production facilities.

In March 2022, the European Commission released "RePowerEU," a set of proposals that aims to solve the current crisis in due course and bring about Europe's independence from Russian fossil fuels in the medium and/or long term. Besides support for energy customers, the proposals also entail minimum quotas for the storage of natural gas in view of maintaining the security of energy supplies as well as measures intended to accelerate the expansion of renewable energy and the diversification of natural gas supplies. The goal is to reduce Europe's reliance on Russian natural gas by two thirds through to the end of 2022 and to achieve complete independence from Russian fossil fuels "well before 2030." This will trigger enormous challenges especially for Eastern and Central European countries, because they are more likely to rely to a greater extent on Russian natural gas and/or do not possess the grid infrastructure required for diversifying their natural gas supplies at all or only to an insufficient degree. In

its capacity as a systemically relevant, major consumer of natural gas, the voestalpine Group participates proactively and constructively, both at the European and at the national level, in discussions of energy policies and issues. In the Group's view, the current situation confirms its repeated demands to accelerate the expansion of renewable energy.

Over and above the foregoing, the material fields of risk and the associated preventive measures that were presented in the previous business year's Annual Report remain valid.

» COVID-19 PANDEMIC

The Group-wide crisis management, which consists of crisis teams at three decision-making levels (Group, divisions, companies), took and continues to take effective steps to counteract the COVID-19 pandemic and its ramifications. The maintenance or situational adjustment of the precautionary measures that were already put in place at the onset of the pandemic (e.g., hygienic and protective measures, teleworking) as well as of the activities initiated to supplement them (e.g., regular exchanges of information with key customers and suppliers, adjustment of production activities in line with existent supply chains, securing liquidity) also helped during the business year ended to ensure the organization's stability as best as possible. We continue to monitor developments related to the pandemic. Emergency and crisis plans that were implemented along with additional measures are evaluated at regular intervals and are adjusted and/or expanded as necessary in the light of new information.

» AVAILABILITY OF RAW MATERIALS AND ENERGY SUPPLIES

To ensure the supply of raw materials and energy in the required quantities and quality over the long term, the voestalpine Group has for some years already pursued a diversified procurement strategy appropriate to the heightened political and economic risks of this globalized market.

The core elements of this strategy—long-term supply relationships, continued expansion of the supplier portfolio, and development of the Group's energy self-sufficiency—have become yet more important, given the current geopolitical events as well as the ongoing volatility of the raw materials markets (for details, see the "Raw Materials" chapter of this Annual Report).

As far as energy supplies are concerned, the Group continually examines and pursues alternative energy resources, particularly in the light of both the Ukraine war (as described above) and numerous decarbonization activities.

» HEDGING RAW MATERIALS PRICES

An internal guideline defines objectives, principles, and responsibilities as well as methodologies, procedures, and decision-making processes in connection with the management of raw materials price risks. Based thereon and taking into account individual specificities of the respective Group company's business model, prices are hedged by means of delivery contracts containing fixed price agreements or by means of derivative financial instruments. Depending on the respective Group company's approach, changes in the prices of energy and raw materials may be passed on to customers in part. In this case, risk management aims to secure the previously determined contribution margins under the sales contracts. Iron ore, coke, coking coal, zinc, nickel, CO₂, cobalt, and all sources of energy are subject to raw materials risk management. The section titled, "Availability of Raw Materials and Energy Supplies," already addresses issues related to the security of supplies (procurement risk).

» LOGISTICS AND SUPPLY CHAINS

Generally, global supply chains may be undermined, even interrupted, by events such as the pandemic and, in particular, the Ukraine war. This may trigger restrictions that arise from suppliers, from customers, from disrupted transportation routes, and from potential sanctions

and/or embargoes. Both our focus on less vulnerable supply chains and our work to expand logistical options have substantially boosted the reliability of raw materials deliveries in the past as well as during the current crises.

» **FAILURE OF PRODUCTION FACILITIES**

Continual targeted and comprehensive investments that optimize sensitive units technologically serve to minimize the risk of critical facilities breaking down. Supplementary measures encompass consistent preventive maintenance, risk-oriented storage of critical spare parts as well as appropriate employee training.

» **FAILURE OF IT SYSTEMS**

At most of the Group's facilities, business and production processes that are largely based on complex information technology (IT) systems are serviced by voestalpine group-IT GmbH, a wholly-owned subsidiary of voestalpine AG specialized in IT. Given the major significance of IT security and in order to continue mitigating possible IT breakdown and security risks, minimum IT security standards that include guidance on business continuity management are available. They are regularly adapted to current events, and compliance with the relevant requirements is reviewed annually by means of internal and external audits. voestalpine's highly qualified Security Operation Center (SOC) continuously ensures avoidance, identification, and mitigation of security-related events. Additional periodic penetration tests are carried out to further reduce the risk of unauthorized access to IT systems and IT applications. Broad online campaigns aimed at sensitizing the Group's employees to and furthering their awareness of security issues—especially potential risks in connection with teleworking—were carried out yet again in the business year ended. Evidence of cyber fraud attacks (e.g., social engineering, CEO fraud, and man-in-the-middle attacks related to payments and deliveries) is compiled by an internal working group, preventive meas-

ures are developed, and existent measures are reviewed as to their efficacy and adjusted as necessary. To avert potential cyber fraud attacks, appropriate online campaigns (including simulated phishing awareness programs) were conducted on these issues, too, and special e-learning modules that also help to sensitize employees at regular intervals to the given issues, were completed.

» **KNOWLEDGE MANAGEMENT/
PROJECT MANAGEMENT**

Complex projects that were initiated in the past are consistently refined in order to sustainably safeguard the Group's knowledge—especially to prevent the loss of its know-how. Besides permanently documenting all available knowledge, new findings from key projects as well as lessons learned as the result of unplanned events are incorporated as appropriate. Detailed process documentation, especially in IT-supported areas, also contributes to securing the available knowledge.

A diverse range of project management tools and suitable project monitoring are used to counteract any project risks (e.g., the project business and investments). In particular, this also concerns any risks associated with ramp-ups and/or cost increases. Insights gained from earlier activities are also compiled in the sense of lessons learned and form the basis of ongoing enhancements of already available tools to ensure that they are consistently applied in future projects.

» **COMPLIANCE RISKS**

Compliance violations (e.g., antitrust and corruption violations) represent a significant risk and may have adverse effects in that they may trigger financial losses and damage the Group's reputation. A Group-wide Compliance management system is designed to counteract these risks, particularly antitrust and corruption violations.

» RISKS OF NONCOMPLIANCE

WITH DATA PROTECTION REQUIREMENTS

Violations of requirements under data protection laws may have adverse financial effects and lead to reputational damage. A data protection unit was established pursuant to the data protection requirements that apply throughout the Group. It helps Group company managers carry out their responsibilities regarding compliance with statutory and intra-Group data protection requirements.

» RISKS FROM NATURAL DISASTERS

Comprehensive proactive measures to deal with risks, if any, from natural disasters such as fires, floods or low water levels, heavy snowfall, droughts, storms, or fluctuations in temperatures have been put in place. Among other things, this includes appropriate construction measures, fire alarms, sprinkler systems, flood protection, regular safety drills including tests of existent emergency plans as well as inspections and risk surveys conducted with insurance companies. The Group's existing insurance policies for natural disasters and other risks are regularly reviewed as to their current appropriateness in cooperation with voestalpine Insurance Services GmbH (the Group's internal insurer).

» SUSTAINABILITY RISKS

Potential risks pertaining to sustainability and associated issues (including the ramifications thereof)—e.g., climate action and environmental protection (particularly CO₂-related topics such as decarbonization), social and personnel issues, respect for human rights, and the fight against corruption—are taken into account, including their impact at all levels. As for the ramifications of climate and energy policies on the voestalpine Group, including its decarbonization strategy, please see the explanations in the Notes, Item B. Summary of Accounting Policies. Sustainability issues—among them the chapters on climate action and risk management—are also addressed in a separate, annually published sustainability report (specifically, the

Group's Corporate Responsibility (CR) Report). In addition, the "Environment" chapter of the Group Management Report contains greater detail on the CO₂ issue.

» RISKS FROM THE FINANCIAL SECTOR

Financial risk management is organized centrally with respect to policy-making power, strategy determination, and target definition. The existing policies include targets, principles, duties, and responsibilities that apply to both Group Treasury and the finance departments of individual Group companies. Financial risks are monitored continuously and hedged where feasible. Our strategy for managing foreign currency risks is aimed, in particular, at creating natural hedges. The management of other risks (interest rates and raw materials) serves to reduce fluctuations in both cash flows and income and to safeguard contribution margins. Market risks are largely hedged through derivative financial instruments that are used exclusively in connection with an underlying transaction.

Specifically, **financing risks** are hedged using the following measures:

» Liquidity risk

Liquidity risks generally arise when a company is potentially unable to raise the funds necessary to meet its financial obligations. Existing liquidity reserves enable the company to meet its obligations when due, even in times of crisis. Over and above the liquidity reserve, a precise financial plan that is prepared on a revolving, quarterly basis is the Group's primary instrument for controlling liquidity risk. Group Treasury centrally determines the need for new funding and bank credit lines based on the consolidated operating results. This is intended to ensure that the liquidity reserve covers the Group's planned liquidity needs for the next 12 months. As far as banking policies are concerned, care is taken to avoid cluster risks by diversifying the financial partners. Given the additional risks arising from the COVID-19 pandemic, particular atten-

tion was paid, for example, to boosting the company's internal funding capacity.

» **Credit risk**

Credit risk refers to financial losses that may occur due to non-fulfillment of contractual obligations by individual business partners. The credit risk of the underlying transactions is mitigated to the extent possible through a large number of credit insurance policies and bankable securities (guarantees, letters of credit). The default risk related to the Group's remaining own risk is managed by way of defined credit assessment, risk evaluation, risk classification, and credit monitoring processes. To date, the COVID-19 pandemic has not caused loan insurers to significantly tighten credit limits in individual customer segments, nor did it lead to greater receivable charge-offs. Counterparty credit risk in financial contracts is managed through daily monitoring of the counterparties' ratings and any changes in their credit default swap (CDS) levels. Investment limits weighted by the probability of default (PD) are allocated on that basis.

» **Foreign currency risk**

Foreign currency risk management aims primarily to create a natural hedge (cross-currency netting) within the Group by combining the cash flows. In this connection, hedges are implemented centrally by Group Treasury based on derivative hedging instruments. voestalpine AG hedges the budgeted (net) foreign currency payments for the next nine to twelve months. Longer-term hedging is carried out only in connection with contracted project business. While the hedging ratio is between 25% and 100% of the budgeted cash flows for the next 12 months, it declines through to maturity.

» **Interest rate risk**

voestalpine AG conducts interest rate risk assessments centrally for the entire Group. In par-

ticular, this entails managing cash flow risks (i.e., the risk that interest expense or interest income may undergo an adverse change). As of the March 31, 2022, reporting date, any increase in the interest rate by one percentage point would increase the net interest expense in the subsequent business year by EUR 5.5 million. However, this is a reporting date assessment that may be subject to fluctuations over time.

» **Price risk**

voestalpine AG also assesses price risk. Mainly scenario analyses are used to quantify interest and currency risks.

UNCERTAINTIES STEMMING FROM LEGISLATION

The COVID-19 pandemic may yet cause individual jurisdictions to take a variety of statutory steps that would affect production parameters and the ability of voestalpine AG's affected subsidiaries to act in a commercial capacity. However, this may also occur on account of additional sanctions and/or any embargoes that are imposed in connection with the Ukraine war (e.g., an EU-wide embargo of Russian energy). In turn, this might lead to massive restrictions in the entire European Economic Area and/or the global economy and trigger wide-ranging ramifications that are almost impossible to predict. Changes in legislation may generally lead to changes in both production parameters and purchasing behavior.

ECONOMIC RISKS

Based on the insights gained from economic and financial crises in the past and their effects on the voestalpine Group—particularly those gained from the COVID-19 pandemic and the Ukraine war—additional steps primarily of a corporate nature have been and are being taken to miti-

gate the Group's risk exposure. In particular, consistent application of and follow-up on these measures is designed to

- » Minimize the negative effects that even a recessionary economic trend would have on the company by means of relevant planning precautions ("scenario planning");
- » Maintain high product quality along with concurrent continual efficiency gains and ongoing cost optimization;
- » Ensure the security of supply chains and energy supplies as best as possible;
- » Have sufficient financial liquidity available, even in the event of constricted financial markets; and
- » Secure in-house expertise even more efficiently than before with a view to continuing the long-term expansion of the Group's quality and technology leadership.

Given the difficulties in the economic environment that continue unabated, any fallout from global (trade) disputes is monitored on a continual basis. Further developments in the Ukraine war and the actions that individual countries resolve to fight it as well as activities aimed at stimulating the economic environment will continue to have a massive impact on economic developments in different regions of the world.

Specific measures to hedge the risks previously identified within the voestalpine Group have been developed and implemented. These steps are aimed at reducing potential losses and/or minimizing the likelihood of losses occurring. It must be stated that, from today's perspective, the operating risks facing the voestalpine Group—over and above global crises and their consequences—are limited and manageable, and that they do not threaten the company's existence as a going concern. As for the Ukraine war and its associated human, social, geopolitical, and economic ramifications, some of which are still not fully foreseeable, the voestalpine Group will continue to do everything in its power to deal with

the situation, which is very difficult for each and every individual and for the company on the whole, to the best of its ability.

REPORT ON THE KEY FEATURES OF THE GROUP'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM WITH REGARD TO ACCOUNTING PROCEDURES

Pursuant to Section 243a (2) Austrian Commercial Code (*Unternehmensgesetzbuch – UGB*), Austrian companies whose shares are traded on a regulated market must describe the key features of their internal control and risk management system with regard to accounting procedures in their management reports.

Section 82 Austrian Stock Corporation Act (*Aktien-gesetz – AktG*) requires the Management Board to establish a suitable internal control and risk management system for accounting procedures. The Management Board of voestalpine AG has adopted relevant guidelines that are binding on the entire Group. In line with the voestalpine Group's decentralized structure, the local management of each Group company is obliged to establish and shape an internal control and risk management system for accounting procedures that meets the requirements of that individual company and ensures compliance with the relevant, existing Group-wide guidelines and regulations.

The entire process, from procurement to payment, is subject to strict and unified Group-wide guidelines that are designed to reduce the risks associated with the business processes to a minimum. These Group guidelines set forth measures and rules for avoiding risk, such as the strict separation of functions, signature authority rules and, particularly, signing authority for payments that apply only collectively and are limited to only a few persons (four-eyes principle). In this context, control measures related to IT security are a cornerstone of the Internal Control System (ICS). Issuing

IT authorizations restrictively supports the separation and/or segmentation of sensitive activities. The accounting in the individual Group companies is largely carried out using SAP software. The reliability of these SAP systems is guaranteed by automated business process controls that are built into the system as well as by other methods. Reports on critical authorizations and authorization conflicts are generated in an automated process.

To prepare the consolidated financial statements, the data pertaining to fully consolidated entities is transferred to the unified Group consolidation and reporting system. Group-wide accounting policies applicable to the recording, posting, and recognition of business transactions are governed by the voestalpine Consolidated Financial Statements Manual and are binding on all Group companies. Automatic controls that are built into the reporting and consolidation system, for one, and numerous manual reviews, for another, have been put in place to avoid material misstatements to the greatest extent possible. These controls range from management reviews and discussions of the net profit/loss for the reporting period all the way to the specific reconciliation of accounts. voestalpine AG's Controlling Manual contains a summarizing presentation of how the accounting system is organized. The accounting and controlling departments of the individual Group companies submit monthly reports containing

key performance indicators (KPIs) to their own managing directors and to the management boards of the respective divisions and, after approval, to the holding company's Corporate Accounting & Reporting department to be aggregated, consolidated, and reported to the Group Management Board. Additional information, such as detailed target/performance comparisons, is prepared in a similar process as part of quarterly reporting. Quarterly reports are submitted to the supervisory board, board, or advisory board of the given Group company, and a consolidated report is submitted to the Supervisory Board of voestalpine AG.

Besides operational risks, the accounting system is also subject to Group risk management. In this context, possible accounting risks are analyzed on a regular basis, and measures to avoid them are taken. The focus is on those risks that are regarded as fundamental to the given company's activities. Compliance with the ICS, including the required quality standards, is monitored continuously by way of audits at the Group company level. Internal Audit works closely with the appropriate management board members and managing directors. It reports directly to the Chairman of the Management Board of voestalpine AG and submits reports, periodically, to the Group Management Board and, subsequently, to the Audit Committee of the Supervisory Board of voestalpine AG.

NUMBER OF TREASURY SHARES

Holdings of treasury shares for the purpose of issuing shares to employees and executives of the company and of affiliated companies under the

existent employee shareholding scheme as of March 31, 2022, are as follows:

| | Treasury shares in thousands of shares | Percentage of share capital in % | Percentage of share capital in thousands of euros |
|-------------------------|--|--|--|
| As of 03/31/2021 | 28.5 | 0.0 | 51.9 |
| Additions in 2021/22 | 0.0 | 0.0 | 0.0 |
| Disposals in 2021/22 | 0.0 | 0.0 | 0.0 |
| As of 03/31/2022 | 28.5 | 0.0 | 51.9 |

The company has held its treasury shares for years.

DISCLOSURES ON CAPITAL, SHARE, VOTING, AND CONTROL RIGHTS AS WELL AS ASSOCIATED OBLIGATIONS

As of March 31, 2022, the share capital of voestalpine AG is EUR 324,391,840.99 (March 31, 2021: EUR 324,391,840.99) and is divided into 178,549,163 ordinary no-par value shares (March 31, 2021: 178,549,163). There are no restrictions on voting rights (1 share = 1 vote). voestalpine AG is unaware of any agreements among or between its shareholders and third parties that restrict voting rights or the transfer of shares.

Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG, Linz, Austria, and voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation for the company's employee shareholding scheme), Linz, each hold more than 10% (and less than 15%) of the company's share capital. Oberbank AG, Linz, holds more than 5% (and less than 10%).

The Management Board of voestalpine Mitarbeiterbeteiligung Privatstiftung exercises the voting rights of shares held in trust by voestalpine Mitarbeiterbeteiligung Privatstiftung for the employees of voestalpine AG's Group companies who participate in the employee shareholding scheme. However, the way the voting rights are exercised requires the approval of the Advisory Board of voestalpine Mitarbeiterbeteiligung Privatstiftung. The Advisory Board resolves such approval with a simple majority. This Board is constituted on a basis of parity, with six members representing the employees and six members representing the employer. In the event of a tie, the chairperson of the Advisory Board, who must be appointed by the employee representatives, casts the deciding vote.

As regards those of the Management Board's powers that do not follow directly from the law, such as buybacks of the company's treasury shares and/or authorized or contingent capital, reference is made to Note 17 (Equity) of the Notes to the Consolidated Financial Statements 2021/22.

The EUR 500 million fixed-interest bond 2017–2024; the EUR 500 million fixed-interest bond 2019–26; the EUR 50 million fixed-interest bond 2019–2031; a total of EUR 321 million and USD 320 million, respectively, in promissory note loans; the EUR 1,000 million syndicated loan obtained in 2019 (revolving credit facility, undrawn); and bilateral loans for a total of EUR 388.2 million and USD 280 million, respectively, contain change-of-control clauses. Under the terms of these financing agreements, the bondholders or lenders have the right, respectively, to demand redemption of their bonds or repayment of their loans if control of the company changes hands. The terms of the aforementioned financing agreements specify that a change of control at voestalpine AG is triggered when a party acquires a controlling interest in the company as defined in the Austrian Takeover Act (*Übernahmegesetz*).

There are no indemnity agreements between the company and the members of its Management Board, the members of its Supervisory Board, or its employees in the event of a public takeover bid.

OUTLOOK

The outbreak of the war in Ukraine along with the resulting sanctions against Russia brought an abrupt end to the strong momentum that the economic rebound generated once pandemic-related restrictions had been lifted, curbing economic growth in Europe yet again. In North America, too, growth already declined slightly and unexpectedly in the last quarter of the company's business year 2021/22. China's zero-COVID strategy is not only slowing down the country's own economic momentum. Given the strong interdependence of global supply chains, we expect its ramifications to affect both Europe and North America also.

Market sentiment thus clouded over at the start of the company's new business year 2022/23. The situation is further aggravated by the fact that the parameters of macroeconomic growth—first and foremost, the duration and course of the Ukraine war as well as the political reactions to it—largely are imponderable.

Volatile raw materials and energy prices as well as future developments in the COVID-19 pandemic further deepen the uncertainty. So far, China has consistently maintained its zero-COVID strategy. This might lead to temporary bottlenecks in global supply chains during the current business year.

In light of the difficult environment overall, the Group's excellent financial footing and high order backlog at the start of its new business year give voestalpine a decisive edge. The company's order books are filled through to the Northern summer of 2022 at least, and longer for some product and customer segments. The structure of our contracts—which comprise short, medium, and long terms—will provide additional stability.

Despite good demand for cars, the automotive industry will again have to contend with supply chain constraints in the business year 2022/23. However, some improvement in this situation should be expected in the course of the business year.

The aerospace industry is seeing an upward trend at this time, which should persist throughout most of the business year 2022/23.

High energy prices will continue to drive demand from the oil & natural gas industries.

The construction and mechanical engineering sectors as well as the white goods and consumer goods industries are currently showing solid demand.

As in the past, the railway infrastructure segment should serve as a stabilizing factor on the whole throughout the business year.

Against this backdrop, we expect the Group to post good earnings performance for the first quarter of the business year 2022/23. Portions of the second business quarter should also benefit from current order levels even though the momentum will decline, as is generally the case during the Northern summer.

However, major uncertainties cloud the forecast for the business year's second half. Assuming

that, overall, the global economy will cool off but will not suffer any additional major economic distortions due to the Ukraine war; due to new, aggressive COVID-19 waves; or due to large-scale disruptions of international supply chains, the Management Board of voestalpine AG expects the Group to generate EBITDA of between EUR 1.8 billion and EUR 2.0 billion for the business year 2022/23.

Linz, May 24, 2022

The Management Board

Herbert Eibensteiner

Franz Kainersdorfer

Robert Ottel

Franz Rotter

Peter Schwab

Hubert Zajicek

This report is a translation of the original German-language report, which is solely valid.

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REPORT OF THE SUPERVISORY BOARD ON THE BUSINESS YEAR 2021/22

Just as the business year 2020/21, the business year 2021/22 was marked throughout by the economic and social fallout from the COVID-19 pandemic. In the current reporting period's final quarter, the dramatic events resulting from Russia's invasion of Ukraine brought a host of additional business challenges even though the humanitarian dimension of the crisis overshadowed its economic consequences. As the Report of the Management Board addresses both of these events as well as other economic parameters in greater detail, we may dispense with such explanations here.

During the business year 2021/22, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Association by holding four plenary sessions, three meetings of the Audit Committee, and four meetings of the General Committee. In both the General Committee and the Audit Committee meetings, the Management Board provided comprehensive oral and written information regarding the development of the company's business as well as its financial management and position.

In addition to the regular reports on the Group's current business and financial position, the meetings of the Supervisory Board dealt especially with matters related to sustainability and innovation as well as information technology and the digital transformation—all of which will determine the future. Hence possible future scenarios involving CO₂-reduced steel production at the company's plants in Linz and Donawitz (both Austria) were

front and center. At its meeting in March 2022, the Supervisory Board took a first step toward decarbonizing the production of steel by making an important decision that will move the voestalpine Group from coal-based blast furnace technology to electric arc furnace technology powered by electricity from sustainable sources. As early as in the Northern summer of 2022, the Group will start to clear the future construction site required for this purpose and carry out infrastructure modification work at both aforementioned steelmaking facilities. The estimated investment costs for the project's first phase are in the low three-digit million euro range. During the current business year 2022/23, the Supervisory Board will have to make final decisions on investments in the electricity-based technology that will serve as a partial replacement for the blast furnace-based technology still in use at this time. The construction of the new facilities will begin in 2024. One electric arc furnace each is to be commissioned in Linz and Donawitz in early 2027. As of now, the estimated investment costs are about EUR 1 billion. Following this technological shift, the voestalpine Group will be able to cut its carbon dioxide emissions by some 30%—a significant first step. This represents a reduction of three to four million tons of CO₂ per year—roughly equivalent to 5% of Austria's total annual carbon emissions. In the long term, the company seeks to achieve carbon neutral steel production largely on the basis of green hydrogen; its relevant research on promising breakthrough technologies is already at an advanced stage.

Just as in the preceding business year, furthermore, in the business year 2021/22 the Supervisory Board explored strategic options for the direct reduction plant used to produce hot briquetted iron (HBI) in Corpus Christi, Texas, USA. At its meeting on March 22, 2022, the Supervisory Board approved the sale of a majority stake in the plant. Pursuant thereto, the Management Board signed a sale agreement with ArcelorMittal on April 14, 2022, regarding the sale of 80% of voestalpine's stake in voestalpine Texas Holding LLC. An agreement on the guaranteed, long-term supply of 420,000 tons annually of the HBI produced in Corpus Christi is an element of voestalpine's remaining equity interest of 20%. This supply will provide the basis for the aforementioned initial steps to decarbonize the production of steel in both Linz and Donawitz. In addition, this partnership will mitigate the spot market risk arising from the HBI that voestalpine does not need. The Texas-based HBI plant has a production capacity of about two million tons of HBI per year. The closing of the transaction is planned for June 2022.

Over and above issues related to the compensation of the Management Board and the Supervisory Board, the latter's General Committee also dealt with a change in the Compensation Policy applicable to the members of the Supervisory Board, which was resolved at both the Supervisory Board meeting on June 8, 2021, and the Annual General Meeting on July 7, 2021.

The Audit Committee concerned itself especially with the preparation and review of the company's consolidated and annual financial statements, the auditor's independence as well as topics related to the current and future structure of the internal control system, the risk management system, and Internal Audit.

At the Supervisory Board meeting on March 22, 2022, Dr. Joachim Lemppenau resigned from his position as the Chairman of the Supervisory Board effective as of the end of March 2022;

subsequently, Dr. Wolfgang Eder was elected the new Chairman effective April 1, 2022. However, Dr. Lemppenau will continue to make himself available to the Supervisory Board as a member until the end of his current term of office, i.e., up to the Annual General Meeting 2024. For details regarding the composition and procedures of the Supervisory Board and its committees, see the Consolidated Corporate Governance Report 2021/22.

Both the Annual Financial Statements and the Consolidated Financial Statements as of March 31, 2022, were audited by the auditor elected at the Annual General Meeting on July 7, 2021, specifically, Deloitte Audit Wirtschaftsprüfungs-GmbH, Vienna, Austria. The auditor attended all three meetings of the Audit Committee and was available for questions and discussions.

The audit did not give rise to any objections and showed that the Annual Financial Statements as well as the Consolidated Financial Statements (the latter having been prepared in accordance with the International Financial Reporting Standards (IFRS) as mandated by Section 245a Austrian Commercial Code (*Unternehmensgesetzbuch - UGB*) conform to statutory requirements. The auditor issued an unqualified audit opinion both for the Annual Financial Statements and the Consolidated Financial Statements, and confirmed that the Management Report is consistent with the Annual Financial Statements; she confirmed as well that the Consolidated Management Report is consistent with the Consolidated Financial Statements.

Following the Audit Committee's prior review of the financials, on June 2, 2022, the Supervisory Board reviewed and approved the Annual Financial Statements as of March 31, 2022. The Annual Financial Statements are herewith deemed adopted pursuant to Section 96 (4) Austrian Stock Corporation Act (*Aktiengesetz - AktG*). Furthermore, following the Audit Committee's prior review, the Supervisory Board reviewed and

approved the Management Report as well as the Consolidated Financial Statements, which include the Consolidated Management Report, the Consolidated Corporate Governance Report, and the Corporate Responsibility Report for the business year 2021/22. The Supervisory Board's reviews did not raise any objections.

The Consolidated Corporate Governance Report 2021/22 was audited by Deloitte Audit Wirtschaftsprüfungs-GmbH as part of the annual external review of voestalpine AG's compliance with the Austrian Code of Corporate Governance (the "Code"). This review did not bring to light any facts and circumstances that would cause us to assume that the company's Consolidated Corporate Governance Report does not comply with material aspects of the Code. Compliance with the Code's C rules pertaining to the auditor (Rules 77 through 83) was reviewed and confirmed by the law firm, WOLF THEISS Rechtsanwälte GmbH & Co KG, Vienna. This review, too, confirmed compliance with the rules.

The Corporate Responsibility Report 2021/22 (CR Report) was audited by Deloitte Audit Wirtschaftsprüfungs-GmbH. These audit procedures did not bring to light any facts and circumstances either that would cause us to assume that the CR Report of voestalpine AG does not

comply with material aspects of applicable legal requirements and the Global Reporting Initiative (GRI) standards.

It is established hereby that the company closed the business year 2021/22 with a net profit of EUR 215.0 million. We propose paying a dividend of EUR 1.20 per share to those shareholders entitled to a dividend and to carry forward the remaining amount.

Yet again, the Supervisory Board must first thank the roughly 50,000 employees of the voestalpine Group worldwide for their commitment and their loyalty in these difficult times. Its thanks are also due to the Management Board and the executive team for their determination and their consistency in action under challenging conditions. Last but not least, we thank our shareholders for staying loyal to the company in these economically unsettled times.

The Supervisory Board

Dr. Wolfgang Eder
(Chairman)

Linz, June 2, 2022

This report is a translation of the original German-language report, which is solely valid.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31, 2022

ASSETS

| | | Notes | 03/31/2021 | 03/31/2022 |
|---|----|-------|-----------------|-----------------|
| A. Non-current assets | | | | |
| Property, plant and equipment | 9 | | 6,120.0 | 5,635.9 |
| Goodwill | 10 | | 1,469.2 | 1,448.6 |
| Other intangible assets | 10 | | 307.2 | 289.9 |
| Investments in entities consolidated according to the equity method | 12 | | 135.7 | 162.7 |
| Other financial assets and other equity investments | 12 | | 66.2 | 70.2 |
| Deferred tax assets | 13 | | 345.9 | 279.3 |
| | | | 8,444.2 | 7,886.6 |
| B. Current assets | | | | |
| Inventories | 14 | | 3,438.8 | 4,935.1 |
| Trade and other receivables | 15 | | 1,722.2 | 2,293.1 |
| Other financial assets | 24 | | 145.3 | 145.6 |
| Cash and cash equivalents | 16 | | 1,159.7 | 842.8 |
| Current assets | | | 6,466.0 | 8,216.6 |
| Assets from discontinued operations | C. | | 0.0 | 921.5 |
| Current assets incl. assets from discontinued operations | | | 6,466.0 | 9,138.1 |
| Total assets | | | 14,910.2 | 17,024.7 |

In millions of euros

EQUITY AND LIABILITIES

Notes 03/31/2021 03/31/2022

A. Equity

| | | | |
|--|----|----------------|----------------|
| Share capital | | 324.3 | 324.3 |
| Capital reserves | | 661.2 | 664.9 |
| Treasury shares | | -1.5 | -1.5 |
| Other reserves | | -115.0 | -26.2 |
| Retained earnings | | 4,655.6 | 5,953.2 |
| Equity attributable to equity holders of the parent | | 5,524.6 | 6,914.7 |
| Non-controlling interests | | 125.3 | 154.6 |
| | 17 | 5,649.9 | 7,069.3 |

B. Non-current liabilities

| | | | |
|---|----|----------------|----------------|
| Pensions and other employee obligations | 18 | 1,257.2 | 1,082.4 |
| Provisions | 19 | 119.3 | 117.3 |
| Deferred tax liabilities | 13 | 93.8 | 74.9 |
| Financial liabilities | 20 | 2,846.2 | 2,646.2 |
| | | 4,316.5 | 3,920.8 |

C. Current liabilities

| | | | |
|--|----|-----------------|-----------------|
| Provisions | 19 | 700.6 | 1,035.9 |
| Tax liabilities | | 51.6 | 263.9 |
| Financial liabilities | 20 | 1,220.7 | 623.9 |
| Trade and other payables | 21 | 2,188.8 | 2,862.4 |
| Trade payables from bills of exchange and trade payables from reverse factoring agreements | 22 | 782.1 | 1,153.4 |
| Current liabilities | | 4,943.8 | 5,939.5 |
| Liabilities from discontinued operations | C. | 0.0 | 95.1 |
| Current liabilities incl. liabilities from discontinued operations | | 4,943.8 | 6,034.6 |
| Total equity and liabilities | | 14,910.2 | 17,024.7 |

In millions of euros

CONSOLIDATED STATEMENT OF CASH FLOWS 2021/22

| | Notes | 2020/21 | 2021/22 |
|---|-------|----------------|----------------|
| Operating activities | | | |
| Profit after tax | | 31.7 | 1,330.3 |
| Non-cash expenses and income, deposits and disbursements not recognized in income statement | 25 | 968.5 | 512.0 |
| Change in inventories | | 133.5 | -1,548.7 |
| Change in receivables and liabilities | | 407.1 | 397.0 |
| Change in provisions | | 92.7 | 552.3 |
| Changes in working capital | | 633.3 | -599.4 |
| Cash flows from operating activities¹ | | 1,633.5 | 1,242.9 |
| Thereof from discontinued operations | | -24.6 | 28.5 |
| Investing activities | | | |
| Additions to other intangible assets, property, plant and equipment | | -599.3 | -654.0 |
| Income from disposals of assets | | 19.7 | 20.3 |
| Cash flows from the acquisition of control of subsidiaries | 25 | -2.0 | 0.0 |
| Cash flows from the loss of control of subsidiaries | 25 | -0.1 | 0.0 |
| Additions to/divestments of other financial assets | | -84.1 | 3.9 |
| Cash flows from investing activities | | -665.8 | -629.8 |
| Thereof from discontinued operations | | -21.4 | -52.6 |
| Financing activities | | | |
| Dividends paid | | -35.7 | -89.3 |
| Dividends paid, non-controlling interests | | -14.5 | -19.2 |
| Capital increase, non-controlling interests | | 0.8 | 3.5 |
| Acquisition of non-controlling interests | | 0.0 | -1.8 |
| Increase in non-current financial liabilities | 25 | 154.7 | 3.7 |
| Repayment of non-current financial liabilities | 25 | -603.7 | -767.4 |
| Repayment of lease liabilities | 25 | -45.5 | -44.9 |
| Change in current financial liabilities and other financial liabilities | 25 | -51.7 | -32.9 |
| Cash flows from financing activities | | -595.6 | -948.3 |
| Thereof from discontinued operations | | 0.0 | 0.0 |
| Net decrease/increase in cash and cash equivalents | | 372.1 | -335.2 |
| Cash and cash equivalents, beginning of year | | 794.7 | 1,159.7 |
| Net exchange differences | | -7.1 | 18.3 |
| Cash and cash equivalents, end of year | 16 | 1,159.7 | 842.8 |

¹ Cash flows from operating activities include interest received of
interest paid of
taxes paid of
and dividend income of
in continuing operations.

| | |
|------|------|
| 3.7 | 3.6 |
| 87.2 | 81.1 |
| 31.4 | 84.6 |
| 8.7 | 12.0 |

In millions of euros

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 2021/22

CONSOLIDATED INCOME STATEMENT

| | Notes | 2020/21 ¹ | 2021/22 |
|--|-------|----------------------|-----------------|
| Revenue | 1, 2 | 10,901.9 | 14,923.2 |
| Cost of sales | | -9,067.3 | -11,561.0 |
| Gross profit | | 1,834.6 | 3,362.2 |
| Other operating income | 3 | 488.5 | 445.9 |
| Distribution costs | | -986.8 | -1,174.8 |
| Administrative expenses | | -640.8 | -706.9 |
| Other operating expenses | 4 | -370.9 | -502.6 |
| Share of profit of entities consolidated according to the equity method | 5 | 13.6 | 30.5 |
| EBIT | | 338.2 | 1,454.3 |
| Finance income | 6 | 21.2 | 35.7 |
| Finance costs | 7 | -124.6 | -107.5 |
| Profit before tax | | 234.8 | 1,382.5 |
| Tax expense | 8 | 20.9 | -310.1 |
| Profit after tax from continuing operations | | 255.7 | 1,072.4 |
| Profit after tax from discontinued operations | C. | -224.0 | 257.9 |
| Profit after tax | | 31.7 | 1,330.3 |
| Attributable to: | | | |
| Equity holders of the parent | | 42.1 | 1,299.6 |
| Non-controlling interests | | -10.4 | 30.7 |
| Diluted and basic earnings per share (euros) from continuing operations | 31 | 1.49 | 5.84 |
| Diluted and basic earnings per share (euros) from discontinued operations | 31 | -1.25 | 1.44 |
| Diluted and basic earnings per share (euros) | 31 | 0.24 | 7.28 |

CONSOLIDATED OTHER COMPREHENSIVE INCOME

| | 2020/21 ¹ | 2021/22 |
|---|----------------------|----------------|
| Profit after tax | 31.7 | 1,330.3 |
| Items of other comprehensive income that will be reclassified subsequently to profit or loss | | |
| Cash flow hedges | 38.9 | 32.5 |
| Currency translation | 12.5 | 60.0 |
| Share of result of entities consolidated according to the equity method | 0.4 | 3.1 |
| Subtotal of items of other comprehensive income that will be reclassified subsequently to profit or loss | 51.8 | 95.6 |
| Items of other comprehensive income that will not be reclassified subsequently to profit or loss | | |
| Actuarial gains/losses | -9.5 | 91.5 |
| Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss | -9.5 | 91.5 |
| Other comprehensive income for the period, net of income tax | 42.3 | 187.1 |
| Total comprehensive income for the period | 74.0 | 1,517.4 |
| Attributable to: | | |
| Equity holders of the parent | 82.8 | 1,483.5 |
| Non-controlling interests | -8.8 | 33.9 |
| Total comprehensive income for the period | 74.0 | 1,517.4 |

¹ Business year 2020/21, retroactively adjusted. For details, see the Notes to the Consolidated Financial Statements under C. Scope of consolidation – Discontinued operations.

In millions of euros

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2021/22

| | Share capital | Capital reserves | Treasury share reserve |
|---|---------------|------------------|------------------------|
| Balance as of April 1, 2020 | 324.3 | 660.3 | -1.5 |
| Profit after tax | - | - | - |
| Items of other comprehensive income that will be reclassified subsequently to profit or loss | | | |
| Cash flow hedges | - | - | - |
| Currency translation | - | - | - |
| Share of result of entities consolidated according to the equity method | - | - | - |
| Subtotal of items of other comprehensive income that will be reclassified subsequently to profit or loss | - | - | - |
| Items of other comprehensive income that will not be reclassified subsequently to profit or loss | | | |
| Actuarial gains/losses | - | - | - |
| Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss | - | - | - |
| Other comprehensive income for the period, net of income tax | - | - | - |
| Total comprehensive income for the period | - | - | - |
| Dividends | - | - | - |
| Share-based payment | - | 0.9 | - |
| Acquisition of control of subsidiaries | - | - | - |
| Other changes | - | - | - |
| | - | 0.9 | - |
| Balance as of March 31, 2021 = Balance as of April 1, 2021 | 324.3 | 661.2 | -1.5 |
| Profit after tax | - | - | - |
| Items of other comprehensive income that will be reclassified subsequently to profit or loss | | | |
| Cash flow hedges | - | - | - |
| Currency translation | - | - | - |
| Share of result of entities consolidated according to the equity method | - | - | - |
| Subtotal of items of other comprehensive income that will be reclassified subsequently to profit or loss | - | - | - |
| Items of other comprehensive income that will not be reclassified subsequently to profit or loss | | | |
| Actuarial gains/losses | - | - | - |
| Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss | - | - | - |
| Other comprehensive income for the period, net of income tax | - | - | - |
| Total comprehensive income for the period | - | - | - |
| Dividends | - | - | - |
| Share-based payment | - | 3.7 | - |
| Other changes | - | - | - |
| | - | 3.7 | - |
| Balance as of March 31, 2022 | 324.3 | 664.9 | -1.5 |

| Other reserves | | Retained earnings | Total attributable to equity holders of the parent | Non-controlling interests | Total equity |
|---------------------|-------------------------|-------------------|--|---------------------------|--------------|
| Translation reserve | Cash flow hedge reserve | | | | |
| -133.6 | -32.2 | 4,660.9 | 5,478.2 | 136.7 | 5,614.9 |
| - | - | 42.1 | 42.1 | -10.4 | 31.7 |
| - | 38.9 | - | 38.9 | - | 38.9 |
| 11.5 | - | - | 11.5 | 1.0 | 12.5 |
| 0.4 | - | - | 0.4 | - | 0.4 |
| 11.9 | 38.9 | - | 50.8 | 1.0 | 51.8 |
| - | - | -10.1 | -10.1 | 0.6 | -9.5 |
| - | - | -10.1 | -10.1 | 0.6 | -9.5 |
| 11.9 | 38.9 | -10.1 | 40.7 | 1.6 | 42.3 |
| 11.9 | 38.9 | 32.0 | 82.8 | -8.8 | 74.0 |
| - | - | -35.7 | -35.7 | -15.9 | -51.6 |
| - | - | - | 0.9 | - | 0.9 |
| - | - | - | - | 5.4 | 5.4 |
| - | - | -1.6 | -1.6 | 7.9 | 6.3 |
| - | - | -37.3 | -36.4 | -2.6 | -39.0 |
| -121.7 | 6.7 | 4,655.6 | 5,524.6 | 125.3 | 5,649.9 |
| - | - | 1,299.6 | 1,299.6 | 30.7 | 1,330.3 |
| - | 32.5 | - | 32.5 | - | 32.5 |
| 56.9 | - | - | 56.9 | 3.1 | 60.0 |
| 3.1 | - | - | 3.1 | - | 3.1 |
| 60.0 | 32.5 | - | 92.5 | 3.1 | 95.6 |
| - | - | 91.4 | 91.4 | 0.1 | 91.5 |
| - | - | 91.4 | 91.4 | 0.1 | 91.5 |
| 60.0 | 32.5 | 91.4 | 183.9 | 3.2 | 187.1 |
| 60.0 | 32.5 | 1,391.0 | 1,483.5 | 33.9 | 1,517.4 |
| - | - | -89.3 | -89.3 | -12.8 | -102.1 |
| - | - | - | 3.7 | - | 3.7 |
| -3.7 | - | -4.1 | -7.8 | 8.2 | 0.4 |
| -3.7 | - | -93.4 | -93.4 | -4.6 | -98.0 |
| -65.4 | 39.2 | 5,953.2 | 6,914.7 | 154.6 | 7,069.3 |

In millions of euros

voestalpine AG

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2021/22

A. GENERAL INFORMATION AND CORPORATE PURPOSE

The voestalpine Group is a global steel and technology Group. With its top-quality products, the Group is one of the leading partners to the automotive and consumer goods industries in Europe and to the oil and gas industry worldwide.

voestalpine AG is the Group's ultimate parent company and prepares the Consolidated Financial Statements. It is registered in the Commercial Register of Linz and has its registered office in voestalpine-Strasse 1, 4020 Linz, Austria. The shares of voestalpine AG are listed on the Vienna stock exchange.

The Consolidated Financial Statements for the year ended March 31, 2022 (including comparative figures for the year ended March 31, 2021) have been prepared pursuant to Section 245a (1) of the Austrian Commercial Code (*Unternehmensgesetzbuch – UGB*) in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the European Union as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRS-IC), which require application in 2021.

The Consolidated Financial Statements are presented in millions of euros (= functional currency of the parent company).

The consolidated income statement has been prepared using the cost-of-sales method.

The use of automated calculation systems may result in rounding differences that affect amounts and percentages.

On May 24, 2022, the Management Board of voestalpine AG approved the Consolidated Financial Statements and authorized the submission thereof to the Supervisory Board.

B. SUMMARY OF ACCOUNTING POLICIES

EFFECTS OF NEW AND REVISED IFRS

The accounting policies applied to the Consolidated Financial Statements are consistent with those of the previous year with the exceptions listed below.

The following new and revised Standards and Interpretations were adopted for the first time in the business year 2021/22:

| Standard | Content | Effective date¹ |
|---|--|-----------------------------------|
| IFRS 4, amendments | Insurance Contracts – Deferral of IFRS 9 | January 1, 2021 |
| IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16, amendments | Interest Rate Benchmark Reform – Phase 2 | January 1, 2021 |
| IFRS 16, amendments | COVID-19-Related Rent Concessions | April 1, 2021 |

¹ In accordance with EU endorsements, these Standards are applicable to reporting periods beginning on or after the effective date.

The application of the aforementioned revisions did not have any material effects on the Consolidated Financial Statements.

The following new and revised Standards and Interpretations had already been published as of the reporting date, but their application was not yet mandatory for the business year 2021/22 or they have not yet been adopted by the European Union:

| Standard | Content | Effective date according to IASB¹ |
|--------------------------------|---|---|
| IFRS 3, amendments | Reference to the Conceptual Framework | January 1, 2022 |
| IAS 16, amendments | Property, Plant and Equipment – Proceeds before Intended Use | January 1, 2022 |
| IAS 37, amendments | Onerous Contracts – Cost of Fulfilling a Contract | January 1, 2022 |
| Various standards, amendments | Annual Improvements to International Financial Reporting Standards, 2018–2020 Cycle | January 1, 2022 |
| IAS 1, amendments | Classification of Liabilities as Current or Non-current | January 1, 2023 ² |
| IFRS 17 | Insurance Contracts | January 1, 2023 |
| IAS 1, amendments | Disclosure of Accounting Policies | January 1, 2023 |
| IAS 8, amendments | Definition of Accounting Estimates | January 1, 2023 |
| IAS 12, amendments | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | January 1, 2023 ² |
| IFRS 17, amendments | Initial Application of IFRS 17 and IFRS 9 – Comparative Information | January 1, 2023 ² |
| IFRS 10 and IAS 28, amendments | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Postponed by the IASB |

¹ These Standards are applicable to reporting periods beginning on or after the effective date.

² Has not yet been endorsed by the EU.

These Standards—to the extent they have been adopted by the European Union—will not be adopted early by the Group. From today’s perspective, the new and revised Standards and Interpretations are not expected to have any material effects on the voestalpine Group’s net assets, financial position, and results of operations.

BASIS OF CONSOLIDATION

The annual financial statements of all fully consolidated entities are prepared based on uniform accounting policies. For entities included using the equity method (associates and joint ventures), local accounting policies and different reporting dates (see “Investments” appendix to the Notes) were maintained for time reasons and cost/benefit considerations if the relevant amounts were immaterial.

Upon initial consolidation, assets, liabilities, and contingent liabilities are measured at their fair value as of the acquisition date. Any excess of the cost over the net of the assets acquired and liabilities assumed is recognized as goodwill. If the net of the assets acquired and liabilities assumed exceeds the cost, the difference is recognized in profit or loss in the acquisition period. The hidden reserves and/or hidden losses attributed to the non-controlling interests are also accounted for.

All intra-Group profits, receivables, and payables as well as income and expenses are eliminated.

NON-CURRENT ASSETS HELD FOR SALE, DISPOSAL GROUPS, AND DISCONTINUED OPERATIONS

The Group classifies non-current assets or disposal groups as held for sale if the carrying amount of the assets or disposal groups will be recovered principally through a sale transaction rather than through continuing use. A disposal group is classified as discontinued operations as soon as the business unit is classified as available for sale or as soon as it has already been disposed of and if the business unit represents a separate, material division.

Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. The determination of the fair value less costs to sell is subject to estimates and assumptions that may be beset by uncertainties.

Upon consolidation, the assets are shown separately in the line items, “assets of discontinued operations” and “liabilities of discontinued operations,” of the statement of financial position. In the consolidated income statement, discontinued operations are shown separately from continuing operations, and the entries for the previous year are adjusted accordingly. In the consolidated statement of cash flows, discontinued operations are shown in an item labeled “thereof.”

For further explanations, see item C., Scope of Consolidation – Discontinued Operations. All other Notes disclosures contain amounts related to operations to be continued, unless otherwise stated.

FOREIGN CURRENCY TRANSLATION

Pursuant to IAS 21, annual financial statements prepared in foreign currencies that are included in the Consolidated Financial Statements are translated into euros using the functional currency method. The relevant national currency is the functional currency in all cases because—in financial, economic, and organizational terms—these entities all run their businesses independently. Assets and liabilities are translated using the exchange rate on the reporting date. Income and expenses are translated using the average exchange rate for the business year.

Equity is translated using the historical exchange rate. Currency translation differences are recognized directly in equity in the currency translation reserve.

In the individual financial statements of consolidated entities, foreign currency transactions are translated into the functional currency of the given entity using the exchange rate on the transaction date. Foreign exchange gains and losses resulting from translation as of the transaction date and reporting date are recognized in the consolidated income statement.

Currency exchange rates (ECB fixing) of key currencies have changed as follows:

| | USD | GBP | BRL | SEK | SGD | CNY | PLN |
|------------------------------|--------|--------|--------|---------|--------|--------|--------|
| Closing exchange rate | | | | | | | |
| 03/31/2021 | 1.1725 | 0.8521 | 6.7409 | 10.2383 | 1.5768 | 7.6812 | 4.6508 |
| 03/31/2022 | 1.1101 | 0.8460 | 5.3009 | 10.3370 | 1.5028 | 7.0403 | 4.6531 |
| Average annual rate | | | | | | | |
| 2020/21 | 1.1675 | 0.8927 | 6.3121 | 10.3490 | 1.5935 | 7.9030 | 4.4981 |
| 2021/22 | 1.1623 | 0.8504 | 6.1985 | 10.2354 | 1.5673 | 7.4592 | 4.5842 |

UNCERTAINTIES IN ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Consolidated Financial Statements in accordance with IFRS requires management to make accounting estimates and assumptions that may significantly affect the recognition and measurement of assets and liabilities, the recognition of other obligations as of the reporting date, and the recognition of income and expenses during the business year.

RAMIFICATIONS OF THE UKRAINE WAR

The final weeks of the business year 2021/22 were marked by the Ukraine war and its associated human, social, geopolitical, and economic ramifications, some of which are still not fully foreseeable. voestalpine AG has been monitoring the looming deterioration in the situation in Ukraine for quite some time and started early on to prepare emergency measures.

The voestalpine Group has no significant material assets in Ukraine and/or in Russia. Ukraine is an important supplier of iron ore pellets. At the time the present Report was prepared, however, there were no reductions in the quantities ordered.

Alternative suppliers and transport routes were identified and activated to ensure that relevant supplies of raw materials (e.g., iron ore, iron ore pellets, pulverized coal injection (PCI) coal, alloys, and natural gas) to our production plants (especially the steelworks in Austria) are not interrupted. Inventories—particularly of iron ore and coal—have also been built up, with the result that relevant supplies are assured through fall of 2022. voestalpine consumes about six terawatt hours (TWh) of natural gas per year at its Austrian facilities; a natural gas storage capacity of one terawatt hour (TWh) was put in place at the start of the current (i.e., 2022/23) business year. We are in the process of feeding natural gas into this storage facility. Moreover, voestalpine has entered into a contract for the delivery of non-Russian liquified natural gas (LNG) at market prices for the second quarter of the business year 2022/23. Production activities at the affected voestalpine facilities were proceeding as planned at the time the Consolidated Financial Statements were prepared.

Developments regarding natural gas supplies are monitored throughout. At the time this Report was prepared, natural gas was still being delivered as planned, but the pressure to enact an EU-wide embargo on Russian energy was growing. Given the close interdependence of value chains and energy flows, any suspension of natural gas deliveries—which could also be triggered by the Russian side and/or by the destruction of pipelines—would probably lead to massive restrictions in

the entire European Economic Area (EEA), with wide-ranging ramifications that are very difficult or impossible to predict. To prepare for the eventuality of governments deciding to impose energy allotments, the company in its capacity as a major consumer of natural gas has put in place emergency plans in order to maintain minimum production levels and to prevent any damage to equipment, should an emergency scenario come to pass. Due to its additional capacity as a supplier of direct heating in Austria, the voestalpine Group also plays an important role in maintaining basic public energy supplies, which would have to be taken into account in case of natural gas allotments. We are continuously monitoring and assessing both the overall situation and current developments so that we can initiate the requisite countermeasures as quickly as possible when needed. The voestalpine Group is in constant contact with the relevant government agencies so that it is duly prepared for all conceivable scenarios.

We are also continuously monitoring and assessing developments and/or follow-on effects of a potential EU embargo on Russian crude oil deliveries, but crude oil is of secondary importance to the energy supplies of our production facilities.

IMPACT OF THE COVID-19 PANDEMIC

The Group-wide crisis management, which consists of crisis teams at three decision-making levels (Group, divisions, companies), took and continues to take effective steps to counteract the COVID-19 pandemic and its ramifications. The maintenance or situational adjustment of the measures that were already put in place at the onset of the pandemic (e.g., regular exchanges of information with key customers and suppliers, adjustment of production activities in line with existent supply chains, securing liquidity) also helped during the business year ended to ensure the organization's stability as best as possible. We continue to monitor developments related to the pandemic. Emergency and crisis plans that were implemented along with additional measures are evaluated at regular intervals and are adjusted and/or expanded as necessary in the light of new information.

Worldwide and macroeconomically, catch-up effects related to the rebound from the COVID-19 pandemic characterized the business year 2021/22. The economic climate stabilized at a high level over the course of the reporting period. In this environment, the voestalpine Group harnessed the positive upward trend to its advantage, with the result that almost all of its business segments show signs of a noticeable recovery. The Automotive Components segment is the only one whose performance was a bit restrained, especially due to supply chain distortions affecting semiconductors for electronic components and cable harnesses.

There are no going concern uncertainties for the voestalpine Group. The Group's equity as of March 31, 2022, is EUR 7,069.3 million. The Group is also reporting very good liquidity (see the consolidated statement of cash flows) as well as cash and cash equivalents of EUR 842.8 million.

The following assumptions entail significant risks of triggering material adjustments of assets and liabilities in future periods:

» Recoverability of assets

The assessment of the recoverability of intangible assets, goodwill as well as property, plant and equipment is based on assumptions concerning the future. The determination of the recoverable amounts in the course of the impairment tests is based on several assumptions, for example,

assumptions regarding future net cash flows, the discount rate, or the fair values less costs to sell of the individual assets. A sensitivity analysis of both the discount rate and the net cash flows is shown (see Note 11. Impairment losses and reversal of impairment losses). The net cash flows correspond to the figures in the most current business plan at the time the Consolidated Financial Statements are prepared. See B. Summary of Accounting Policies (the section entitled “Impairment testing of goodwill, other intangible assets, and property, plant and equipment”); as well as Note 9. Property, plant and equipment; Note 10. Goodwill and other intangible assets; and Note 11. Impairment losses and reversal of impairment losses.

» **Recoverability of financial instruments**

Alternative actuarial models are used to measure the recoverability of financial instruments for which there is no active market. The parameters used to determine the fair values are based partially on assumptions concerning the future. See B. Summary of Accounting Policies (the section entitled “Financial instruments”) as well as Note 24. Financial instruments.

» **Determining lease terms and discount rates**

An assessment of the term of each and every lease and the discount rate to be applied is made to determine lease liabilities. The estimated term of a lease is based on the lease’s non-cancelable term. Lease periods comprising options to terminate or renew are included in the assessment if the non-exercise of termination options or the exercise of renewal options is deemed to be reasonably certain. This requires management to make a judgment. All facts and circumstances that represent an economic incentive to exercise or not to exercise a given option must be considered. Following initial recognition, the lease term shall be reassessed if there is a significant event or a significant change in circumstances that the company can control and that has an effect on its decision whether to exercise or not to exercise the given option.

The incremental borrowing rate in its capacity as a maturity-dependent, risk-free interest rate is used as the discount rate for measuring the lease liabilities, taking into account the respective currency and the company’s credit rating. This requires making an assessment when no observable interest rates are available (e.g., subsidiaries that do not engage in financial transactions) or when the interest rates must be adjusted to reflect the terms and conditions of the given lease (e.g., consideration of the repayment structure).

» **Pensions and other employee obligations**

The measurement of existent severance payment and pension obligations is based on assumptions regarding interest rates, the retirement age, life expectancy, and future salary/wage increases. See B. Summary of Accounting Policies (section entitled “Pensions and other employee obligations”) as well as Note 18. Pensions and other employee obligations.

» **Assets and liabilities associated with acquisitions**

Acquisitions require making estimates in connection with the determination of the fair value of identified assets, liabilities, and contingent consideration. All available information on the circumstances as of the acquisition date is applied. The fair values of buildings and land are typically determined by external experts or intra-Group experts. Intangible assets are measured using appropriate valuation methods depending on the type of asset and the availability of information. These measurements are closely connected to assumptions about the future development of the estimated cash flows as well as the applied discount rates.

Information on acquisitions made during the reporting period is reported under D. Acquisitions and other additions to the scope of consolidation.

» **Other provisions**

Other provisions for present obligations arising from past events, which lead to an outflow of resources embodying economic benefits, are stated at the amount that reflects the most probable value based on reliable estimates. Provisions are discounted if the effect is material. Details concerning provisions follow from B. Summary of Accounting Policies (section entitled “Other provisions”) as well as Note 19. Provisions.

» **Income taxes**

Income tax expense represents the total of current tax expenses and deferred taxes. The current tax expense is determined based on the taxable income using the currently applicable tax rates. The deferred taxes are determined based on the respective local income tax rates. Future fixed tax rates are also considered in the deferral. The recognition and measurement of actual and deferred taxes is subject to numerous uncertainties.

Given its international activities, the voestalpine Group is subject to different tax regulations in the respective tax jurisdictions. The tax items presented in the Consolidated Financial Statements are determined based on the relevant tax regulations and, because of their complexity, may be subject to different interpretations by taxpayers, for one, and local finance authorities, for another. Because varying interpretations of tax laws may lead to additional tax payments for past years as a result of comprehensive tax audits, they are included in the analysis based on management’s assessment.

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible differences and/or tax losses carried forward but not yet applied may be utilized. This assessment requires making assumptions regarding future taxable income and thus is subject to uncertainties. It is made on the basis of the planning for a five-year period. Changes in future taxable income may result in lower or higher deferred tax assets.

Further information follows from B. Summary of Accounting Policies (section entitled “Income taxes”) as well as Note 8. Income taxes and Note 13. Deferred taxes.

» Legal risks

As an internationally active company, the voestalpine Group is exposed to legal risks. The outcome of present or future legal disputes is generally not predictable and may have a material effect on the Group's net assets, financial position, and results of operations. In order to reliably assess potential obligations, management continually reviews the underlying information and assumptions; both internal and external legal counsel is used for further evaluation. Provisions are recognized to cover probable present obligations, including a reliable estimate of legal costs. The option to record a contingent liability is considered if the future outflow of resources is not probable or if the company has no control over the confirmation of actual events.

Both the estimates and the underlying assumptions are reviewed on an ongoing basis. The actual figures may differ from these assumptions and estimates if the stated parameters differ from reporting date expectations. Revisions are recognized through profit or loss in the period in which the estimates are revised, and the assumptions are adjusted accordingly.

» Effects of climate and energy policies—decarbonization strategy

voestalpine's greentec steel program is an ambitious step-by-step plan to achieve climate neutrality by 2050 based on the goals of the UN's Paris Agreement and those underlying the EU Emissions Trading System (EU ETS) that has the same time horizon. Going forward, the company will prove the scientifically sound compatibility of greentec steel with global climate targets, for example, pursuant to the Science Based Targets initiative (SBTi).

In a first step, greentec steel entails the electrification of steelmaking from 2027—i.e., the incremental replacement of the fossil fuel-based blast furnace route with green electricity-based electric furnaces. In March 2022, the Supervisory Board of voestalpine AG approved an amount in the three-digit millions to fund the initial implementation steps. Hence the work to clear the necessary construction sites along with the work to modify the infrastructure can begin immediately. In the Northern spring of 2023, the Supervisory Board will make a decision as to final approval of the investment required for the two electric arc furnaces so that construction of the facilities could start in 2024. The commissioning of a 220 kV power line in Linz no later than by the end of calendar year 2026 is one milestone required to this end.

With the long-term shift to fully hydrogen-based steel production by 2050, the aim is to achieve CO₂-neutral production. To this end, the company is already undertaking research and development projects with partners in industry and science. Chief among them are the H2FUTURE hydrogen pilot plant at the facility in Linz, Austria; the Sustainable Steelmaking (SuSteel) pilot project in Donawitz, Austria, and the Hydrogen-Based Fine Ore Reduction (Hyfor) project that involves the use of hydrogen to reduce ultrafine iron ores.

Companies such as voestalpine whose activities comprise energy-intensive processes rely, in particular, on the political framework over and above their own innovations. The following are key: availability of renewable energies (electricity, hydrogen) that provide the highest possible energy security and stability at competitive prices, adjusted to the respective stages of the transformation; support as to investing and operating costs; and guaranteed carbon leakage protection to prevent relevant industries from being shifted out of the EU to regions where climate protection requirements are lower.

Because the steel industry is considered a sector subject to high carbon leakage risks, initially the EU ETS provided for allocation of absolutely all allowances at no charge to those 10% of facilities that satisfy the applicable benchmarks. In actual fact, however, voestalpine must purchase about one third of its total emission allowances.

As part of both the revision of the Emissions Trading Directive and the simultaneous plan for a Carbon Border Adjustment Mechanism (CBAM), the EU Commission's plans to achieve a 55% reduction in all CO₂ emissions by 2030—which it combined in its Fit for 55 legislative package—provide for a paradigm shift, for example, in the steel industry. Among other things, this will entail the gradual elimination of no-cost allowance allocations as well as a reduction in the total number of allowances granted, thus substantially increasing the EU steel industry's need to purchase allowances.

Currently, our ability to quantify the effects of these plans is limited, because the negotiations in the trilogue (Parliament, Commission, Council) are still in progress and because no further information is available above and beyond the proposals of the Commission and the (more restrictive) plans of the Environment, Public Health and Food Safety Committee (ENVI) that would make it possible to develop reliable parameters for planning purposes.

The impairment tests account for the resulting consequences, to the extent that they can be estimated at this time. For one, the five-year, medium-term business plan already contains the investments of about EUR 1 billion required for the first electrification step. For another, increases of more than 50% to this year's already high price level in emissions allowance prices have already been taken into consideration. It is assumed in this connection that it will be possible to pass on the higher costs.

At this time, key political decisions, both at the national and at the European level, regarding all of the topics described above are pending or still being debated. By definition, therefore, voestalpine is exposed to a number of risks—especially and also against the backdrop of divergent energy and transformation policies in EU member states. Judging from today's perspective, any elimination of no-cost emissions allowances would entail the most important reduction in value unless such a policy is offset, at least in part, by mitigating actions.

There was no need to recognize impairment losses in the business year 2021/22 on account of climate-related risks. The assumptions in this connection were considered in the medium-term business plan based on the insights available as of the reporting date using best possible estimates.

REVENUE RECOGNITION

In the voestalpine Group, revenue is realized when a customer obtains control over goods or services. See the disclosures in Note 2. Operating Segments regarding the type of goods and services offered by the individual business segments.

As a rule, revenue is recognized at the time the goods or services are delivered, taking into account the stipulated terms and conditions. This is generally the time at which risks and opportunities are transferred in accordance with the stipulated Incoterms. The payment terms typically are between 30 and 90 days.

The transaction price corresponds to the contractually stipulated consideration, taking into account any variable components. Variable consideration is recognized only if it is highly probable that there will be no material revenue reversals in the future.

Revenue from series products that satisfy the revenue recognition criteria of IFRS 15.35 (c) is recognized over time. This mainly concerns products of the automotive and aerospace segments for which there are no alternative uses, because they are developed and produced specifically for a customer based on the latter's specific requirements and thus may generally not be used for any other purpose or where any alternative use would result in significant losses. Furthermore, a legally or contractually enforceable claim to payment of consideration, including a reasonable margin, applies to any components under construction as well as to finished goods, provided the company is not responsible for any termination of the contract.

Where revenue is recognized over time, such recognition must be prorated based on the ratio of the costs incurred to the estimated total costs. This method is the most reliable way to reflect progress in performance. Expected losses under a contract are recognized immediately. The cash flows are obtained in accordance with the contractual arrangements. The payment terms typically are between 30 and 90 days.

The claims of the voestalpine Group to consideration for completed performance not yet billed as of the reporting date are recognized as contract assets in trade and other receivables. The contract liabilities presented in trade and other payables concern primarily consideration received from customers in advance for performance not yet delivered.

Investment grants are treated as deferred items and recognized as income over the useful life of the asset. Cost subsidies are recognized on an accrual basis, in line with the associated expenses. Government grants of EUR 34.5 million (2020/21: EUR 138.0 million) for capital expenditures, research and development, and promotion of job opportunities were recognized as income in the reporting period.

RECOGNITION OF EXPENSES

Operating expenses are recognized when goods or services are used or when the expense is incurred. In the business year 2021/22, expenses for research and development were EUR 173.9 million (2020/21: EUR 153.3 million).

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

The cost of self-constructed property, plant and equipment includes direct costs and appropriate portions of materials and indirect labor costs required for production as well as borrowing costs in case of qualifying assets. The capitalization date is the date from which expenditures for the asset and borrowing costs are incurred and activities necessary to prepare the asset for its intended use or sale are undertaken.

Depreciation is recognized on a straight-line basis over the expected useful life. Land is not subject to depreciation. The expected depreciation for each asset category is as follows:

| | |
|-----------------------|-------------|
| Buildings | 2.0 – 20.0% |
| Plant and equipment | 3.3 – 25.0% |
| Fixtures and fittings | 5.0 – 20.0% |

LEASES

The Group determines at lease inception whether a given lease satisfies the definition of a lease as per IFRS 16. As of the commencement date, the Group recognizes an asset for the right of use granted as well as a lease liability. The right of use is depreciated over the lease term on a straight-line basis. However, the right of use is depreciated over the asset's economic life if a transfer of title is stipulated or if it is reasonably certain that a purchase option will be exercised. The right of use must also be tested for impairment.

For the most part, the following depreciation/amortization periods are applied to right-of-use assets:

| | |
|---|-----------------|
| Right-of-use assets related to land, land rights, and buildings | 13 – 600 months |
| Right-of-use assets related to plant and equipment | 13 – 72 months |
| Right-of-use assets related to fixtures and fittings | 13 – 96 months |

The lease liability is measured using the incremental borrowing rate, provided the interest rate underlying the lease cannot be readily determined.

In subsequent measurements, the lease liability is measured using the effective interest method and adjusted. The associated interest expense is included in finance costs. The lease liability is remeasured if, for example, future lease payments will change due to changes in an index or interest rate or if there is a change in the assessment regarding the exercise of a purchase, renewal, or termination option. The carrying amount of the right-of-use asset is generally adjusted directly in equity subsequent to such remeasurement.

In the statement of financial position, the Group recognizes right-of-use assets (that do not satisfy the definition of investment property) in property, plant and equipment, and lease liabilities in financial liabilities.

The Group has elected the option not to determine a right-of-use asset or lease liability for leases with terms of up to 12 months (short-term leases) and for leases where the underlying asset is of low value. In the voestalpine Group, leased assets whose cost does not exceed EUR 5,000 are considered low-value assets.

No separation is made with respect to contracts containing both lease and non-lease components; this does not apply to land and buildings, however.

IFRS 16 is not applied to intangible asset leases.

The Group does not act as a lessor.

GOODWILL

All acquisitions are accounted for using the purchase method. Goodwill arises from the acquisition of subsidiaries and equity investments in associates and joint ventures.

Goodwill is allocated to cash generating units (CGUs) or groups of cash generating units and, pursuant to IFRS 3, is not amortized but tested for impairment at least annually as well as additionally if circumstances indicate possible impairment. The carrying amount of investments in associates and joint ventures also includes the carrying amount of goodwill.

Negative goodwill arising from an acquisition is immediately recognized as income.

On disposal of a subsidiary, the goodwill associated with the subsidiary is included in the determination of the profit or loss on disposal based on the relative value pursuant to IAS 36.86.

OTHER INTANGIBLE ASSETS

Expenses for research activities that are undertaken with the prospect of gaining new scientific or technical insights are immediately recognized as an expense. Pursuant to IAS 38.57, development expenditure is capitalized from the date on which the relevant criteria are satisfied. This means that the expenses incurred are not capitalized subsequently if all of the above conditions are met only at a later date. Expenditures for internally generated goodwill and brands are immediately recognized as an expense.

Other intangible assets are stated at cost less accumulated amortization and impairment losses. In the case of a business combination, the fair value as of the acquisition date is the acquisition cost. Amortization is recognized on a straight-line basis over the expected useful life of the asset. The maximum useful life based on previous transactions is as follows:

| | |
|--------------------|----------|
| Backlog of orders | 1 year |
| Customer relations | 15 years |
| Technology | 10 years |
| Software | 10 years |

IMPAIRMENT TESTING OF CASH GENERATING UNITS WITH AND WITHOUT GOODWILL AND OF OTHER ASSETS

CGUs or groups of CGUs to which goodwill has been allocated and other intangible assets with an indefinite useful life are tested for impairment at least annually as well as additionally if circumstances indicate possible impairment. All other assets and CGUs are tested for impairment if there are any indications of impairment. Impairment testing is generally based on the value in use approach.

For the purpose of impairment testing, assets are grouped at the lowest levels at which cash flows are independently generated (CGUs). Goodwill is allocated to those CGUs or groups of CGUs that are expected to benefit from synergies of the related acquisition, and this must be on the lowest level at which the goodwill in question is monitored for internal management purposes.

An impairment loss is recognized at the amount by which the carrying amount of the asset or CGU exceeds the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Impairment losses recognized for CGUs or groups of CGUs to which goodwill has been allocated are applied first against the carrying amount of the goodwill. Any remaining impairment loss reduces the carrying amounts of the assets of the CGU or groups of CGUs on a pro rata basis, with the fair values less costs to sell of the individual assets representing the lower limit. If the goodwill impairment test is carried out for a group of CGUs and if this results in an impairment loss, the individual CGUs included in this group are also tested for impairment and any resulting impairment of assets is recognized at this level first. Subsequently, this is followed by another impairment test for the CGUs at the Group level.

If there is any indication that an impairment loss recognized for an asset, a CGU, or a group of CGUs (excluding goodwill) in earlier periods no longer exists or may have declined, the recoverable amount must be estimated and then recognized (reversal of impairment). In this respect, see Note 11. Impairment losses and reversal of impairment losses.

FINANCIAL INSTRUMENTS

IFRS 9 contains three measurement categories which—with the exception of a few measurement choices—must always be considered mandatory:

- » Measured at amortized cost (Amortized Cost, AC);
- » Measured at fair value through other comprehensive income (Fair Value through Other Comprehensive Income, FVOCI); and
- » Measured at fair value through profit or loss (Fair Value through Profit or Loss, FVTPL).

At this time, measurement at FVOCI is not applied in the voestalpine Group.

Other financial assets

The other financial assets include non-current receivables and loans that are measured at amortized cost. Equity instruments held (especially equity investments) are measured at FVTPL, because the option to elect measurement at FVOCI was not utilized.

All other current and non-current financial assets (particularly securities) must be measured at FVTPL, because they are either allocated to a business model oriented toward active purchases and sales or do not satisfy the cash flow requirement (cash flows at specified dates comprising solely payments of interest and principal).

Trade and other receivables

Trade and other receivables are always recognized at amortized cost. Identifiable risks are mainly covered by buying credit insurance. Interest-free or low-interest receivables with a remaining term of more than one year are recognized at their discounted present value. Sold receivables are derecognized in accordance with the provisions of IFRS 9 (see Note 29. Disclosures of transactions not recognized in the statement of financial position).

Trade receivables held for sale under an existent factoring agreement are measured at FVTPL, because they are allocated to the “sale” business model.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks, and checks and are carried at amortized cost.

Loss allowance

The voestalpine Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost and on contract assets (portfolio loss allowance, stage 1 and stage 2). The Group applies the simplified approach to trade receivables and contract assets, pursuant to which any impairment determined with respect to such financial assets must, under certain conditions, equal the lifetime expected credit losses.

Historical data derived from actual historical credit losses in the past five years are used as the basis for the estimated expected credit losses. Differences between the economic conditions at the time the historical data were collected, the current conditions, and the Group's view of the economic conditions over the expected maturities of the receivables must be considered. There is no significant concentration of default risks, given the existent credit insurances and a diversified customer portfolio that is dominated by very good to good credit ratings. Loss allowances on an individual basis are recognized for receivables with impaired credit ratings (stage 3). Note 24. Financial instruments contains additional information on impairment.

Derivative financial instruments

The voestalpine Group uses derivative financial instruments exclusively for the purpose of hedging the interest rate, foreign currency, and raw materials price risks. Derivative financial instruments are carried at fair value through profit or loss. Hedge accounting as defined in IFRS 9 is used for some of the Group's derivative financial instruments. Consequently, gains or losses resulting from changes in the value of derivative financial instruments are recognized either in profit or loss or in other comprehensive income (for the effective portion of a cash flow hedge). Positive fair values from derivative financial instruments are shown in trade and other receivables. Negative fair values from derivative financial instruments are shown in trade and other payables.

The derivative transactions are marked to market daily by determining the value that would be realized if the hedging position were closed out (liquidation method). Observable currency exchange rates and raw materials prices as well as interest rates are the inputs for determining the fair values. The fair values are calculated based on the inputs using generally accepted actuarial formulas.

Unrealized profits or losses from hedged transactions are treated as follows:

- » If the hedged asset or liability has already been recognized in the statement of financial position, or if an obligation not recognized in the statement of financial position is hedged, the unrealized profits and losses from the hedged transaction are recognized through profit or loss. At the same time, the hedged item is also measured at fair value, regardless of the initial valuation method used. Any resulting unrealized profits and losses are offset against the unrealized results of the hedged transaction in the income statement so that, in sum, only the ineffective portion of the hedged transaction is recognized in profit or loss for the period (fair value hedges).
- » If a future transaction is hedged, the effective portion of the unrealized profits and losses accumulated up to the reporting date is recognized in other comprehensive income. Ineffective portions are recognized through profit or loss. If the transaction results in the recognition of a non-financial asset or a liability in the statement of financial position, the amount recognized in other comprehensive income is considered in the determination of the carrying amount of this item. Otherwise, the amount reported in other comprehensive income is recognized through profit or loss in keeping with the effectiveness of the future transaction or existent obligation (cash flow hedges).

Trade and other liabilities

Liabilities (except liabilities from derivative financial instruments) are recognized at amortized cost.

OTHER EQUITY INVESTMENTS

Subsidiaries, joint ventures, and associates that are not included in these Consolidated Financial Statements by way of full consolidation or the equity method are recognized in other financial assets and other equity investments. These other assets are measured at amortized cost.

INCOME TAXES

Income tax expense represents the total of current tax expenses and deferred taxes. The current tax expense is determined based on the taxable income using the currently applicable tax rates.

Pursuant to IAS 12, all temporary differences between the income tax base and the Consolidated Financial Statements are included in deferred taxes. Deferred tax assets on unused tax loss carryforwards are recognized to the extent that sufficient taxable (deferred) temporary differences between carrying amounts are available or to the extent that, based on the planning, sufficient taxable profit will be available against which the tax loss carryforwards can be offset.

In accordance with IAS 12.39 and IAS 12.44, deferred taxes arising on differences resulting from investments in subsidiaries, associates, and joint ventures are generally not recognized. Deferred tax liabilities are recognized for planned dividend payments subject to withholding tax.

Deferred taxes are determined based on the respective local income tax rates. Future fixed tax rates are also considered in the deferral. Deferred tax assets and deferred tax liabilities are offset when they relate to the same tax authority and when there is a claim to offsetting.

INVENTORIES

Inventories are measured at the lower of cost and the net realizable value. The net realizable value is the estimated selling price less estimated costs of completion and sale. In exceptional cases, the replacement cost of raw materials and supplies may serve as the basis of measurement in accordance with IAS 2.32.

The cost of inventories of the same type is determined using the weighted average price method or a similar method. The cost includes directly attributable costs and all prorated material and production overheads based on normal capacity utilization. Borrowing costs, general administrative expenses, and distribution costs are not capitalized.

EMISSION ALLOWANCES

Free allowances are measured at zero cost over the entire holding period, as the rights have been allocated free of charge. Purchased emission allowances are recognized in current assets at their actual cost and measured at fair value as of the reporting date (limited by the actual cost).

In case of any under-allocation, amounts for CO₂ emissions allowances are included in other provisions. The measurement is based on the rate prevailing on the reporting date (or the carrying amount) of the relevant allowances.

PENSIONS AND OTHER EMPLOYEE OBLIGATIONS

Pensions and other employee obligations include provisions for severance payments, pensions, and long-service bonuses and are recognized in accordance with IAS 19 using the projected unit credit method.

Actuarial gains and losses from severance and pension provisions are recognized directly in other comprehensive income in the year in which they are incurred. Actuarial gains and losses from provisions for long-service bonuses are recognized immediately in profit or loss.

Severance obligations

Employees of Austrian entities whose employment started before January 1, 2003, are entitled to severance payment if their employment contract is terminated by the employer or if they retire. The amount to be paid depends on the number of years of service and on the employee's salary or wage at the time employment ends. A contribution-based system is provided for employees whose employment started after December 31, 2002. The contributions to external employee pension funds are recognized as expenses.

Defined contribution plans

Defined contribution plans do not entail further obligations on the company's part once the premiums have been paid to the managing pension fund or insurance company.

Defined benefit plans

Under defined benefit plans, the company promises a given employee that they will be paid a pension in a specified amount. The pension payments begin upon retirement (or disability or death) and end upon the death of the former employee (or that of their survivors). Widow's and widower's pensions (equivalent to between 50% and 75% of the old age pension) are paid to the surviving spouse until their death or remarriage. Orphan's pensions (equivalent to between 10% and 20% of the old age pension) are paid to dependent children until the completion of their education, but at most up to the age of 27.

Longevity thus is the central risk to the Group under the defined benefit pension plans. All measurements are based on the most recent mortality tables. Given a relative decrease or increase of 10% in mortality, the defined benefit obligation (DBO) of pensions changes by +3.8% or -3.4% as of the reporting date. Other risks such as the risk of rising medical costs do not materially affect the scope of the obligation.

Almost all of the Group's pension obligations concern claims that have already vested.

Austria

The amount of the pension is based either on a certain percentage of the final salary depending on the years of service or on a fixed, valorized amount per year of service. The majority of the obligations under defined benefit plans is transferred to a pension fund, but the liability for any shortfalls rests with the company.

Germany

There are different pension schemes in Germany, whose benefit rules may be described as follows:

- » A certain percentage of the final salary depending on the years of service;
- » A rising percentage of a fixed target pension depending on the years of service;
- » A stipulated, fixed pension amount;
- » A fixed, valorized amount per year of service that is linked to the average salary in the company;
- » A fixed, valorized amount per year of service.

A small portion of the pensions are financed by insurance companies, but liability for the obligations themselves rests with the given companies.

In all countries with significant defined benefit plan obligations, the employee benefits are determined based on the following parameters:

| | 2020/21 | 2021/22 |
|--|----------------------------|----------------------------|
| Interest rate (%) | 0.80 | 1.90 |
| Salary/wage increases (%) ¹ | 3.00 | 3.50 |
| Pension benefit increases (%) ¹ | 2.00 | 2.00 |
| Retirement age – men/women | | |
| Austria | max. 62 years | max. 62 years |
| Germany | 63 – 67 years | 63 – 67 years |
| Mortality tables | | |
| Austria | AVÖ 2018-P | AVÖ 2018-P |
| Germany | Heubeck-Richttafeln 2018 G | Heubeck-Richttafeln 2018 G |

¹ Only salary-dependent and/or value-guaranteed commitments are recognized.

Net interest expenses resulting from employee benefits are included under finance costs in the consolidated income statement.

Long-service bonus obligations

In most of the Group's Austrian companies, employees are entitled to payment of a long-service bonus, which is based either on a collective agreement or on a provision in a works agreement. This is a one-time payment that is made when the respective service anniversary has been reached; depending on the length of service, the bonus generally equates to between one and three monthly salaries.

OTHER PROVISIONS

Other provisions related to present obligations arising from past events, which lead to an outflow of resources embodying economic benefits, are stated at the amount that reflects the most probable value based on a reliable estimate. Provisions are discounted where the effect is material.

The assumptions underlying the provisions are reviewed on an ongoing basis. The actual figures may deviate from the assumptions if the underlying parameters as of the reporting date have not developed as expected. As soon as better information is available, changes are recognized through profit or loss and the assumptions are adjusted accordingly.

Note that we are invoking the safeguard clause under IAS 37.92, pursuant to which information on provisions is not disclosed if doing so could seriously and adversely impact the company's interests.

CONTINGENT LIABILITIES

Contingent liabilities are present obligations arising from past events (where it is not probable that an outflow of resources will be required to settle the obligation) or possible obligations arising from past events (whose existence or non-existence depends on less certain future events that the company cannot control in full). A contingent liability must also be recognized if, in extremely rare cases, an existent liability cannot be recognized in the statement of financial position as a provision because the liability cannot be reliably estimated.

As regards possible obligations, note that pursuant to IAS 37.92 information on contingent liabilities is not disclosed if doing so could seriously and adversely impact the company's interests.

EMPLOYEE SHAREHOLDING SCHEME

The employee shareholding scheme of the Group's Austrian companies is based on the appropriation of a portion of employees' salary and wage increases under collective bargaining agreements over several business years. The business year 2000/01 was the first time employees were granted voestalpine AG shares in return for a reduction by 1% of their salary or wage increase.

In each of the business years 2002/03, 2003/04, 2005/06, 2007/08, 2008/09, 2014/15, and 2018/19, between 0.3 percentage points and 0.5 percentage points of the increases under collective agree-

ments were used to provide voestalpine AG shares to employees in addition to the amounts agreed until the given date. The actual amounts follow from the contributions—which are determined on the basis of the collective agreements as of November 1 in each of the years 2002, 2003, 2005, 2007, 2008, 2014, and 2018—as well as from application of the annual increase in the contributions by 3.5%. In the business years 2012/13, 2013/14, 2016/17, 2017/18, and 2021/22, additional contributions of between 0.27 percentage points and 0.50 percentage points of the pay increases under collective agreements for 2012, 2013, 2016, 2017, and 2021, respectively, were used for the shareholding scheme for those Austrian Group companies that participated in the employee shareholding scheme from a later date.

The Works Council and each company enter into an agreement to implement the Austrian employee shareholding scheme. Shares are acquired by voestalpine Mitarbeiterbeteiligung Privatstiftung (a private foundation that manages the company's employee shareholding scheme), which transfers the shares to employees according to the wages and salaries they have waived. The value of the consideration provided is independent of share price fluctuations. Therefore, IFRS 2 does not apply to the allocation of shares based on collective bargaining agreements that stipulate lower salary or wage increases.

An international participation model that was developed for Group companies outside Austria was initially implemented in the business year 2009/10 in several companies in Great Britain and Germany. Due to the highly positive experience gained in these pilot projects, the model was expanded in these two countries and introduced step by step in the Netherlands, in Poland, in Belgium, in the Czech Republic, in Italy, in Switzerland, in Romania, in Sweden, and in Spain in subsequent business years. In the business year 2021/22, a total of 89 companies in these 11 countries participated in the international employee shareholding scheme.

As of March 31, 2022, the voestalpine Mitarbeiterbeteiligung Privatstiftung held approximately 14.2% (March 31, 2021: 14.1%) of voestalpine AG's shares for employees. In addition, active and former employees of voestalpine hold approximately 0.6% (March 31, 2021: 0.7%) of the shares of voestalpine AG, the voting rights of which are exercised by the foundation. On the whole, therefore, as of March 31, 2022, the voting rights of approximately 14.8% (March 31, 2021: 14.8%) of the share capital of voestalpine AG are bundled in the foundation.

C. SCOPE OF CONSOLIDATION

The consolidated Group (see the “Investments” appendix to the Notes) is defined in accordance with IFRS requirements. In addition to the annual financial statements of voestalpine AG, the Consolidated Financial Statements also include the financial statements of entities controlled by voestalpine AG (and its subsidiaries). Entities controlled by voestalpine AG that are not included in the Consolidated Financial Statements of voestalpine AG are negligible, both individually and collectively.

Subsidiaries are entities controlled by the Group. Control exists when the voestalpine Group has power over the investee, is exposed to fluctuating returns on its investment, and has the ability to use its power over the investee to affect the amount of the investor’s returns. The annual financial statements of subsidiaries are included in the Consolidated Financial Statements as of the point in time at which the Group acquires control over the subsidiary up to the point in time at which the Group ceases to exercise control over it.

Associates are entities over which the voestalpine Group has significant influence because it participates in the entities’ financial and operating policy decisions, but the decision-making processes are not controlled nor jointly managed. Joint ventures are joint arrangements in which partner companies (the voestalpine Group and one or more partners) exercise joint control over the arrangement and possess rights to the entity’s net assets. The annual financial statements of associates and joint ventures are included in the Consolidated Financial Statements using the equity method from the acquisition date until the disposal date. The Group’s associates and joint ventures are listed in the “Investments” appendix to the Notes.

CHANGES IN THE SCOPE OF CONSOLIDATION

The scope of consolidation changed as follows during the past business year:

| | Full consolidation | Equity method |
|--|--------------------|---------------|
| As of April 1, 2021 | 280 | 11 |
| Additions from acquisitions | | |
| Change in the consolidation method and incorporation | | |
| Additions | 8 | 2 |
| Disposals | | |
| Reorganizations | -5 | |
| Divestments or disposals | | -1 |
| As of March 31, 2022 | 283 | 12 |
| Of which foreign companies | 225 | 4 |

The following fully consolidated entities were merged during the business year 2021/22:

| Name of entity | Date of merger |
|---|-----------------------|
| EschmannStahl GmbH | April 1, 2021 |
| voestalpine Metal Engineering US LLC | April 1, 2021 |
| voestalpine Metal Forming US LLC | April 1, 2021 |
| voestalpine High Performance Metals Corporation | April 1, 2021 |
| voestalpine Steel US LLC | April 1, 2021 |

The following at-equity-consolidated entities were deconsolidated during the business year 2021/22:

| Name of entity | Date of deconsolidation |
|-----------------------|--------------------------------|
| SBI GmbH | December 31, 2021 |

DISCONTINUED OPERATIONS

On March 22, 2022, the Supervisory Board approved the decision to sell 80% of the Steel Division's Texas cash generating unit, which comprises a single facility and produces hot briquetted iron (HBI). The agreement regarding the sale of an equity interest of 80% of the unit was signed on April 14, 2022.

Furthermore, an agreement was made to secure an annual supply of 420,000 tons of the HBI produced at the plant in Corpus Christi, Texas, USA, for voestalpine in the long term. These deliveries will be essential to the ongoing decarbonization of steel production at the voestalpine Group's plants in both Linz and Donawitz, Austria, as part of its greentec steel project. This partnership reduces the spot market risk arising from the quantities not required by voestalpine. The HBI plant has an annual production capacity of about two million tons.

The criteria for classifying the assets as held for sale were satisfied in the fourth quarter of the business year 2021/22. Management has classified the Texas CGU as discontinued operations because it represents a separate significant line of business. The transaction will likely be closed about three months from the reporting date.

The result thereof is as follows:

| | 2020/21 | 2021/22 |
|--|---------------------|--------------|
| Revenue | 364.7 | 589.4 |
| Expenses incl. other expenses | -592.9 ¹ | -589.2 |
| Other operating income | 5.2 | 1.8 |
| Financial results | -1.0 | -0.7 |
| Profit before tax and valuation result at fair value less costs to sell | -224.0 | 1.3 |
| Tax expense according to IAS 12.81 h (ii) | 0.0 | 0.0 |
| Valuation result at fair value less costs to sell | 0.0 | 256.6 |
| Tax expense according to IAS 12.81 h (i) | 0.0 | 0.0 |
| Profit after tax | -224.0 | 257.9 |
| Thereof attributable to equity holders of the parent | -224.0 | 257.9 |
| Diluted and basic earnings per share (euros) from discontinued operations | -1.25 | 1.44 |
| Weighted average number of outstanding ordinary shares | 178,520,595 | 178,520,616 |

¹ Including impairment losses of EUR -163.1 million.

In millions of euros

A total of EUR 55.4 million in cumulative earnings are allocable to the discontinued operations in other comprehensive income (OCI). They only consist of differences from currency translation.

The main groups of assets and liabilities related to the discontinued operations as of March 31, 2022, are as follows:

| | 2021/22 |
|-------------------------------------|--------------|
| Property, plant and equipment | 659.0 |
| Goodwill | 22.4 |
| Other intangible assets | 10.2 |
| Inventories | 130.9 |
| Trade and other receivables | 99.0 |
| Total assets | 921.5 |
| Financial liabilities | 30.5 |
| Trade and other payables | 64.6 |
| Total equity and liabilities | 95.1 |

In millions of euros

The Group measures the discontinued operations at fair value less costs to sell. The fair value less costs to sell of EUR 727.9 million is derived from the expected proceeds (Fair Value Level 3) of the sale of the equity interest of 80%. As of March 31, 2022, a write-up of EUR 256.6 million was recognized in “Land, land rights, and buildings” as well as in “Plant and equipment” in the revaluation gain from the fair value less costs to sell.

In the business year 2020/21, a total of EUR 163.1 million in impairment losses on “Land, land rights, and buildings” as well as on “Plant and equipment” were recognized in other operating expenses for the Steel Division’s aforementioned **Texas** CGU, which produces hot briquetted iron (HBI). Economic developments owing to the COVID-19 crisis led to yet another adjustment of the short-term earnings forecasts initially issued as of March 31, 2020. The HBI spot market price disintegrated to a much greater degree than anticipated due to the deteriorating scrap/iron ore price ratio. The strong price sensitivity of the HBI spot market prices as well as the expectation that volatilities in the raw materials markets would continue unabated also led to the reversal, in particular, of the medium-term earnings forecasts and the cash flows for the Texas unit. The recoverable amount (value in use) for this unit as of September 30, 2020, was EUR 447.8 million. At the time, an after-tax discount rate of 6.79% was applied; the pre-tax WACC was 7.98%.

D. ACQUISITIONS AND OTHER ADDITIONS TO THE SCOPE OF CONSOLIDATION

The following entities were included in the Interim Consolidated Financial Statements for the first time in the first half of the business year 2021/22:

| Name of entity | Equity interest in % | Date of initial consolidation |
|--|----------------------|-------------------------------|
| Full consolidation | | |
| voestalpine High Performance Metals DIGITAL SOLUTIONS GmbH | 100.000% | April 13, 2021 |
| voestalpine High Performance Metals SCM GmbH | 100.000% | April 17, 2021 |
| voestalpine High Performance Metals SCM GmbH & Co KG | 100.000% | April 21, 2021 |
| voestalpine Giesserei Traisen Verwaltung GmbH | 100.000% | June 24, 2021 |
| voestalpine US Holding GmbH | 100.000% | July 08, 2021 |
| voestalpine High Performance Metals LLC | 100.000% | July 12, 2021 |
| voestalpine Steel US Holding LLC | 100.000% | July 30, 2021 |
| voestalpine US Holding LLC | 100.000% | August 20, 2021 |
| At-equity consolidation | | |
| voestalpine Digital Track Management GmbH | 50.000% | September 25, 2021 |
| VA Erzberg GmbH | 0.000% | January 1, 2022 |

The additions of fully consolidated entities to the scope of consolidation include eight newly established entities.

In accordance with IFRS 3, acquired companies are included in the Consolidated Financial Statements at the fair value carried forward of the acquired assets, liabilities, and contingent liabilities determined as of the acquisition date, taking into account depreciation, amortization, and impairment as appropriate. The carrying amount of the non-controlling interests is determined based on the fair values carried forward for the assets and liabilities acquired.

The increase in majority interests is treated as a transaction between owners. The difference between the acquisition costs of additional shares and the prorated carrying amount of the non-controlling interests is recognized directly in equity.

In the reporting period, EUR 3.4 million (2020/21: EUR 0.0 million) was paid for the acquisition of non-controlling interests, or charged against loans. Non-controlling interests in the amount of EUR 7.7 million (2020/21: EUR 0.3 million) were derecognized, and an amount of EUR 4.3 million (2020/21: EUR 0.3 million) was recognized directly in equity.

Put options granted to non-controlling shareholders in exchange for their shares in Group companies are recognized in the statement of financial position as liabilities stated at fair value. If, in individual cases, the risks and rewards associated with ownership of a non-controlling interest had already been transferred at the time the majority interest was acquired, the assumption is that 100% of the entity was acquired. If, however, the risks and rewards are not transferred, the non-controlling interests continue to be shown in equity. The liability is covered by a direct transfer from retained earnings with no effect on profit or loss (double credit approach). The subsequent fair value measurement is recognized through profit or loss.

The liabilities for outstanding put options as of March 31, 2022, are EUR 8.8 million (March 31, 2021: EUR 8.6 million). The discounted cash flow method is applied for valuation purposes, taking the contractual maximum limits into account. The medium-term business plan and the discount rate, in particular, are some of the input factors in the discounted cash flow method.

E. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

| Name of the subsidiary | Domicile | 03/31/2021 | 03/31/2022 |
|--|--------------------|------------|------------|
| voestalpine Tubulars GmbH & Co KG | Kindberg, Austria | | |
| Proportion of equity interests | | 49.8875% | 49.8875% |
| Proportion of equity interests held by non-controlling interests | | 50.1125% | 50.1125% |
| CNTT Chinese New Turnout Technologies Co., Ltd. | Qinhuangdao, China | | |
| Proportion of equity interests | | 50.0000% | 50.0000% |
| Proportion of equity interests held by non-controlling interests | | 50.0000% | 50.0000% |

In the reporting period, the total of all non-controlling interests is EUR 154.6 million (March 31, 2021: EUR 125.3 million), of which EUR 44.7 million (March 31, 2021: EUR 37.2 million) is attributable to voestalpine Tubulars GmbH & Co KG and EUR 39.9 million (March 31, 2021: EUR 27.6 million) is attributable to CNTT Chinese New Turnout Technologies Co., Ltd. The remaining non-controlling interests, considered individually, may be considered immaterial to the Group.

Summarized financial information for each subsidiary with non-controlling interests that are material to the Group is shown below. The figures correspond to the amounts prior to the elimination of intra-Group transactions.

SUMMARIZED STATEMENT OF FINANCIAL POSITION

| | voestalpine Tubulars GmbH & Co KG | | CNTT Chinese New Turnout Technologies Co., Ltd. | |
|--------------------------|-----------------------------------|-------------|---|-------------|
| | 03/31/2021 | 03/31/2022 | 03/31/2021 | 03/31/2022 |
| Non-current assets | 111.3 | 103.5 | 16.1 | 16.2 |
| Current assets | 102.6 | 179.6 | 100.4 | 104.1 |
| Non-current liabilities | 24.6 | 24.6 | 1.8 | 2.0 |
| Current liabilities | 130.1 | 183.3 | 59.5 | 38.6 |
| Net assets (100%) | 59.2 | 75.2 | 55.2 | 79.7 |

In millions of euros

SUMMARIZED INCOME STATEMENT

| | voestalpine Tubulars GmbH & Co KG | | CNTT Chinese New Turnout Technologies Co., Ltd. | |
|--|--------------------------------------|---------|--|---------|
| | 2020/21 | 2021/22 | 2020/21 | 2021/22 |
| Revenue | 213.9 | 466.5 | 91.0 | 73.6 |
| EBIT | -48.9 | 20.5 | 15.6 | 27.7 |
| Profit after tax | -50.1 | 17.5 | 13.8 | 23.8 |
| Attributable to: | | | | |
| Equity holders of the parent | -25.0 | 8.7 | 6.9 | 11.9 |
| Non-controlling interests | -25.1 | 8.8 | 6.9 | 11.9 |
| Dividends paid to non-controlling interests | 0.0 | 0.0 | 9.5 | 2.7 |

In millions of euros

SUMMARIZED STATEMENT OF CASH FLOWS

| | voestalpine Tubulars GmbH & Co KG | | CNTT Chinese New Turnout Technologies Co., Ltd. | |
|--|--------------------------------------|-------------|--|------------|
| | 2020/21 | 2021/22 | 2020/21 | 2021/22 |
| Cash flows from operating activities | 1.7 | -10.8 | 17.0 | 27.9 |
| Cash flows from investing activities | -6.8 | -8.7 | -0.1 | -0.4 |
| Thereof additions to/ divestments of other financial assets | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flows from financing activities | 5.2 | 19.4 | -17.0 | -18.4 |
| Net decrease/increase in cash and cash equivalents | 0.1 | -0.1 | -0.1 | 9.1 |

In millions of euros

F. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

SHARES IN IMMATERIAL JOINT VENTURES

Profits from the joint ventures that are individually immaterial to voestalpine's Consolidated Financial Statements are included using the equity method. Interests held are presented in the "Investments" appendix to the Notes. In each case, this information relates to the equity interests of the voestalpine Group in immaterial joint ventures and is broken down as follows:

| | 2020/21 | 2021/22 |
|---|------------|------------|
| Group share of | | |
| Profit after tax | 0.2 | -0.3 |
| Other comprehensive income | 0.0 | 0.4 |
| Comprehensive income | 0.2 | 0.1 |
| Carrying amount, immaterial joint ventures | 5.2 | 4.4 |

In millions of euros

voestalpine Giesserei Linz GmbH holds an interest of 51.0% in Jiaxing NYC Industrial Co., Ltd. The entity's Articles of Incorporation require at least one vote from the other partner for all material decisions (budget, investments). It is assumed, therefore, that control is not exercised over the entity despite the 51.0% interest.

SHARES IN IMMATERIAL ASSOCIATES

Profits from associates that are individually immaterial to the voestalpine Consolidated Financial Statements are included using the equity method. This information relates to the interests of the voestalpine Group in associates and is broken down as follows:

| | 2020/21 | 2021/22 |
|---|--------------|--------------|
| Group share of | | |
| Profit after tax | 13.5 | 30.8 |
| Other comprehensive income | -0.2 | 2.9 |
| Comprehensive income | 13.3 | 33.7 |
| Carrying amount, immaterial associates | 130.5 | 158.3 |

In millions of euros

Associates and the interests in them are presented in the "Investments" appendix to the Notes.

G. EXPLANATIONS AND OTHER DISCLOSURES

1. REVENUE

The revenue stems solely from contracts with customers as defined in IFRS 15 (Revenue from Contracts with Customers) and includes all revenue generated through the voestalpine Group's ordinary business.

In keeping with IFRS 15.121, no disclosures are made with respect to the remaining performance obligations as of March 31, 2022, because all performance obligations have an expected initial term of one year or less.

The table below contains information on the breakdown of the external revenue of the voestalpine Group by region and industry for the business years 2021/22 and 2020/21:

REVENUE BY REGION

| | Steel Division | | High Performance Metals Division | |
|------------------------------------|----------------------|----------------|----------------------------------|----------------|
| | 2020/21 ¹ | 2021/22 | 2020/21 | 2021/22 |
| European Union (excluding Austria) | 2,370.0 | 3,619.5 | 967.2 | 1,275.9 |
| Austria | 447.9 | 684.0 | 79.9 | 160.1 |
| USMCA | 181.5 | 293.1 | 292.9 | 408.0 |
| Asia | 128.0 | 85.5 | 477.3 | 558.0 |
| South America | 13.9 | 49.6 | 173.3 | 265.5 |
| Rest of World | 333.5 | 409.8 | 276.7 | 330.8 |
| Total revenue by region | 3,474.8 | 5,141.5 | 2,267.3 | 2,998.3 |

¹ Business year 2020/21, retroactively adjusted.

REVENUE BY INDUSTRY

| | Steel Division | | High Performance Metals Division | |
|----------------------------------|----------------------|----------------|----------------------------------|----------------|
| | 2020/21 ¹ | 2021/22 | 2020/21 | 2021/22 |
| Automotive | 1,299.6 | 1,658.4 | 609.9 | 794.9 |
| Energy | 501.5 | 728.0 | 368.6 | 501.9 |
| Railway systems | 8.7 | 7.0 | 10.3 | 16.4 |
| Construction | 383.2 | 667.9 | 81.8 | 105.2 |
| Mechanical engineering | 182.4 | 362.5 | 494.9 | 667.5 |
| White goods/Consumer goods | 132.6 | 204.3 | 329.7 | 394.6 |
| Aerospace | 0.0 | 0.0 | 164.8 | 247.8 |
| Other | 966.8 | 1,513.4 | 207.3 | 270.0 |
| Total revenue by industry | 3,474.8 | 5,141.5 | 2,267.3 | 2,998.3 |

¹ Business year 2020/21, retroactively adjusted.

| Metal Engineering Division | | Metal Forming Division | | Other | | Total Group | |
|----------------------------|----------------|------------------------|----------------|------------|-------------|----------------------|-----------------|
| 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 ¹ | 2021/22 |
| 1,270.9 | 1,546.1 | 1,491.0 | 1,826.6 | 6.9 | 13.7 | 6,106.0 | 8,281.8 |
| 206.8 | 271.4 | 93.4 | 126.8 | 1.9 | 1.7 | 829.9 | 1,244.0 |
| 376.3 | 630.4 | 526.9 | 840.8 | 0.1 | 0.0 | 1,377.7 | 2,172.3 |
| 359.9 | 362.1 | 141.3 | 173.2 | 0.5 | 0.5 | 1,107.0 | 1,179.3 |
| 47.3 | 70.2 | 77.8 | 150.2 | 0.0 | 0.0 | 312.3 | 535.5 |
| 365.6 | 454.6 | 193.2 | 315.1 | 0.0 | 0.0 | 1,169.0 | 1,510.3 |
| 2,626.8 | 3,334.8 | 2,523.6 | 3,432.7 | 9.4 | 15.9 | 10,901.9 | 14,923.2 |

In millions of euros

| Metal Engineering Division | | Metal Forming Division | | Other | | Total Group | |
|----------------------------|----------------|------------------------|----------------|------------|-------------|----------------------|-----------------|
| 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 ¹ | 2021/22 |
| 344.6 | 540.2 | 1,372.7 | 1,616.9 | 0.0 | 0.0 | 3,626.8 | 4,610.4 |
| 382.0 | 653.3 | 35.1 | 64.6 | 0.0 | 0.0 | 1,287.2 | 1,947.8 |
| 1,444.4 | 1,530.4 | 0.6 | 1.3 | 0.0 | 0.0 | 1,464.0 | 1,555.1 |
| 73.5 | 101.3 | 623.8 | 1,014.6 | 0.0 | 0.0 | 1,162.3 | 1,889.0 |
| 131.1 | 162.3 | 201.6 | 328.2 | 0.0 | 0.0 | 1,010.0 | 1,520.5 |
| 30.2 | 45.1 | 98.2 | 123.7 | 0.0 | 0.0 | 590.7 | 767.7 |
| 0.0 | 0.0 | 13.1 | 7.7 | 0.0 | 0.0 | 177.9 | 255.5 |
| 221.0 | 302.2 | 178.5 | 275.7 | 9.4 | 15.9 | 1,583.0 | 2,377.2 |
| 2,626.8 | 3,334.8 | 2,523.6 | 3,432.7 | 9.4 | 15.9 | 10,901.9 | 14,923.2 |

In millions of euros

2. OPERATING SEGMENTS

The voestalpine Group has five reportable segments: Steel Division, High Performance Metals Division, Metal Engineering Division, Metal Forming Division, and Other. The reporting system, which is based primarily on the nature of the products provided, reflects the internal financial reporting system, the management structure, and the company's main sources of risks and rewards.

The Steel Division's activities include the production of sophisticated hot and cold-rolled strip steel as well as electrogalvanized, hot-dip galvanized, and organically coated strip steel. This is augmented by electrical steel strip, heavy plate, and foundry products as well as the downstream Steel & Service Center and Logistics Services. The division is the first point of contact for renowned automotive manufacturers and suppliers with respect to strategic product development and supports its customers globally. Moreover, it also is a key partner of the European white goods and mechanical engineering industries. The Steel Division produces heavy plate for applications in the energy sector that are used in the most difficult conditions. Besides serving the traditional oil and natural gas segment, it also provides customized solutions to renewable energy operations.

The High Performance Metals Division is the global market leader in high alloy tool steel and high-speed steel. The division holds a leading position in the global special alloys market for the oil and natural gas industry, the aerospace industry, and the energy engineering industry; nickel-base alloys as well as titanium are also utilized. It operates a global network of service centers with a focus on tool manufacturing, offering component processing, heat treatment, and coating services besides warehousing and preprocessing of special steels. In Houston (Texas, USA), Singapore, and Birmingham (Great Britain), the division offers a broad range of services including logistics, distribution, and processing especially for the oil and natural gas industry, thus underscoring its position as a technology leader in this field by virtue of the one-stop-shop solutions it provides to its customers. Additive manufacturing is considered a line of business that will be hugely important in the future. The Group's facilities in Düsseldorf (Germany), Toronto (Canada), Houston (Texas, USA), Singapore, Shanghai (China), Dongguan (China), and Nantou (Taiwan) manufacture components using metal powders. The fact that the powder is produced at the division's own factories in Hagfors (Sweden) and Kapfenberg (Austria) enables it to cover its entire value chain by itself—from the powder all the way to the finished "printed" component.

The Group's expertise as the world market leader in turnout technology and as the leading provider of high-quality rails and digital monitoring systems as well as services related to rail infrastructure are brought together in the Metal Engineering Division. In addition, this division offers a broad range of high-quality wire rod and drawn wire, premium seamless tubes for special applications as well as high-quality welding consumables and welding machinery. The Metal Engineering Division also possesses its own expertise in steel, which ensures ultra high-quality supplies of pre-materials throughout the division.

The Metal Forming Division is voestalpine's center of expertise for highly developed special sections; tube and precision strip steel products; pre-finished system components made from pressed, punched, and roll-profiled parts as well as storage system solutions. This combination of expertise in materials and processing, which is unique in the industry, and the division's global presence make it the first choice for customers who value innovation and quality. These customers include nearly all leading manufacturers in the automotive production and supply industries, with a significant focus on the premium segment, as well as numerous companies in the commercial vehicle, construction, storage, energy, and (agricultural) machinery industries.

In addition to the holding company, the business segment "Other" also comprises two holding companies for the U.S. tax group, two financing entities, one raw materials purchasing company, one personal services entity as well as the group-IT companies. These companies were combined because their focus is on providing coordination services and support to the subsidiaries.

Segment revenue, segment expenses, and segment results include transfers between the operating segments. Such transfers are accounted for at transfer prices that correspond to competitive market prices charged to unaffiliated customers for similar products. These transactions are eliminated in the Consolidated Financial Statements.

The voestalpine Group uses earnings before interest and taxes (EBIT) as well as earnings before interest, taxes, depreciation, and amortization (EBITDA) as the key performance indicators (KPIs) to measure segment performance. These key figures are the generally accepted indicators for measuring profitability in the Group.

The key figures for the Group's operating segments are as follows:

OPERATING SEGMENTS

| | Steel Division | | High Performance Metals Division | |
|--|----------------------|----------------------|----------------------------------|---------|
| | 2020/21 ¹ | 2021/22 | 2020/21 | 2021/22 |
| Segment revenue | 3,852.0 | 5,701.8 | 2,299.8 | 3,052.2 |
| Of which revenue with third parties | 3,474.8 | 5,141.5 | 2,267.4 | 2,998.3 |
| Of which revenue with other segments | 377.2 | 560.3 | 32.4 | 53.9 |
| EBITDA | 501.8 | 1,150.9 | 214.4 | 399.4 |
| Depreciation and amortization of property, plant and equipment and intangible assets | 267.9 | 261.7 | 165.5 | 172.5 |
| Of which impairment | 0.0 | 0.0 | 2.0 | 16.5 |
| Reversal of impairment of property, plant and equipment and intangible assets | 0.0 | 0.0 | 0.0 | 0.0 |
| Share of profit of entities consolidated according to the equity method | 9.6 | 24.5 | 0.0 | 0.0 |
| EBIT | 233.8 | 889.1 | 48.8 | 226.9 |
| EBIT margin | 6.1% | 15.6% | 2.1% | 7.4% |
| Interest and similar income and income from other securities and loans | 0.9 | 0.5 | 7.4 | 9.9 |
| Interest and similar expenses | 28.1 | 20.7 | 50.2 | 46.2 |
| Income tax expense | 8.0 | -194.9 | 3.7 | -39.0 |
| Profit after tax from continuing operations | 216.7 | 681.7 | 11.2 | 151.7 |
| Segment assets | 4,757.6 ² | 5,808.5 ² | 4,193.3 | 4,702.1 |
| Of which investments in entities consolidated according to the equity method | 105.5 | 127.3 | 0.0 | 0.0 |
| Net financial debt | 1,402.0 ² | 903.8 ² | 1,365.8 | 1,415.1 |
| Investments in property, plant and equipment and intangible assets | 153.6 ² | 240.8 ² | 219.3 | 207.0 |
| Employees (full-time equivalent) | 10,461 ³ | 10,703 ³ | 12,586 | 13,291 |

¹ Business year 2020/21, retroactively adjusted in part.

² Including values from discontinued operations.

³ Including employees (full-time equivalent) from discontinued operations.

| Metal Engineering Division | | Metal Forming Division | | Other | | Reconciliation | | Total Group | |
|----------------------------|---------|------------------------|---------|----------|----------|----------------|-----------|-----------------------|-----------------------|
| 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 ¹ | 2021/22 |
| 2,667.3 | 3,376.2 | 2,553.9 | 3,474.4 | 1,231.5 | 1,815.8 | -1,702.6 | -2,497.2 | 10,901.9 | 14,923.2 |
| 2,626.7 | 3,334.8 | 2,523.6 | 3,432.7 | 9.4 | 15.9 | 0.0 | 0.0 | 10,901.9 | 14,923.2 |
| 40.6 | 41.4 | 30.3 | 41.7 | 1,222.1 | 1,799.9 | -1,702.6 | -2,497.2 | 0.0 | 0.0 |
| 229.7 | 405.8 | 273.8 | 433.1 | -70.0 | -85.6 | -1.6 | -12.3 | 1,148.1 | 2,291.3 |
| 213.4 | 177.9 | 149.9 | 212.3 | 13.1 | 12.6 | 0.0 | 0.0 | 809.8 | 837.0 |
| 34.0 | 0.0 | 7.7 | 63.7 | 0.0 | 0.0 | 0.0 | 0.0 | 43.7 | 80.2 |
| 0.0 | 0.0 | 1.4 | 11.8 | 0.0 | 0.0 | 0.0 | 0.0 | 1.4 | 11.8 |
| 0.4 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 3.6 | 5.7 | 13.6 | 30.5 |
| 16.3 | 227.9 | 124.0 | 220.8 | -83.1 | -98.1 | -1.6 | -12.3 | 338.2 | 1,454.3 |
| 0.6% | 6.8% | 4.9% | 6.4% | | | | | 3.1% | 9.7% |
| 2.7 | 2.2 | 1.7 | 6.5 | 165.7 | 247.8 | -165.7 | -246.4 | 12.7 | 20.5 |
| 34.3 | 33.0 | 29.4 | 27.5 | 136.0 | 220.6 | -153.5 | -240.7 | 124.5 | 107.3 |
| 2.8 | -44.7 | 4.2 | -62.4 | 2.5 | 28.0 | -0.3 | 2.9 | 20.9 | -310.1 |
| -12.2 | 152.6 | 101.0 | 137.4 | -51.4 | 1,489.8 | -9.6 | -1,540.8 | 255.7 | 1,072.4 |
| 3,345.5 | 3,744.3 | 2,645.3 | 2,904.7 | 10,632.6 | 11,262.4 | -10,664.1 | -11,397.3 | 14,910.2 ² | 17,024.7 ² |
| 5.3 | 5.4 | 0.0 | 0.0 | 0.0 | 0.0 | 24.9 | 30.0 | 135.7 | 162.7 |
| 1,051.9 | 999.4 | 855.9 | 782.3 | -1,932.9 | -1,809.1 | 0.1 | -0.3 | 2,742.8 ² | 2,291.2 ² |
| 129.1 | 122.3 | 99.8 | 125.6 | 8.6 | 12.7 | 0.0 | 0.0 | 610.4 ² | 708.4 ² |
| 13,145 | 13,528 | 11,525 | 11,766 | 937 | 937 | 0 | 0 | 48,654 ³ | 50,225 ³ |

In millions of euros

The reconciliation of the key performance indicators, EBITDA and EBIT, is shown in the following tables:

EBITDA

| | 2020/21 ¹ | 2021/22 |
|---|----------------------|--------------|
| Net exchange differences and result from valuation of derivatives | -3.8 | -4.0 |
| Consolidation | 2.2 | -8.3 |
| EBITDA – Total reconciliation | -1.6 | -12.3 |

¹ Business year 2020/21, retroactively adjusted.

In millions of euros

EBIT

| | 2020/21 ¹ | 2021/22 |
|---|----------------------|--------------|
| Net exchange differences and result from valuation of derivatives | -3.8 | -4.0 |
| Consolidation | 2.2 | -8.3 |
| EBIT – Total reconciliation | -1.6 | -12.3 |

¹ Business year 2020/21, retroactively adjusted.

In millions of euros

All other key performance indicators contain solely the effects of consolidation.

Geographical information

The following table provides select financial information summarized according to the major geographical areas. External segment revenue is broken down by the customers' geographical location.

Non-current assets and investments are reported based on the entities' geographical location.

| | Austria | | European Union | | Other Countries | |
|--|---------|---------|----------------------|---------|----------------------|---------|
| | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 |
| External revenue | 829.9 | 1,244.0 | 6,106.0 ¹ | 8,281.8 | 3,966.0 ¹ | 5,397.4 |
| Non-current assets | 5,235.0 | 5,178.4 | 1,580.5 | 1,530.2 | 1,216.4 | 828.2 |
| Investments in property, plant and equipment and intangible assets | 390.0 | 430.7 | 124.7 | 128.2 | 95.7 | 149.5 |

¹ Business year 2020/21, retroactively adjusted.

In millions of euros

The voestalpine Group does not record revenue from transactions with a single external customer that amounts to 10% or more of the entity's revenue.

3. OTHER OPERATING INCOME

| | 2020/21 ¹ | 2021/22 |
|---|----------------------|--------------|
| Gains on disposal and revaluation of intangible assets, property, plant and equipment | 8.3 | 16.0 |
| Income from the reversal of provisions | 40.5 | 36.4 |
| Currency gains | 117.5 | 133.6 |
| Income from the valuation of derivatives | 7.7 | 20.0 |
| Gains from deconsolidation | 0.1 | 0.0 |
| Other operating income | 314.4 | 239.9 |
| | 488.5 | 445.9 |

¹ Business year 2020/21, retroactively adjusted in part.

In millions of euros

In the business year 2021/22, operating income of EUR 118.7 million (2020/21: EUR 88.6 million) from the sale of products not generated in the course of the Group's ordinary activities (by-products) is included in other operating income. The latter also includes EUR 15.5 million (2020/21: EUR 104.5 million) in income from short time work grants and other government grants for personnel expenses. Gains on disposal and revaluation of intangible assets, property, plant and equipment contain EUR 11.8 million (2020/21: EUR 1.4 million) in reversals of impairment losses.

4. OTHER OPERATING EXPENSES

| | 2020/21 ¹ | 2021/22 |
|---|----------------------|--------------|
| Taxes other than income taxes | 15.8 | 15.4 |
| Losses on disposal of property, plant and equipment | 4.0 | 5.4 |
| Currency losses | 112.4 | 110.4 |
| Expenses from the valuation of derivatives | 23.2 | 38.5 |
| Losses from deconsolidation | 1.2 | 0.0 |
| Other operating expenses | 214.3 | 332.9 |
| | 370.9 | 502.6 |

¹ Business year 2020/21, retroactively adjusted in part.

In millions of euros

Other operating expenses for the business year 2021/22 contain EUR 80.2 million (2020/21: EUR 43.7 million) in impairment losses on property, plant and equipment, other intangible assets, and goodwill. They also contain EUR 149.6 million (2020/21: EUR 113.4 million) in expenses attributable to the other functional area. In the main, these concern expenses related to the by-products specified in other operating income.

5. INCOME FROM ENTITIES CONSOLIDATED ACCORDING TO THE EQUITY METHOD

| | 2020/21 | 2021/22 |
|------------------------------|-------------|-------------|
| Income from associates | 13.6 | 33.0 |
| Expenses from associates | -0.2 | -2.2 |
| Income from joint ventures | 0.3 | 0.0 |
| Expenses from joint ventures | -0.1 | -0.3 |
| | 13.6 | 30.5 |

In millions of euros

Income from associates is primarily attributable to METALSERVICE S.P.A., APK-Pensionskasse Aktiengesellschaft, Industrie-Logistik-Linz GmbH, and Scholz Austria GmbH. All income from entities consolidated according to the equity method concerns the prorated annual profit.

6. FINANCE INCOME

| | 2020/21 | 2021/22 |
|--|-------------|-------------|
| Income from equity investments | 2.2 | 8.7 |
| Income from other securities and loans | 1.3 | 2.8 |
| Other interest and similar income | 11.4 | 17.7 |
| Income from the disposal and revaluation of financial assets and securities classified as current assets | 6.3 | 6.5 |
| | 21.2 | 35.7 |

In millions of euros

7. FINANCE COSTS

| | 2020/21 ¹ | 2021/22 |
|--|----------------------|--------------|
| Expenses from the disposal and valuation of securities | 0.0 | 0.2 |
| Other expenses | 0.1 | 0.0 |
| Other interest and similar expenses | 124.5 | 107.3 |
| | 124.6 | 107.5 |

¹ Business year 2020/21, retroactively adjusted in part.

In millions of euros

Other interest and similar expenses include negative interest income of EUR 1.8 million (2020/21: EUR 1.9 million).

8. INCOME TAXES

Income taxes include income taxes paid and owed as well as deferred taxes (+ income tax expense / – income tax benefit).

| | 2020/21 | 2021/22 |
|---|--------------|--------------|
| Current tax expense | 54.2 | 304.2 |
| Effective tax expense | 85.9 | 300.9 |
| Adjustments of taxes from previous periods | -27.8 | 3.6 |
| Recognition of tax losses from previous periods | -3.9 | -0.3 |
| Deferred tax expense | -75.1 | 5.9 |
| Origination/reversal of temporary differences | -71.6 | 17.3 |
| Adjustments of taxes from previous periods | 31.8 | 1.0 |
| Impact of changes in tax rates | -1.2 | 2.7 |
| Recognition of tax losses from previous periods | -34.1 | -15.1 |
| | -20.9 | 310.1 |

In millions of euros

In particular, the effects of the changes in tax rates in the amount of EUR 2.7 million (2020/21: EUR -1.2 million) concern deferred taxes from Austrian companies due to the reduction in the corporate income tax rate enacted by law.

The following reconciliation shows the difference between the Austrian corporate tax rate of 25% and the effective Group tax rate:

| | 2020/21 ¹ | | 2021/22 | |
|--|----------------------|--------------|--------------|----------------|
| Profit before tax | | 235.1 | | 1,382.5 |
| Income tax expense (+)/benefit (-) using the Austrian corporate tax rate | 25.0% | 58.8 | 25.0% | 345.6 |
| Difference to foreign tax rates | -2.0% | -4.8 | -0.4% | -5.3 |
| Non-taxable income | -7.0% | -16.5 | -2.9% | -40.2 |
| Non-taxable income from equity investments | -1.7% | -3.9 | -0.6% | -8.6 |
| Effects of depreciation of equity investments and utilization of previously unincorporated loss carryforwards and non-recognition of loss carryforwards | -37.4% | -87.9 | -1.0% | -13.5 |
| Taxes from previous periods | 1.7% | 4.0 | 0.3% | 4.6 |
| Non-tax-effective impairment of goodwill | 2.7% | 6.3 | 0.0% | 0.0 |
| Non-deductible expenses and other differences | 9.8% | 23.1 | 2.0% | 27.5 |
| Effective Group tax rate (%)/ income tax expense (+)/income tax benefit (-) | -8.9% | -20.9 | 22.4% | 310.1 |

¹ Business year 2020/21, retroactively adjusted in part.

In millions of euros

9. PROPERTY, PLANT AND EQUIPMENT

| | Land, land rights, and buildings | Plant and equipment | Fixtures and fittings | Advance payments and plant under construction | Total |
|---|----------------------------------|---------------------|-----------------------|---|----------------|
| Gross carrying amount | 3,995.9 | 12,692.9 | 1,416.4 | 609.9 | 18,715.1 |
| Accumulated depreciation and impairment | -1,918.0 | -9,223.6 | -1,012.1 | -2.6 | -12,156.3 |
| Carrying amount as of April 1, 2020 | 2,077.9 | 3,469.3 | 404.3 | 607.3 | 6,558.8 |
| Gross carrying amount | 4,047.7 | 12,897.0 | 1,453.2 | 667.5 | 19,065.4 |
| Accumulated depreciation and impairment | -2,062.9 | -9,806.8 | -1,073.1 | -2.6 | -12,945.4 |
| Carrying amount as of March 31, 2021 | 1,984.8 | 3,090.2 | 380.1 | 664.9 | 6,120.0 |
| Gross carrying amount | 4,136.9 | 13,255.2 | 1,514.0 | 850.3 | 19,756.4 |
| Accumulated depreciation and impairment | -2,137.5 | -10,170.6 | -1,149.1 | -4.3 | -13,461.5 |
| Reclassification of discontinued operations | -151.6 | -445.3 | -2.3 | -59.8 | -659.0 |
| Carrying amount as of March 31, 2022 | 1,847.8 | 2,639.3 | 362.6 | 786.2 | 5,635.9 |

In millions of euros

The reconciliation of the carrying amounts of the property, plant and equipment for the periods presented in the Consolidated Financial Statements as of March 31, 2022, is as follows:

| | Land, land rights, and buildings | Plant and equipment | Fixtures and fittings | Advance payments and plant under construction | Total |
|---|----------------------------------|---------------------|-----------------------|---|----------------|
| Carrying amount as of April 1, 2020 | 2,077.9 | 3,469.3 | 404.3 | 607.3 | 6,558.8 |
| Changes in the scope of consolidation | 8.6 | 2.5 | 0.1 | 0.1 | 11.3 |
| Additions | 30.8 | 146.1 | 64.0 | 344.3 | 585.2 |
| Transfers | 48.8 | 206.8 | 21.6 | -280.7 | -3.5 |
| Disposals | -9.8 | -8.4 | -5.3 | -1.4 | -24.9 |
| Depreciation | -118.9 | -545.3 | -102.7 | -0.1 | -767.0 |
| Impairment losses | -36.0 | -144.8 | -1.0 | 0.0 | -181.8 |
| Reversal of impairment losses | 0.0 | 1.4 | 0.0 | 0.0 | 1.4 |
| Net exchange differences | -16.6 | -37.4 | -0.9 | -4.6 | -59.5 |
| Carrying amount as of March 31, 2021 | 1,984.8 | 3,090.2 | 380.1 | 664.9 | 6,120.0 |
| Changes in the scope of consolidation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Additions | 53.5 | 192.7 | 75.5 | 360.3 | 682.0 |
| Transfers | 16.7 | 141.2 | 16.5 | -180.8 | -6.4 |
| Disposals | -8.1 | -6.9 | -4.1 | -4.4 | -23.5 |
| Depreciation | -117.1 | -535.8 | -103.0 | -0.1 | -756.0 |
| Impairment losses | -16.1 | -58.8 | -3.7 | -1.5 | -80.1 |
| Reversal of impairment losses | 59.0 | 208.9 | 0.5 | 0.0 | 268.4 |
| Net exchange differences | 26.7 | 53.1 | 3.1 | 7.6 | 90.5 |
| Reclassification of discontinued operations | -151.6 | -445.3 | -2.3 | -59.8 | -659.0 |
| Carrying amount as of March 31, 2022 | 1,847.8 | 2,639.3 | 362.6 | 786.2 | 5,635.9 |

In millions of euros

As of March 31, 2022, restrictions on the disposal of property, plant and equipment were EUR 0.5 million (March 31, 2021: EUR 0.5 million). Furthermore, as of March 31, 2022, commitments for the purchase of property, plant and equipment were EUR 263.9 million (March 31, 2021: EUR 293.0 million).

Borrowing costs related to qualifying assets in the amount of EUR 3.6 million (2020/21: EUR 2.9 million) were capitalized in the reporting period. The calculation was based on an average borrowing rate of 1.3% (2020/21: 1.4%).

Right-of-use assets as per IFRS 16

The Group leases mainly land, buildings, and manufacturing facilities as well as vehicle fleets including locomotives. Most of the leases contain renewal options and rights to terminate, some of which are also stipulated in conjunction with non-cancelable lease terms.

In some cases, the Group has the option to purchase the assets at the end of the contractually agreed period.

The lease payments typically are either fixed or based on market interest rates or indices (e.g., the consumer price index (CPI)). A few leases provide for variable lease payments (e.g., usage-based leases).

The carrying amount of each class of right-of-use assets pursuant to IFRS 16, which are shown in property, plant and equipment, is as follows:

| | Property, plant and equipment | | | Total |
|---|----------------------------------|---------------------|-----------------------|--------------|
| | Land, land rights, and buildings | Plant and equipment | Fixtures and fittings | |
| Carrying amount as of April 1, 2020 | 352.2 | 16.7 | 41.4 | 410.3 |
| Changes in the scope of consolidation | 1.3 | 0.0 | 0.0 | 1.3 |
| Additions | 16.6 | 1.1 | 11.4 | 29.1 |
| Transfers | -0.1 | -0.4 | -0.3 | -0.8 |
| Disposals | -8.3 | -0.1 | -1.1 | -9.5 |
| Depreciation | -32.2 | -3.8 | -10.0 | -46.0 |
| Impairment | -2.9 | 0.0 | 0.0 | -2.9 |
| Net exchange differences | -3.1 | -0.1 | 0.0 | -3.2 |
| Carrying amount as of March 31, 2021 | 323.5 | 13.4 | 41.4 | 378.3 |
| Changes in the scope of consolidation | 0.0 | 0.0 | 0.0 | 0.0 |
| Additions | 21.9 | 1.3 | 5.8 | 29.0 |
| Transfers | 1.0 | -0.4 | -0.2 | 0.4 |
| Disposals | -2.7 | -0.1 | -0.1 | -2.9 |
| Depreciation | -32.7 | -3.0 | -10.5 | -46.2 |
| Impairment | -2.1 | -0.2 | 0.0 | -2.3 |
| Net exchange differences | 4.8 | 0.0 | 0.0 | 4.8 |
| Reclassification of discontinued operations | -28.3 | 0.0 | 0.0 | -28.3 |
| Carrying amount as of March 31, 2022 | 285.4 | 11.0 | 36.4 | 332.8 |

In millions of euros

Lease expenses in the Consolidated Income Statement

| | 2020/21 | 2021/22 |
|--|------------------|---------|
| Interest expenses for lease liabilities (non-cash) | 7.4 ¹ | 6.8 |
| Expenses for short-term leases | 8.6 | 8.9 |
| Expenses for small-ticket leases | 6.4 | 6.7 |
| Expenses for variable lease payments | 2.9 | 3.4 |

¹ Business year 2020/21, retroactively adjusted.

In millions of euros

The total cash outflows for leases are EUR 63.9 million (2020/21: EUR 63.5 million). In addition to repayments, this also includes cash outflows from short-term leases, low-value asset leases, and variable lease payments.

The Group expects variable lease payments to remain largely unchanged in the coming years.

As of March 31, 2022, there were no material leases that had not yet been made available and thus had not yet been recognized.

The effect of the measurement of residual value guarantees and purchase options on the carrying amount is deemed negligible.

Effect of renewal and termination options

Renewal and termination options can be exercised without the lessor's approval. The fact that leases contain termination and renewal options gives the operating units of the voestalpine Group, which are responsible for utilizing the assets, a high degree of operational flexibility. The resulting flexibility and thus the range of potential future lease payments that have not yet been recognized in the statement of financial position is high. voestalpine generally assumes that renewal options will be exercised.

As regards the maturity analysis of lease liabilities, see Note 20. Financial liabilities.

RECONCILIATION OF DEPRECIATION, AMORTIZATION, AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS BY FUNCTIONAL CLASSIFICATION

| | 2020/21 ¹ | 2021/22 |
|--------------------------|----------------------|--------------|
| Cost of sales | 655.0 | 649.0 |
| Distribution costs | 41.1 | 41.0 |
| Administrative expenses | 47.3 | 44.3 |
| Other operating expenses | 66.4 | 102.7 |
| | 809.8 | 837.0 |

¹ Business year 2020/21, retroactively adjusted.

In millions of euros

Other operating expenses for the business year 2021/22 contain EUR 80.2 million (2020/21: EUR 43.7 million) in impairment losses on property, plant and equipment, other intangible assets, and goodwill.

10. GOODWILL AND OTHER INTANGIBLE ASSETS

GOODWILL

| | 03/31/2020 | 03/31/2021 | 03/31/2022 |
|---|----------------|----------------|----------------|
| Gross carrying amount | 1,563.6 | 1,563.0 | 1,564.8 |
| Impairment losses | -68.7 | -93.8 | -93.8 |
| Reclassification of discontinued operations | 0.0 | 0.0 | -22.4 |
| Carrying amount | 1,494.9 | 1,469.2 | 1,448.6 |

In millions of euros

The following table shows the reconciliation of the carrying amounts of goodwill for the periods presented in the Consolidated Financial Statements as of March 31, 2022:

| | Goodwill |
|---|----------------|
| Carrying amount as of April 1, 2020 | 1,494.9 |
| Additions | 0.9 |
| Impairment losses | -25.0 |
| Net exchange differences | -1.6 |
| Carrying amount as of March 31, 2021 | 1,469.2 |
| Net exchange differences | 1.8 |
| Reclassification of discontinued operations | -22.4 |
| Carrying amount as of March 31, 2022 | 1,448.6 |

In millions of euros

Details on the impairment of goodwill are explained in Note 11. Impairment losses and reversal of impairment losses.

OTHER INTANGIBLE ASSETS

| | Trademarks | Other | Advance payments or payments in progress | Total |
|---|--------------|--------------|--|--------------|
| Gross carrying amount | 227.6 | 1,437.3 | 3.3 | 1,668.2 |
| Accumulated amortization and impairment | -48.0 | -1,281.6 | 0.0 | -1,329.6 |
| Carrying amount as of April 1, 2020 | 179.6 | 155.7 | 3.3 | 338.6 |
| Gross carrying amount | 227.6 | 1,436.3 | 5.1 | 1,669.0 |
| Accumulated amortization and impairment | -53.7 | -1,308.1 | 0.0 | -1,361.8 |
| Carrying amount as of March 31, 2021 | 173.9 | 128.2 | 5.1 | 307.2 |
| Gross carrying amount | 227.6 | 1,450.8 | 16.2 | 1,694.6 |
| Accumulated amortization and impairment | -57.0 | -1,337.5 | 0.0 | -1,394.5 |
| Reclassification of discontinued operations | 0.0 | -10.2 | 0.0 | -10.2 |
| Carrying amount as of March 31, 2022 | 170.6 | 103.1 | 16.2 | 289.9 |

In millions of euros

The "Trademarks" column contains trademarks with an indefinite useful life in the amount of EUR 170.6 million (2020/21: EUR 170.6 million). In the previous business year, it also included a capital market funding advantage associated with the brand name "Böhler-Uddeholm." The capital market funding advantage was amortized over a period of ten years ending in the business year 2021/22.

Intangible assets with an unlimited useful life

The following cash generating units (CGUs) and groups of CGUs contain trademarks with an indefinite useful life:

| | 2020/21 | 2021/22 |
|---|--------------|--------------|
| High Performance Metals Division | 155.4 | 155.4 |
| Welding | 12.6 | 12.6 |
| Total Metal Engineering Division | 12.6 | 12.6 |
| Precision Strip | 2.6 | 2.6 |
| Total Metal Forming Division | 2.6 | 2.6 |
| voestalpine Group | 170.6 | 170.6 |

In millions of euros

The period during which these trademarks are expected to generate cash flows is not subject to a foreseeable limit. Hence trademarks are not subject to wear and tear and are not amortized. No impairments have arisen.

The following table shows the reconciliation of the carrying amounts of the other intangible assets for the periods presented in the Consolidated Financial Statements as of March 31, 2022:

| | Trademarks | Other | Advance payments or payments in progress | Total |
|---|--------------|--------------|--|--------------|
| Carrying amount as of April 1, 2020 | 179.6 | 155.7 | 3.3 | 338.6 |
| Changes in the scope of consolidation | 0.0 | 0.2 | 0.0 | 0.2 |
| Additions | 0.0 | 8.5 | 4.3 | 12.8 |
| Transfers | 0.0 | 5.8 | -2.4 | 3.4 |
| Disposals | 0.0 | -1.1 | -0.1 | -1.2 |
| Amortization | -5.7 | -39.7 | 0.0 | -45.4 |
| Impairment losses | 0.0 | 0.0 | 0.0 | 0.0 |
| Net exchange differences | 0.0 | -1.2 | 0.0 | -1.2 |
| Carrying amount as of March 31, 2021 | 173.9 | 128.2 | 5.1 | 307.2 |
| Changes in the scope of consolidation | 0.0 | 0.0 | 0.0 | 0.0 |
| Additions | 0.0 | 13.1 | 13.3 | 26.4 |
| Transfers | 0.0 | 8.6 | -2.2 | 6.4 |
| Disposals | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortization | -3.3 | -38.2 | 0.0 | -41.5 |
| Impairment losses | 0.0 | -0.2 | 0.0 | -0.2 |
| Net exchange differences | 0.0 | 1.8 | 0.0 | 1.8 |
| Reclassification of discontinued operations | 0.0 | -10.2 | 0.0 | -10.2 |
| Carrying amount as of March 31, 2022 | 170.6 | 103.1 | 16.2 | 289.9 |

In millions of euros

The functional classifications—cost of sales, distribution costs, administrative expenses, and other operating expenses—may include amortization of intangible assets.

As of March 31, 2022, commitments for the acquisition of intangible assets were EUR 0.1 million (March 31, 2021: EUR 0.0 million). As of March 31, 2022, other intangible assets include a software project designed to map business processes across companies and business processes that have been harmonized in the Steel Division, with a carrying amount of EUR 44.5 million (March 31, 2021: EUR 59.3 million) and a remaining useful life of three years.

11. IMPAIRMENT LOSSES AND REVERSAL OF IMPAIRMENT LOSSES

As a rule, the discounted cash flow method is used to test the property, plant and equipment, the intangible assets, and the carrying amounts for impairment (generally based on the value-in-use approach). Impairment tests are conducted whenever impairment losses or a reversal of impairment losses are indicated. In addition, cash generating units and groups of cash generating units containing goodwill as well as intangible assets with unlimited useful lives are tested for impairment at least once a year, specifically, in early March. The calculation is performed on the basis of the projected cash flows as per a five-year, medium-term business plan approved by Management. The Group's planning assumptions are expanded by sectoral planning assumptions. Intra-Group evaluations are supplemented by external market studies.

The determination of the perpetual annuity is based on country-specific growth figures derived from external sources. For the purposes of the impairment tests required for the business year 2021/22, the plan year was partly adjusted in response to the economic distortions resulting especially from the Ukraine war and its effects on the energy and raw materials markets. The capital costs are calculated as the weighted average cost of equity and borrowings using the capital asset pricing model. The parameters used for determining the weighted average cost of capital (WACC) were established on an objective basis. The distortions in the capital markets arising from the Ukraine war that were identified by the reporting date were taken into account.

Impairment tests of cash generating units (CGUs) or groups of cash generating units containing goodwill

Goodwill is allocated to the following CGUs or groups of CGUs:

| | 2020/21 | 2021/22 |
|---|----------------|----------------|
| Total Steel Division | 160.1 | 137.7 |
| HPM Production | 378.8 | 378.8 |
| Value Added Services | 312.4 | 314.1 |
| Total High Performance Metals Division | 691.2 | 692.9 |
| Wire Technology | 12.2 | 12.2 |
| Railway Systems | 174.9 | 175.0 |
| Tubulars | 28.5 | 28.5 |
| Welding | 133.3 | 133.3 |
| Total Metal Engineering Division | 348.9 | 349.0 |
| Tubes & Sections | 70.0 | 70.0 |
| Automotive Components | 84.0 | 84.0 |
| Precision Strip | 103.8 | 103.8 |
| Warehouse & Rack Solutions | 11.2 | 11.2 |
| Total Metal Forming Division | 269.0 | 269.0 |
| voestalpine Group | 1,469.2 | 1,448.6 |

In millions of euros

In connection with the planned sale of 80% of the Texas CGU, a total of EUR 22.4 million (which was determined based on the relative fair values) of the Steel Division's goodwill was allocated to discontinued operations. In this respect, see item C. Scope of Consolidation – Discontinued Operations.

The following estimates and assumptions were used to measure the recoverable amounts of CGUs or groups of CGUs that account for a significant portion of the voestalpine Group's total goodwill:

The **Steel Division** focuses on the production and processing of steel products for the automotive, white goods, electrical, processing as well as energy and engineering industries. The five-year, medium-term business plan for the Steel Division was prepared, for one, on the basis of external economic forecasts for the eurozone, the USA, China, and Mexico (based on the IMF's World Economic Outlook)¹ and, for another, taking into account expected steel consumption.² The CRU Index was considered in the revenue planning for the flat products. Additionally, positive, quality-related adjust-

¹ World Economic Outlook, International Monetary Fund (IMF)

² The European Steel Association (EUROFER) regarding steel consumption in Europe; World Steel Association for non-European data

ments were made in individual customer segments. The production plan reflects the sales forecasts. As regards procurement, the planning was based on assumptions concerning raw materials derived from global market forecasts (e.g., Platts price assessments¹). The five-year, medium-term business plan includes the investments required for the first step toward implementation of the greentec steel project, which involves replacing a blast furnace with an electric arc furnace. Increases in the emissions allowance prices have already been taken into consideration based largely on the assumption that it will be possible to pass on the cost increases. Based on these assumptions and given the extremely successful business year 2021/22, the medium-term business plan projects that the gross margin will once again develop along a normalized trajectory, taking blast furnace lining work into account. The fifth plan year was used to determine the perpetual annuity based on an expected growth rate of 1.40% (2020/21: 1.29%). The after-tax WACC is 6.71% (2020/21: 6.27%); the pre-tax WACC is 8.48% (2020/21: 7.96%).

The five-year, medium-term business plan for the **High Performance Metals Division** and its two units to which goodwill has been allocated—High Performance Metals (HPM) Production and Value Added Services—was based on the general economic environment of the relevant industry segments (in particular, the automotive, oil and gas, and aerospace industries) as well as on the growth forecasts² for the regional sales markets of its core markets, in particular, the eurozone, the USA, China, and Brazil.

HPM Production bundles seven production locations around the world. Its production activities cover a highly complex and highly demanding range of production: tool steel, high-speed steel, valve steel, high-grade engineering steel, powder-metallurgical steel, powder for additive manufacturing, special steels, and nickel-based alloys. Product manufacturing ranges from smelting to transforming (rolling, forging, hot-rolled, and cold-rolled strips) all the way to heat treatment and processing; add to that the fulfilment of the properties and specifications required by customers. The processing companies produce plate, profiles, and forged parts made of titanium alloys, nickel-based alloys as well as high, medium, and low-grade alloyed steels.

The internal forecasts and estimates of HPM Production—particularly with regard to the business that targets sophisticated metallurgical applications in the aerospace, oil and gas, energy engineering, and automotive industries—rely on external sources of information and are consistent with them. A moderate trend is forecast for both the automotive segment and the oil and gas segment. Following the COVID-19-induced crisis years, the aerospace segment is expected to see the highest growth rates. The planning once again expects production rates to normalize at the previous years' levels in both the medium and the long term. Overall, this will lead to higher revenue and a positive gross margin trend in the planning period, not least due to the new special steel plant in Kapfenberg, Austria.

Increases in the cost of input materials due to alloy prices as well as higher energy costs can largely be passed on to customers. The final plan year was used to calculate the perpetual annuity based on an expected growth rate of 1.65% (2020/21: 1.47%). The after-tax WACC is 7.52% (2020/21: 7.34%); the pre-tax WACC is 9.64% (2020/21: 9.50%).

¹ S&P Global Platts

² International Monetary Fund (IMF), Standard Chartered Research, Angus Maddison, World Bank (WB), World Economic Forum (WEF)

In the **Value Added Services** business segment, the continued systematic expansion of services in the planning period will lead to greater customer loyalty and deeper value creation. Further emphases were already defined here in the past business year. Pre-processing, heat treatment, and coating will also be expanded in line with customer requirements. Moreover, an all-out effort is being undertaken in coordination with the powder strategy of the HPM Production unit to turn additive manufacturing into the division's core competence. Ongoing activities will additionally focus on the consistent pursuit of tried and tested cost-savings and optimization programs as well as on new initiatives, especially with respect to the processes related to the digital transformation, which will lead to higher revenue and a positive gross margin trend in the planning period.

Increases in the cost of input materials due to alloy prices as well as higher energy costs can largely be passed on to customers. The last plan year was used to calculate the perpetual annuity based on an expected growth rate of 1.61% (2020/21: 1.45%). The after-tax WACC is 7.88% (2020/21: 7.70%); the pre-tax WACC is 10.14% (2020/21: 9.93%).

The Group's expertise as the leading provider of high-quality rails, high-tech turnouts, and digital monitoring systems as well as all associated services was combined in the **Railway Systems** business segment to further expand the Group's global presence as a provider of complete railway infrastructure systems. The five-year, medium-term business plan for Railway Systems is based on market forecasts¹ and project planning for railway infrastructure, taking into consideration the business segment's strategic focus and the increasing influence of digitalization in the rail segment. It also accounts for the different levels of economic development in individual regions.² As regards the development of material factor costs, general forecasts of the development of personnel expenses and internal assumptions on the development of steel prices were integrated into the budgets. The aforementioned business plan also contains the investments required for the first step of the implementation of greentec steel, which involves replacing a blast furnace in the pre-production stage by an electric arc furnace. Increases in emissions allowance prices have been taken into account based largely on the assumption that it will be possible to pass on the related cost increases. The planning assumes that the gross margin will be kept relatively constant over the planning period and that potential fluctuations in individual markets will balance each other out due to the business segment's global reach. The fifth plan year was used to calculate the perpetual annuity based on an expected growth rate of 1.53% (2020/21: 1.41%). The after-tax WACC is 7.54% (2020/21: 6.72%); the pre-tax WACC is 8.99% (2020/21: 8.44%).

The five-year, medium-term business plan for the **Welding** business unit, which engages in the production and sale of welding and joining technology products, takes into account macroeconomic trends³ in each region as well as the projected developments in the relevant industry segments. The expected price trends for raw materials, particularly alloys, are derived from current quoted market prices as

¹ UNIFE Annual Report

² World Economic Outlook, International Monetary Fund (IMF)

³ World Economic Outlook, International Monetary Fund (IMF)

well as available forecasts. Given pertinent market forecasts as well as the organizational measures and optimization programs that have been initiated, are being implemented, and will be pushed systematically during the planning period, both volume growth and a slight increase in the gross margin (which, among other things, also reflects positive effects from the company's development into a full welding solution provider) are anticipated for the planning period. The fifth plan year was used to calculate the perpetual annuity based on an expected growth rate of 1.38% (2020/21: 1.25%). The after-tax WACC is 7.41% (2020/21: 6.69%); the pre-tax WACC is 9.52% (2020/21: 8.60%).

The cash flow forecasts for **Automotive Components** are based on the medium-term market growth and production forecasts for the global automotive market based on the forecasts published by LMC Automotive,¹ in this case particularly for the most important markets in Europe, the USMCA region, and Asia, as well as for the most important customers—the European premium manufacturers. Internal estimates reflect the business segment's internationalization and growth strategy. External indicators and market dynamics were adjusted in line with the current model portfolio of Automotive Components customers. The planning for the business year takes assumptions as to the current supply chain distortions into account. Furthermore, customer-specific information regarding medium-term outlooks and sales projections served as sources for the sales planning of Automotive Components. This will lead to higher revenue and a positive gross margin trend in the five-year, medium-term business plan. The fifth plan year was used to calculate the perpetual annuity based on an expected growth rate of 1.24% (2020/21: 1.20%). The after-tax WACC is 7.84% (2020/21: 7.88%); the pre-tax WACC is 10.31% (2020/21: 10.49%).

Precision Strip specializes in the production of globally available, technologically complex cold-rolled strip steel products with precise dimensional accuracy, excellent surface quality, and unique edge profiles for the highest customer requirements in the process industry. The five-year, medium-term business plan for Precision Strip was prepared taking into account the general regional parameters in the core markets and reflects the general economic environment of the most important industry segments for the entities. Current market conditions are characterized by stiff competition and strong pressure on margins. The growth indicated in the planning is largely based on securing market leadership in niche markets, expanding market share, and developing new markets. External forecasts were taken into account in internal estimates and generally adjusted very slightly downward. These external forecasts are country-specific figures for expected economic growth (GDP forecasts)² that were supplemented by industry-specific experience in the relevant markets for the respective product segments. Customer-specific information regarding medium-term outlooks and sales projections also served as sources for sales planning at Precision Strip. As a result, revenue is expected to increase, and the gross margin should be stable in the planning period. The fifth plan year was used to calculate the perpetual annuity based on an expected growth rate of 1.41% (2020/21: 1.28%). The after-tax WACC is 7.76% (2020/21: 7.77%); the pre-tax WACC is 9.88% (2020/21: 9.93%).

¹ LMCA GAPF Data

² World Economic Outlook, International Monetary Fund (IMF)

**Impairment losses of cash generating units (CGUs)
or groups of cash generating units containing goodwill**

| | Impairment |
|-------------------|------------|
| 03/31/2021 | |
| Tubulars | 25.0 |

In millions of euros

In the business year 2020/21, an impairment loss of EUR 25.0 million on the goodwill of the Metal Engineering Division's **Tubulars** unit to which goodwill had been allocated was recognized in other operating expenses as of September 30, 2020; the unit engages in the production of high quality seamless tubes. Negative developments in the selling environment, particularly the sharp drop in both crude oil prices and production rates that continued to intensify on account of the COVID-19 crisis, led to substantially lower forecasts of revenue and earnings. The expected future cash flows underlying the impairment test as of September 30, 2020—especially those related to the detailed planning period—thus were lower than those underlying the impairment test as of March 31, 2020. The recoverable amount (value in use) for this unit was EUR 249.7 million as of September 30, 2020. The fifth plan year was used to calculate the perpetual annuity based on a growth rate of 1.33% as of September 30, 2020. The after-tax WACC was 6.21%; the pre-tax WACC was 7.58%. In the second half of 2020/21, sales had already recovered, which led to a significant excess of the carrying amount as of March 31, 2021.

The impairment tests confirmed the carrying amount of all goodwill. A sensitivity analysis of the aforementioned units to which goodwill has been allocated shows that all carrying amounts with the exception of HPM Production, Welding, and Precision Strip would still be covered if the interest rate were to rise by one percentage point and thus that there is no need to recognize an impairment loss. Furthermore, the cash flow sensitivity analysis has shown that, if the cash flows are reduced by 10%, all carrying amounts (with the exception of the carrying amount recognized for HPM Production and Precision Strip) are still covered and that there is no need to recognize an impairment loss. If the discount rate is raised by one percentage point and the cash flows are lowered by 10% as part of a combined sensitivity analysis, the carrying amounts of the aforementioned goodwill-bearing units (Steel Division, Value Added Services, and Railway Systems) are still covered. In order to account for the growing uncertainties in the macroeconomic environment, the sensitivity analysis of net cash flows as of March 31, 2022, was expanded by an additional sensitivity analysis regarding the “reduction in cash flows by 20%.”

The following table shows the excess of the carrying amount over the recoverable amount as well as the amount by which both major assumptions would have to change for the estimated recoverable amount to be equal to the carrying amount (break-even analysis) as well as the reduction in the carrying amount in connection with an increase in the after-tax discount rate by one percentage point or a decrease in the cash flows by 10% or 20% (general sensitivity analysis):

| | Break-even analysis | | | General sensitivity analysis | | |
|-----------------------|---|------------------------------------|----------------|---------------------------------------|-------------------------------|-------------------------------|
| | Excess of carrying amount over recoverable amount | Discount rate in percentage points | Cash flow in % | Increase in discount rate by 1% point | Decrease in cash flows by 10% | Decrease in cash flows by 20% |
| 03/31/2022 | | | | | | |
| HPM Production | 131.2 | 0.3 | -5.9 | -216.8 | -92.6 | -316.5 |
| Welding | 71.8 | 1.0 | -14.7 | -0.5 | 0.0 | -25.7 |
| Automotive Components | 163.0 | 1.5 | -16.9 | 0.0 | 0.0 | -29.7 |
| Precision Strip | 18.1 | 0.4 | -5.6 | -23.5 | -14.1 | -46.4 |

In millions of euros

| | Break-even analysis | | | General sensitivity analysis | |
|-----------------------|---|------------------------------------|----------------|---------------------------------------|-------------------------------|
| | Excess of carrying amount over recoverable amount | Discount rate in percentage points | Cash flow in % | Increase in discount rate by 1% point | Decrease in cash flows by 10% |
| 03/31/2021 | | | | | |
| HPM Production | 70.2 | 0.2 | -3.4 | -256.3 | -138.2 |
| Welding | 73.7 | 0.9 | -14.9 | -7.2 | 0.0 |
| Automotive Components | 106.4 | 0.9 | -11.6 | -5.7 | 0.0 |
| Precision Strip | 33.8 | 0.7 | -9.6 | -14.2 | -1.5 |

In millions of euros

Impairment test of cash generating units that have no goodwill and of other assets

| | Impairment |
|---------------------------------|----------------------|
| 03/31/2022 | |
| Cartersville | 63.7 |
| Buderus Edelstahl ohne Schmiede | 15.3 |
| | In millions of euros |

| | Impairment |
|-------------------|----------------------|
| 03/31/2021 | |
| Special Wire | 8.6 |
| | In millions of euros |

To date, two plants in Germany and the United States belonging to the Metal Forming Division were combined in the **Hot Forming** CGU, which manufactured metallic pressed parts through hot forming for the automotive industry. From March 31, 2022, each plant is defined as a separate cash generating unit. The changed definition stems from an increase in the volume of major assembly work in Schwäbisch Gmünd, Germany, and changes in key customers' purchasing strategies from multi-site procurement to local procurement. The corporate activities of the two CGUs are also being managed separately since the end of the reporting period. Once the **Hot Forming** CGU was split into two separate cash generating units—**Schwäbisch Gmünd and Cartersville**—the recoverable amount of both new units was determined as of March 31, 2022.

A total of EUR 63.7 million in impairment losses was recognized in other operating expenses (specifically, in "Plant, property and equipment" and in "Other intangible assets") for the **Cartersville** CGU, which continues to produce hot-formed components for the automotive industry. The recoverable amount as determined based on the value in use for this unit is EUR 13.5 million. The estimated fair values (net of the disposal costs related to the individually measured assets) were used as the floor to determine the impairment loss, resulting in a carrying amount of EUR 39.0 million after impairment. This comprises property, plant and equipment in the amount of EUR 20.7 million and the carrying amount of the working capital in the amount of EUR 18.3 million.

A reversal of impairment losses in the amount of EUR 11.8 million was recognized in other operating expenses (specifically, in “Land, land rights, and buildings”; “Plant and equipment”; as well as “Other equipment, operating and office equipment”) for the **Schwäbisch Gmünd** CGU whose product portfolio comprises hot forming and major component assembly. The recoverable amount (value in use) for this unit is EUR 160.4 million. An after-tax discount rate of 7.50% was applied; the pre-tax WACC is 10.17%.

In the business year 2021/22, impairment losses of EUR 15.3 million on “Plant and equipment” and “Fixtures and fittings” were recognized in other operating expenses for the **Buderus Edelstahl ohne Schmiede** CGU of the HPM Division. This unit comprises a steel plant, rolling mills, and a drop forge; it focuses on the production of drop forge parts, semi-finished goods as well as hot and cold rolled steel. The impairment losses stem from increases in energy costs, which can be passed on to customers only in part. The recoverable amount (value in use) for this unit is EUR 141.1 million. An after-tax discount rate of 6.90% is applied; the pre-tax WACC was 9.44%.

In the business year 2020/21, a total of EUR 8.6 million in impairment losses on “Land, land rights, and buildings” and “Plant and equipment” were recognized in other operating expenses as of March 31, 2021, for the **Special Wire** CGU of the Metal Engineering Division, which comprises a single facility and focuses on the production of special wire (fine wire). This impairment loss initially stemmed from the reduction in the quantities purchased by the unit’s main customer, partly due to COVID-19; in turn, this triggered both lower capacity utilization and higher price pressures, in turn further lowering sales and thus also future earnings and cash flow forecasts. The estimated fair values (net of the disposal costs related to the individually measured assets) were used as the floor to determine the impairment loss, resulting in a carrying amount of EUR 18.0 million after impairment. This comprises property, plant and equipment in the amount of EUR 4.1 million and the carrying amount of the working capital in the amount of EUR 13.9 million.

The discount rate and the cash flows are the most important forward-looking assumptions. There is the risk that any change in these assumptions will necessitate a material adjustment of the carrying amounts within the next business year. An increase in the after-tax discount rate by one percentage point and/or a decrease in the cash flows by 10% or 20% would trigger the following reductions in the carrying amounts:

| | Excess of carrying amount over recoverable amount | Increase in discount rate by 1% point | Decrease in cash flows by 10% | Decrease in cash flows by 20% |
|---------------------------------|---|---------------------------------------|-------------------------------|-------------------------------|
| 03/31/2022 | | | | |
| Buderus Edelstahl ohne Schmiede | 0.0 | -31.3 | -14.1 | -28.2 |

In millions of euros

**12. INVESTMENTS IN ENTITIES CONSOLIDATED ACCORDING TO THE EQUITY METHOD,
OTHER FINANCIAL ASSETS AND OTHER EQUITY INVESTMENTS**

| | Investments in affiliates | Investments in associates | Investments in joint ventures | Other investments | Securities | Loans | Advance payments | Total |
|---|------------------------------|------------------------------|-------------------------------------|----------------------|-------------|------------|---------------------|--------------|
| Gross carrying amount | 23.4 | 123.8 | 4.5 | 47.9 | 13.5 | 4.4 | 0.2 | 217.7 |
| Accumulated depreciation/ revaluation | -13.9 | -0.7 | 0.0 | -7.7 | -1.4 | -0.6 | 0.0 | -24.3 |
| Carrying amount as of April 1, 2020 | 9.5 | 123.1 | 4.5 | 40.2 | 12.1 | 3.8 | 0.2 | 193.4 |
| Gross carrying amount | 23.8 | 131.2 | 5.2 | 48.1 | 13.6 | 2.4 | 0.1 | 224.4 |
| Accumulated depreciation/ revaluation | -14.2 | -0.7 | 0.0 | -7.7 | 0.6 | -0.5 | 0.0 | -22.5 |
| Carrying amount as of March 31, 2021 | 9.6 | 130.5 | 5.2 | 40.4 | 14.2 | 1.9 | 0.1 | 201.9 |
| Gross carrying amount | 23.5 | 159.0 | 4.4 | 48.1 | 13.3 | 2.4 | 0.1 | 250.8 |
| Accumulated depreciation/ revaluation | -13.9 | -0.7 | 0.0 | -2.8 | 0.1 | -0.5 | 0.0 | -17.8 |
| Carrying amount as of March 31, 2022 | 9.6 | 158.3 | 4.4 | 45.3 | 13.4 | 1.9 | 0.1 | 233.0 |

In millions of euros

The following table shows the reconciliation of the carrying amounts of investments in entities consolidated according to the equity method, other financial assets, and other investments for the periods presented in the Consolidated Financial Statements as of March 31, 2022:

| | Investments in affiliates | Investments in associates | Investments in joint ventures | Other investments | Securities | Loans | Advance payments | Total |
|---|------------------------------|------------------------------|-------------------------------------|----------------------|-------------|------------|---------------------|--------------|
| Carrying amount as of April 1, 2020 | 9.5 | 123.1 | 4.5 | 40.2 | 12.1 | 3.8 | 0.2 | 193.4 |
| Changes in the scope of consolidation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Additions | 0.1 | 13.6 | 1.4 | 0.2 | 0.3 | 0.1 | 0.0 | 15.7 |
| Transfers | 0.0 | 0.0 | 0.0 | 0.0 | -0.2 | 0.0 | 0.0 | -0.2 |
| Disposals | 0.0 | -6.6 | -0.7 | 0.0 | -0.1 | -2.0 | -0.1 | -9.5 |
| Depreciation/ impairment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Revaluation | 0.0 | 0.0 | 0.0 | 0.0 | 2.1 | 0.0 | 0.0 | 2.1 |
| Net exchange differences | 0.0 | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 |
| Carrying amount as of March 31, 2021 | 9.6 | 130.5 | 5.2 | 40.4 | 14.2 | 1.9 | 0.1 | 201.9 |
| Changes in the scope of consolidation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Additions | 0.0 | 35.0 | 0.1 | 0.0 | 0.1 | 0.1 | 0.0 | 35.3 |
| Transfers | 0.0 | 1.0 | -1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Disposals | 0.0 | -10.9 | -0.3 | 0.0 | -0.6 | -0.1 | 0.0 | -11.9 |
| Depreciation/ impairment | 0.0 | 0.0 | 0.0 | 0.0 | -0.3 | 0.0 | 0.0 | -0.3 |
| Revaluation | 0.0 | 0.0 | 0.0 | 4.9 | 0.0 | 0.0 | 0.0 | 4.9 |
| Net exchange differences | 0.0 | 2.7 | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 3.1 |
| Carrying amount as of March 31, 2022 | 9.6 | 158.3 | 4.4 | 45.3 | 13.4 | 1.9 | 0.1 | 233.0 |

In millions of euros

Loans granted comprise the following items:

| | 03/31/2020 | 03/31/2021 | 03/31/2022 |
|----------------------------------|------------|------------|------------|
| Loans to affiliates | 0.0 | 0.0 | 0.0 |
| Other loans | 1.9 | 1.8 | 1.8 |
| Other receivables from financing | 1.9 | 0.1 | 0.1 |
| | 3.8 | 1.9 | 1.9 |

In millions of euros

13. DEFERRED TAXES

The tax effects of temporary differences, tax losses carried forward, and tax credits that result in the recognition of deferred tax assets and deferred tax liabilities include the following items:

| | Deferred tax assets | | Deferred tax liabilities | |
|--|---------------------|--------------|--------------------------|--------------|
| | 03/31/2021 | 03/31/2022 | 03/31/2021 | 03/31/2022 |
| Non-current assets | 211.4 | 181.4 | 289.6 | 342.1 |
| Current assets | 95.8 | 96.8 | 157.3 | 193.4 |
| Non-current liabilities | 302.7 | 257.1 | 50.2 | 41.1 |
| Current liabilities | 77.8 | 89.0 | 45.4 | 32.5 |
| Losses carried forward | 136.6 | 193.0 | 0.0 | 0.0 |
| | 824.3 | 817.3 | 542.5 | 609.1 |
| Intercompany profit elimination (netted) | 16.5 | 38.1 | 0.0 | 0.0 |
| Hidden reserves (netted) | 0.0 | 0.0 | 68.9 | 65.8 |
| Other | 28.8 | 28.8 | 6.1 | 4.9 |
| Netting of deferred taxes owed to the same tax authority | -523.7 | -604.9 | -523.7 | -604.9 |
| Net deferred taxes | 345.9 | 279.3 | 93.8 | 74.9 |

In millions of euros

Deferred taxes are calculated using the currently applicable tax rates. To determine the deferred taxes of the Austrian companies, the weighted expected tax rate of 23.72% was applied pursuant to the legally enacted reduction in the corporate income tax rate.

Deferred tax assets on losses carried forward in the amount of EUR 193.0 million (March 31, 2021: EUR 136.6 million) were recognized. As of March 31, 2022, unused tax losses of approximately EUR 1,022.9 million (corporate income tax) (March 31, 2021: approximately EUR 1,219.3 million), for which no deferred tax asset has been recognized, are available. Approximately EUR 273.6 million (March 31, 2021: approximately EUR 537.8 million) in tax loss carryforwards (corporate income tax) can only be used for a limited time.

Deferred tax assets of EUR 181.3 million (previous year: EUR 239.2 million)—which are instrumental to the recognition of future taxable income in excess of the effects on earnings from the reversal of taxable temporary differences—were recognized for Group companies that incurred a tax loss in the reporting period or previous business year. The recognized amount is based on the tax-related planning for the respective company or tax group.

No deferred tax liabilities are shown for EUR 2,470.5 million (March 31, 2021: EUR 2,433.1 million) in taxable temporary differences from equity investments in subsidiaries, joint ventures, and associates, because the parent company can control the timing of the reversal of the temporary differences, and because no reversal of the temporary differences is expected for the foreseeable future.

The change in the difference between deferred tax assets and deferred tax liabilities is EUR -47.7 million (March 31, 2021: EUR 60.7 million). This basically corresponds to the deferred tax expense of EUR -5.9 million (March 31, 2021: deferred tax income of EUR 75.1 million); to the change in deferred tax assets recognized in other comprehensive income in the amount of EUR -50.2 million (March 31, 2021: EUR -10.2 million); and to the change in deferred taxes due to differences from foreign currency translation in the amount of EUR 8.4 million (March 31, 2021: EUR -4.0 million). There was no change in deferred taxes from first-time consolidations and deconsolidations in the business year (March 31, 2021: EUR -0.3 million).

Additional disclosures pursuant to IAS 12.81 (ab):

| | Change 2020/21 | 03/31/2021 | Change 2021/22 | 03/31/2022 |
|---|-------------------|--------------|-------------------|--------------|
| Deferred taxes on actuarial gains/losses | 2.7 | 187.9 | -40.2 | 147.7 |
| Deferred taxes on cash flow hedges | -12.9 | -2.2 | -10.0 | -12.2 |
| Total of deferred taxes recognized in other comprehensive income | -10.2 | 185.7 | -50.2 | 135.5 |

In millions of euros

14. INVENTORIES

| | 03/31/2021 | 03/31/2022 |
|----------------------------|----------------|----------------|
| Raw materials and supplies | 1,314.0 | 1,899.9 |
| Work in progress | 884.8 | 1,356.3 |
| Finished goods | 1,091.0 | 1,474.6 |
| Merchandise | 105.7 | 142.2 |
| As yet unbillable services | 9.6 | 10.4 |
| Advance payments | 33.7 | 51.7 |
| | 3,438.8 | 4,935.1 |

In millions of euros

The Consolidated Financial Statements contain write-downs to the lower net realizable value in the amount of EUR 198.5 million (March 31, 2021: EUR 193.2 million). The carrying amount of the inventories that have been written down to the lower net realizable value is EUR 507.9 million (March 31, 2021: EUR 674.4 million). As in the previous business year, no inventories are pledged as security for liabilities as of March 31, 2022. An amount of EUR 8,774.5 million (March 31, 2021: EUR 5,853.7 million) has been recognized as cost of materials.

15. TRADE AND OTHER RECEIVABLES

| | 03/31/2021 | Of which with a remaining term of more than 1 year | 03/31/2022 | Of which with a remaining term of more than 1 year |
|---|----------------|--|----------------|--|
| Trade receivables | 973.2 | 7.6 | 1,215.5 | 3.7 |
| Contract assets | 234.7 | 15.5 | 255.2 | 4.6 |
| Other receivables and other assets | 514.3 | 20.0 | 822.4 | 24.1 |
| Of which receivables from income taxes | 29.7 | 0.0 | 22.4 | 0.0 |
| Of which other tax assets | 207.8 | 1.3 | 254.9 | 2.0 |
| Of which purchased emissions allowances | 63.9 | 0.0 | 214.0 | 0.0 |
| | 1,722.2 | 43.1 | 2,293.1 | 32.4 |

In millions of euros

Note 1. Revenue contains further information on the contract assets and liabilities.

16. CASH AND CASH EQUIVALENTS

| | 03/31/2021 | 03/31/2022 |
|--|----------------|--------------|
| Cash on hand, cash at banks, checks | 1,159.7 | 842.8 |

In millions of euros

17. EQUITY

Share capital (incl. disclosures in accordance with Section 241 Austrian Commercial Code (*Unternehmensgesetzbuch – UGB*))

As of March 31, 2022, the share capital is EUR 324,391,840.99 (March 31, 2021: EUR 324,391,840.99) and is divided into 178,549,163 (March 31, 2021: 178,549,163) no-par value bearer shares. All shares are fully paid in.

Under Article 4 (2a) of the Articles of Association, the Management Board of voestalpine AG is authorized until June 30, 2024, to increase the company's share capital with the approval of the Supervisory Board by up to EUR 64,878,368.92 by issuing up to 35,709,833 shares (= 20%) in return for cash contributions—if necessary in several tranches (Authorized Capital 2019/I). The Management Board has not exercised this authorization up until now.

Under Article 4 (2b) of the Articles of Association, the Management Board of voestalpine AG is authorized until June 30, 2024, to increase the company's share capital by up to EUR 32,439,183.55 with the approval of the Supervisory Board by issuing up to 17,854,916 shares (= 10%) in return for contributions in kind and/or in cash for the purpose of issuing shares to employees, executives, and members of the Management Board of the company or an affiliated company—if necessary in several tranches—as well as to exclude shareholders' subscription right (i) if the capital increase is made in return for contributions in kind, i.e., that shares are issued for the purpose of acquiring companies, operations, or partial operations, or that shares are issued for one or more companies located in Austria or abroad; or (ii) if the capital increase is carried out for the purpose of issuing shares to employees, executives, and members of the Management Board of the company or an affiliated company in the context of an employee shareholding scheme (Authorized Capital 2019/II). The Management Board has not exercised this authorization up until now.

Under Article 4 (6) of the Articles of Association, the Management Board of voestalpine AG is authorized to increase the share capital of the company by up to EUR 31,330,922.84 by issuing up to 17,244,916 ordinary no-par value bearer shares (= 10%) to be issued to creditors of financial instruments as defined in Section 174 Austrian Stock Corporation Act (*Aktiengesetz – AktG*) (convertible bonds, income bonds, or participation rights); the Management Board was authorized to issue these shares at the Annual General Meeting on July 3, 2019 (Contingent Capital Increase). To date, the Management Board has not exercised the authorization to issue financial instruments as defined in Section 174 Austrian Stock Corporation Act.

At the Annual General Meeting on July 7, 2021, the Management Board was authorized for a period of 30 months to repurchase treasury shares representing up to 10% of the respective share capital. The buyback price may not be more than 20% less than or 10% higher than the average closing price of the shares on the three market trading days prior to the buyback. The Management Board has not exercised this authority to date.

Capital reserves mainly include the share premium (net of capital funding costs), gains/losses from the sale of treasury shares, and share-based compensation.

Reserves for treasury shares include the deducted acquisition cost and/or the increase in equity from disposals of treasury shares at cost.

Retained earnings include the profit after tax less dividend distributions. When majority interests are increased or decreased, the difference between the acquisition cost of the additional shares and the prorated carrying amount of the non-controlling interests is recognized directly in retained earnings. Actuarial gains and losses from provisions for severance payments and pension obligations are recognized directly and in full in retained earnings in the year in which they are incurred.

The translation reserve serves to cover all foreign currency differences arising from the translation of the financial statements of foreign subsidiaries.

The hedging reserve comprises gains and losses from the effective portion of the cash flow hedges. The cumulative gains or losses from hedged transactions recognized in the reserves are not recognized in the income statement until the hedged transaction also affects the earnings.

The number of shares outstanding for the periods presented in the Consolidated Financial Statements as of March 31, 2022, has changed as follows:

| | Number of no-par value shares | Number of treasury shares | Number of shares outstanding |
|-------------------------------------|----------------------------------|------------------------------|---------------------------------|
| Balance as of April 1, 2020 | 178,549,163 | 28,597 | 178,520,566 |
| Withdrawal of treasury shares | 0 | -50 | 50 |
| Balance as of March 31, 2021 | 178,549,163 | 28,547 | 178,520,616 |
| Balance as of March 31, 2022 | 178,549,163 | 28,547 | 178,520,616 |

Share-based compensation

As part of the practice of granting employees voestalpine shares in connection with the annual performance bonus, 32.8 thousand shares with a fair value of EUR 1.1 million (2020/21: EUR 0.0 million) were removed from equity for this purpose, and 158.5 thousand shares with a value of EUR 4.8 million (2020/21: EUR 1.0 million) were added to equity.

18. PENSIONS AND OTHER EMPLOYEE OBLIGATIONS

| | 03/31/2021 | 03/31/2022 |
|-------------------------------------|----------------|----------------|
| Provisions for severance payments | 569.4 | 522.2 |
| Provisions for pensions | 531.5 | 409.9 |
| Provisions for long-service bonuses | 156.3 | 150.3 |
| | 1,257.2 | 1,082.4 |

In millions of euros

PROVISIONS FOR SEVERANCE PAYMENTS

| | 2020/21 | 2021/22 |
|--|--------------|--------------|
| Present value of the defined benefit obligations (DBO) as of April 1 | 577.0 | 569.4 |
| Service costs for the period | 10.3 | 10.1 |
| Past service costs | 0.0 | 0.0 |
| Interest costs for the period | 8.3 | 4.5 |
| Gains (-)/losses (+) on plan settlements | -0.1 | 0.0 |
| Changes in the scope of consolidation | 0.0 | 0.0 |
| Severance payments | -44.3 | -33.0 |
| Actuarial gains (-)/losses (+) due to changes in financial assumptions | 40.7 | -33.7 |
| Actuarial gains (-)/losses (+) due to changes in demographic assumptions | 0.0 | 0.0 |
| Actuarial gains (-)/losses (+) due to experience-based adjustments | -23.5 | 4.6 |
| Plan settlements | 0.0 | 0.0 |
| Other | 1.0 | 0.3 |
| Present value of the defined benefit obligations (DBO) as of March 31 | 569.4 | 522.2 |

In millions of euros

EUR 14.0 million (2020/21: EUR 13.1 million) in expenses were recognized in the income statement for defined contribution severance payments to external employee pension funds.

PROVISIONS FOR PENSIONS

| | Present value of the DBO | Plan assets | Provisions for pensions |
|---|-----------------------------|---------------|----------------------------|
| Balance as of April 1, 2020 | 791.9 | -251.6 | 540.3 |
| Service costs for the period | 8.6 | 0.0 | 8.6 |
| Past service costs | -0.1 | 0.0 | -0.1 |
| Net interest for the period | 13.2 | -4.3 | 8.9 |
| Return on plan assets (excluding amounts included in net interest) | 0.0 | -51.7 | -51.7 |
| Gains (-)/losses (+) on plan settlements/curtailments | -0.1 | 0.0 | -0.1 |
| Changes in the scope of consolidation | 0.0 | 0.0 | 0.0 |
| Pension payments | -34.7 | 20.3 | -14.4 |
| Net exchange differences | 2.1 | -1.7 | 0.4 |
| Employer contributions/repayments | 0.0 | -2.0 | -2.0 |
| Employee contributions | 0.0 | -0.9 | -0.9 |
| Actuarial gains (-)/losses (+) due to changes in financial assumptions | 52.5 | 0.0 | 52.5 |
| Actuarial gains (-)/losses (+) due to changes in demographic assumptions | -0.4 | 0.0 | -0.4 |
| Actuarial gains (-)/losses (+) due to experience-based adjustments | -7.1 | 0.0 | -7.1 |
| Plan settlements | -0.2 | 0.0 | -0.2 |
| Other | -2.6 | 0.3 | -2.3 |
| Balance as of March 31, 2021 | 823.1 | -291.6 | 531.5 |

In millions of euros

PROVISIONS FOR PENSIONS

| | Present value of the DBO | Plan assets | Provisions for pensions |
|---|-----------------------------|---------------|----------------------------|
| Balance as of April 1, 2021 | 823.1 | -291.6 | 531.5 |
| Service costs for the period | 8.9 | 0.0 | 8.9 |
| Past service costs | 0.0 | 0.0 | 0.0 |
| Net interest for the period | 8.9 | -3.3 | 5.6 |
| Return on plan assets (excluding amounts included in net interest) | 0.0 | 0.3 | 0.3 |
| Gains (-)/losses (+) on plan settlements/curtailments | 0.0 | 0.0 | 0.0 |
| Changes in the scope of consolidation | 0.0 | 0.0 | 0.0 |
| Pension payments | -35.3 | 20.0 | -15.3 |
| Net exchange differences | 6.5 | -2.7 | 3.8 |
| Employer contributions/repayments | 0.0 | -21.5 | -21.5 |
| Employee contributions | 0.0 | -0.7 | -0.7 |
| Actuarial gains (-)/losses (+) due to changes in financial assumptions | -99.8 | 0.0 | -99.8 |
| Actuarial gains (-)/losses (+) due to changes in demographic assumptions | -1.8 | 0.0 | -1.8 |
| Actuarial gains (-)/losses (+) due to experience-based adjustments | -1.7 | 0.0 | -1.7 |
| Plan settlements | 0.0 | 0.0 | 0.0 |
| Other | 0.6 | 0.0 | 0.6 |
| Balance as of March 31, 2022 | 709.4 | -299.5 | 409.9 |

In millions of euros

The major plan asset categories for the periods presented in the Consolidated Financial Statements as of March 31, 2022, are as follows:

2020/21

| Category | Assets with a quoted market price in an active market | Assets without a quoted market price in an active market | Total assets |
|---------------------------|---|--|---------------|
| Debt instruments | 42.2% | 0.0% | 42.2% |
| Equity instruments | 30.1% | 0.0% | 30.1% |
| Property | 0.0% | 3.1% | 3.1% |
| Cash and cash equivalents | 6.3% | 0.1% | 6.4% |
| Insurance contracts | 0.4% | 9.9% | 10.3% |
| Other assets | 7.9% | 0.0% | 7.9% |
| Total | 86.9% | 13.1% | 100.0% |

2021/22

| Category | Assets with a quoted market price in an active market | Assets without a quoted market price in an active market | Total assets |
|---------------------------|---|--|---------------|
| Debt instruments | 41.8% | 0.0% | 41.8% |
| Equity instruments | 29.3% | 0.0% | 29.3% |
| Property | 0.0% | 3.6% | 3.6% |
| Cash and cash equivalents | 4.4% | 0.1% | 4.5% |
| Insurance contracts | 0.0% | 9.4% | 9.4% |
| Other assets | 11.4% | 0.0% | 11.4% |
| Total | 86.9% | 13.1% | 100.0% |

The plan assets include treasury shares with a fair value of EUR 0.8 million (March 31, 2021: EUR 1.0 million).

The average expected return is determined by the portfolio structure of the plan assets, empirical data, and estimates of future returns. The calculation of the provisions for pensions was based on an expected (average) interest rate of 1.1% on plan assets. The actual interest rate was 1.0% (2020/21: 22.3%).

Pension obligations arising from the Group's Austrian companies are transferred to APK-Pensionskasse Aktiengesellschaft.

The investment policies aim to ensure that the plan assets have the best possible structure and that existing entitlements are covered at all times.

Investment of the plan assets in Austria is governed by Section 25 Austrian Pension Fund Act (*Pensionskassengesetz – PKG*) and the Austrian Investment Fund Act (*Investmentfondsgesetz – InvFG*). Above and beyond these statutory requirements, the investment guidelines of APK-Pensionskasse Aktiengesellschaft regulate issues such as the range of asset allocation, the use of umbrella funds, and the selection of fund managers. New investment instruments or the use of a broader range of funds require the approval of APK-Pensionskasse Aktiengesellschaft's management board. Both equity and debt securities are diversified globally, but most of the debt securities are denominated or hedged in euros.

The assets of the Austrian Investment and Risk association (Veranlagungs- und Risikogemeinschaft – VRG 15) are invested in international equity and bond funds, alternative investment strategies (e.g., properties and private equity) as well as money market funds. The association's long-term investment goal is to outperform the benchmark—30% global equities, 55% global bonds, 5% cash, 5% alternatives, and 5% properties—and to cover its current and future payment obligations. In accordance with Section 25 PKG, the assets of VRG 15 are invested in ways that guarantee the security, quality, liquidity, and profitability of the assets allocated to the Association on the whole.

Asset allocation or regional allocation that deviates from the benchmark allocation are permitted if APK-Pensionskasse Aktiengesellschaft believes that current asset prices and/or future expected returns warrant such an approach. Active asset management strategies may be utilized for all asset classes if market characteristics and/or cost/benefit considerations justify doing so.

Most of VRG 15's assets are invested in liquid markets where prices are regularly quoted. Assets for which no active market price is quoted (e.g., certain property assets and private equity strategies) may be subject to conservative approaches as long as the risk/return profile of such assets is deemed advantageous.

Risk is managed actively, and it is generally expected that volatility and especially drawdown risks will be lower than the benchmark risk.

EUR 46.5 million (2020/21: EUR 42.6 million) in expenses were recognized in the income statement for defined contribution plans.

The sensitivity analysis of the key actuarial assumptions used to determine defined benefit obligations affects the DBO as follows:

SENSITIVITIES

| | Interest rate | | Salary/wage increases | | Pension increases | |
|--------------------|----------------------|--------------|------------------------------|--------------|--------------------------|---------------|
| | +1.0% | -1.0% | +0.5% | -0.5% | +0.25% | -0.25% |
| Pensions | -12.4% | +15.4% | +0.7% | -0.6% | +2.7% | -2.6% |
| Severance payments | -9.4% | +10.9% | +5.1% | -4.8% | 0.0% | 0.0% |

Group-wide figures were determined for the effects associated with the interest rate, wage and salary increases, and pension increases. The sensitivities are not determined by way of estimates or approximations but instead by way of comprehensive analyses subject to variation of the parameters.

For the business year 2022/23, the expected contributions to the defined benefit plans are EUR 1.8 million.

The average interest-weighted term of pension plans is 13.8 years, and 10.3 years for severance payments.

PROVISIONS FOR LONG-SERVICE BONUSES

| | 2020/21 | 2021/22 |
|---|--------------|--------------|
| Present value of the long-service bonus obligations (DBO) as of April 1 | 160.6 | 156.3 |
| Service costs for the period | 10.6 | 9.7 |
| Interest costs for the period | 2.3 | 1.2 |
| Changes in the scope of consolidation | 0.0 | 0.0 |
| Long-service bonus payments | -11.6 | -7.2 |
| Actuarial gains (-)/losses (+) due to changes in assumptions | 0.2 | -11.5 |
| Actuarial gains (-)/losses (+) due to experience-based adjustments | -5.6 | 1.6 |
| Other | -0.2 | 0.2 |
| Present value of the long-service bonus obligations (DBO) as of March 31 | 156.3 | 150.3 |

In millions of euros

Expenses/revenue associated with provisions for severance payments, pensions, and long-service bonuses recognized in the income statement are categorized as follows:

| | 2020/21 | 2021/22 |
|--|-------------|-------------|
| Service costs for the period and past service costs | 29.4 | 28.7 |
| Net interest for the period | 19.5 | 11.3 |
| Gains (-)/losses (+) on plan settlements/curtailments | -0.2 | 0.0 |
| Actuarial gains (-)/losses (+) from long-service bonus obligations | -5.4 | -9.9 |
| Expenses/revenue recognized in the income statement | 43.3 | 30.1 |

In millions of euros

Net interest for the period is recognized in finance costs.

19. PROVISIONS

| | Balance as of 04/01/2021 | Changes in the scope of consolidation | Net exchange differ- ences | Use | Re- versals | Trans- fers | Addi- tions | Reclassi- fication of discontinued operations | Balance as of 03/31/2022 |
|-------------------------------|--------------------------------|---|-------------------------------------|---------------|----------------|----------------|----------------|--|--------------------------------|
| Non-current provisions | | | | | | | | | |
| Other personnel expenses | 11.7 | 0.0 | 0.1 | -4.1 | 0.0 | 0.0 | 2.6 | 0.0 | 10.3 |
| Warranties and other risks | 4.3 | 0.0 | 0.0 | -0.4 | -1.7 | -0.2 | 1.1 | 0.0 | 3.1 |
| Other non-current provisions | 103.3 | 0.0 | 4.6 | -10.2 | -1.2 | -6.1 | 13.5 | 0.0 | 103.9 |
| | 119.3 | 0.0 | 4.7 | -14.7 | -2.9 | -6.3 | 17.2 | 0.0 | 117.3 |
| Current provisions | | | | | | | | | |
| Unused vacation entitlements | 137.5 | 0.0 | 1.4 | -81.6 | -0.1 | 0.0 | 93.1 | -0.7 | 149.6 |
| Other personnel expenses | 186.3 | 0.0 | 4.5 | -134.3 | -8.8 | 0.0 | 230.9 | -1.5 | 277.1 |
| Warranties and other risks | 70.1 | 0.0 | 2.3 | -11.1 | -6.0 | 0.3 | 17.6 | 0.0 | 73.2 |
| Onerous contracts | 44.0 | 0.0 | 0.1 | -25.9 | -7.5 | 0.0 | 70.2 | 0.0 | 80.9 |
| Other current provisions | 262.7 | 0.0 | 4.1 | -150.3 | -10.3 | 6.0 | 359.7 | -16.8 | 455.1 |
| | 700.6 | 0.0 | 12.4 | -403.2 | -32.7 | 6.3 | 771.5 | -19.0 | 1,035.9 |
| | 819.9 | 0.0 | 17.1 | -417.9 | -35.6 | 0.0 | 788.7 | -19.0 | 1,153.2 |

In millions of euros

The provisions for personnel expenses mainly include incentive payments and bonuses. Provisions for warranties and other risks as well as for onerous contracts concern current operating activities. The other provisions mainly consist of provisions for sales commission; litigation, legal, and consulting fees; and environmental protection obligations. Other current provisions include environmental protection obligations of EUR 265.9 million (2020/21: EUR 93.5 million), which relate almost exclusively to CO₂ allowances.

The amount recognized as a provision for warranties and other risks is calculated as the most reliable estimated amount that would be required to settle these obligations as of the reporting date. The statistical measure is the expected value. In turn, this is based on the probability of an event occurring in the light of past experience.

Provisions for onerous contracts are recognized when the unavoidable cost of meeting the given contractual obligations exceeds the expected revenue. Before recognizing separate provisions for an onerous contract, an entity recognizes an impairment loss on the assets associated with the given contract.

The antitrust investigations of the German Federal Cartel Office (*Bundeskartellamt*) regarding railway superstructure material that voestalpine triggered in 2011 by way of an application under the Leniency Notice were completed in 2013 as far as voestalpine is concerned. A total of EUR 14.9 million in fines were issued against voestalpine in this connection. Another application under the Leniency Notice by voestalpine triggered the Bundeskartellamt's investigation against special steel companies; it was completed in July 2018 as far as voestalpine is concerned. As the principal witness, no fines were imposed on voestalpine. In connection with the proceedings that the Bundeskartellamt launched in September 2017 pursuant to a search warrant on suspicion of anti-competitive practices under German competition law in the heavy plate segment, voestalpine agreed in December 2019 to settle the matter by paying a fine of EUR 65.5 million. Hence these proceedings have been brought to an end as well.

To the extent relevant, voestalpine set up provisions as of the March 31, 2022, reporting date for any negative effects from these anti-trust investigations.

Increases in provisions totaling EUR 0.8 million (2020/21: EUR 1.5 million) are included in these Consolidated Financial Statements due to both accrued interest and changes in the discount rate.

20. FINANCIAL LIABILITIES

| | Remaining term of up to 1 year | | Remaining term of more than 1 year | |
|--------------------------------|-----------------------------------|--------------|---------------------------------------|----------------|
| | 03/31/2021 | 03/31/2022 | 03/31/2021 | 03/31/2022 |
| Bonds and liabilities to banks | 1,130.6 | 526.1 | 2,468.2 | 2,319.9 |
| Liabilities from leases | 44.1 | 51.1 | 341.1 | 290.0 |
| Liabilities to affiliates | 9.8 | 8.5 | 0.0 | 0.0 |
| Liabilities to other investees | 0.0 | 0.0 | 0.0 | 0.0 |
| Other financial liabilities | 36.2 | 38.2 | 36.9 | 36.3 |
| | 1,220.7 | 623.9 | 2,846.2 | 2,646.2 |

In millions of euros

On October 14, 2014, voestalpine AG issued a fixed interest bond of EUR 400.0 million. The bond was redeemed on October 14, 2021. The outstanding principal amount of the bond at any one time accrued interest at an annual rate of 2.25%.

On September 27, 2017, voestalpine AG issued a fixed interest bond of EUR 500.0 million. The bond will be redeemed in September 2024 and carries an annual interest rate of 1.375%.

On April 10, 2019, voestalpine AG issued a fixed interest bond of EUR 500.0 million. The bond will be redeemed in April 2026 and carries an annual interest rate of 1.75%.

Ongoing buybacks of the 2014–2021 corporate bond were effected in the business year 2021/22. A total of EUR 2.7 million (2020/21: EUR 5.9 million) of the principal of the 2014–2021 corporate bond were bought back.

21. TRADE AND OTHER PAYABLES

| | 03/31/2021 | 03/31/2022 |
|--|----------------|----------------|
| Trade payables | 1,441.2 | 2,027.1 |
| Contract liabilities | 208.6 | 237.2 |
| Other liabilities from taxes | 115.9 | 130.6 |
| Other liabilities related to social security | 59.6 | 70.3 |
| Other liabilities | 363.5 | 397.2 |
| | 2,188.8 | 2,862.4 |

In millions of euros

Note 1. Revenue contains further information on contract assets and liabilities.

22. TRADE PAYABLES FROM BILLS OF EXCHANGE AND TRADE PAYABLES FROM REVERSE FACTORING AGREEMENTS

| | 03/31/2021 | 03/31/2022 |
|--|--------------|----------------|
| Trade payables from bills of exchange accepted and drawn | 755.0 | 1,105.8 |
| Trade payables with reverse factoring agreements | 27.1 | 47.6 |
| | 782.1 | 1,153.4 |

In millions of euros

voestalpine enables select suppliers to participate in a variety of supply chain finance models. This largely concerns bills of exchange payable as well as reverse factoring models.

Suppliers are given the option to receive early payment by selling their receivables to a financial institution at a discount. voestalpine pays at the time the associated bill of exchange is due or at the time the invoice under the reverse factoring agreement is due.

The invoice amounts arise from supply and service relationships. They are an integral part of working capital. voestalpine paid a total of EUR 7.4 million (2020/21: EUR 1.8 million) in interest expense that it incurs in connection with these models. The company also provides Group guarantees to the financial institutions. The payment terms are usually extended by up to 135 days.

The payments to the financial institutions at the time the bills of exchange are presented and the reverse factoring liabilities paid are shown in the cash flows from operating activities, because they are considered a part of the Group's ordinary operating cycle and continue to be elements of its operating costs, i.e., payments for goods and services.

23. CONTINGENT LIABILITIES

| | 03/31/2021 | 03/31/2022 |
|--|------------|------------|
| Liabilities from the issue and transfer of bills of exchange | 0.0 | 0.0 |
| Surety bonds and guarantees | 0.8 | 0.7 |
| | 0.8 | 0.7 |

In millions of euros

24. FINANCIAL INSTRUMENTS

General information

The principal financial instruments used by the voestalpine Group consist of bank loans, bonds, borrower's notes, and trade payables. The primary aim of the financial instruments is to fund the business activities of the Group. The Group holds various financial assets, such as trade receivables, current deposits, and non-current investments, which arise directly from its business activities.

The Group also uses derivative financial instruments. They mainly include interest rate swaps, forward exchange transactions, and commodity swaps. These derivative financial instruments serve to hedge interest rate and currency risks as well as risks from fluctuations in raw materials prices, which result from the business activities of the Group and its sources of financing.

Capital management

In addition to ensuring the availability of the liquidity necessary for supporting the Group's business activities and maximizing shareholder value, the primary objective of its capital management is to ensure an adequate credit rating and a satisfactory equity ratio.

The voestalpine Group manages its capital using the net financial debt to EBITDA ratio as well as the gearing ratio, i.e., the net financial debt to equity ratio. Net financial debt consists of interest-bearing loans less financing receivables, loan receivables, securities as well as cash and cash equivalents. Equity includes non-controlling interests in Group companies.

The target for the gearing ratio is 50% and may only be exceeded up to a maximum of 75% for a limited period of time. The net financial debt/EBITDA ratio shall not exceed 3.0 and, if it does, only for a limited time. All growth measures and capital market transactions are aligned with these ratios.

These two ratios developed as follows in the reporting period:

| | 03/31/2021 | 03/31/2022 |
|------------------------------------|------------|------------|
| Gearing ratio in % | 48.5% | 32.4% |
| Net financial debt to EBITDA ratio | 2.4 | 1.0 |

Financial risk management – Corporate finance organization

Financial risk management also includes raw material risk management. Financial risk management is organized centrally with respect to policy-making power, strategy determination, and target definition. The existent policies include targets, principles, duties, and responsibilities for both Group Treasury and individual Group companies. In addition, they govern matters related to pooling; money markets; credit and securities management; currency, interest rate, liquidity, and commodity price risks; and the reporting system. Group Treasury, acting as a service center, is responsible for implementation. Three organizationally separate units are responsible for closing, processing, and recording transactions, which makes sure that a six-eyes principle is followed. Policies, policy compliance, and the conformity of the business processes with the internal control system (ICS) are additionally reviewed at regular intervals by an external auditor.

It is part of the voestalpine Group's corporate policy to continuously monitor, quantify, and—where reasonable—hedge financial risks. The Group's risk appetite is more on the low side. The strategy is aimed at achieving natural hedges and reducing fluctuations in cash flows and earnings. Market risks are also hedged by means of derivative financial instruments.

To quantify interest rate risks, voestalpine AG uses the interest rate exposure as an indicator. The interest rate exposure quantifies the impact of a one-percentage-point change in the market rate on interest income and/or interest expense.

Putting in place a netting process aggregates and balances the Group's foreign currency cash flows. This creates a natural hedge.

A sensitivity analysis is carried out to quantify the currency risk based on a potential strengthening (weakening) of the euro relative to the other currencies by 10% as of March 31. The analysis posits that all other influencing factors are constant.

Liquidity risk – Financing

Liquidity risk refers to the risk of not being able to fulfill payment obligations due to insufficient funds.

The primary instrument for controlling liquidity risks is a precise financial plan that is submitted quarterly on a revolving basis by the operating entities directly to Group Treasury of voestalpine AG. The need for funds and bank credit lines is determined based on the consolidated results. The planned liquidity needs for the next 12 months are to be covered by a liquidity reserve.

Working capital is financed by Group Treasury. A central clearing system performs intra-Group netting daily. Entities with liquidity surpluses indirectly put these funds at the disposal of entities requiring liquidity. Group Treasury deposits any residual liquidity with its principal banks. This makes it possible to lower the borrowing volume and optimize net interest income.

Financing is either carried out in the given borrower's local currency in order to avoid exchange rate risks or is currency hedged using currency swaps.

voestalpine AG carries contractually guaranteed credit lines of EUR 1,000.0 million (2020/21: EUR 1,080.0 million) as a capitalized liquidity reserve. In addition, an item in current assets comprises securities and short-term investments that are used to cover any unexpected need for liquidity. As of March 31, 2022, freely disposable securities were EUR 145.6 million (March 31, 2021: EUR 145.3 million). These encompass repo transactions entailing CO₂ repos (purchases of CO₂ allowances subject to simultaneous repurchase agreements) in the amount of EUR 78.8 million (March 31, 2021: EUR 84.2 million). Furthermore, cash and cash equivalents in the amount of EUR 842.8 million (March 31, 2021: EUR 1,159.7 million) are reported in the Consolidated Financial Statements.

The voestalpine Group's payable bills of exchange may lead to a concentration of risk because liabilities previously distributed among diverse creditors are now concentrated in the financial institutions involved. Any unilateral withdrawal by one or more banks of the arrangements regarding future transactions would lead to short-term liquidity needs. The voestalpine Group manages the concentration of risk by broadly diversifying the relevant financial instruments among different banks. In addition, the risk is mitigated by way of the existent liquidity reserve as well as cash and cash equivalents in the amount of EUR 1,842.8 million (previous year: EUR 2,239.7 million). As far as the payable bills of exchange are concerned, the largest of the ten creditors accounts for a mere EUR 304.5 million (March 31, 2021: EUR 279.1 million), i.e., 16.5% (March 31, 2021: 12.5%), when compared with the liquidity reserve and the cash and cash equivalents. The liquidity risk from reverse factoring liabilities is of minor significance because of the low volume of such liabilities.

The sources of financing are managed pursuant to the principle that the Group must remain independent of banks. Hence financing is currently provided by approximately 20 different domestic and foreign banks. The capital market is also used as a source of financing.

In the business years 2020/2021 and 2021/22, no capital transactions were effected.

A maturity analysis of all financial liabilities existent as of the reporting date is presented below:

LIABILITIES

| | Due within 1 year | | Due between 1 and 5 years | | Due after more than 5 years | |
|--|----------------------|----------------|------------------------------|----------------|--------------------------------|--------------|
| | 03/31/2021 | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 | 03/31/2022 |
| Bonds | 482.1 | 95.4 | 498.2 | 997.3 | 548.1 | 49.9 |
| Bank loans | 648.5 | 430.8 | 1,351.3 | 1,210.7 | 70.5 | 62.0 |
| Trade payables | 1,440.8 | 2,026.7 | 0.4 | 0.4 | 0.0 | 0.0 |
| Trade payables from bills of exchange and trade payables from reverse factoring agreements | 782.1 | 1,153.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Liabilities from leases | 44.1 | 51.1 | 143.9 | 134.6 | 197.2 | 155.4 |
| Liabilities from foreign currency hedges and commodity hedges | 16.6 | 19.8 | 1.0 | 6.0 | 0.0 | 0.0 |
| Thereof designated as hedge accounting | 8.7 | 6.6 | 0.8 | 5.7 | 0.0 | 0.0 |
| Liabilities from interest hedges (incl. cross currency swaps) | 0.0 | 23.5 | 0.2 | 0.0 | 0.0 | 0.0 |
| Thereof designated as hedge accounting | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other financial liabilities | 46.0 | 46.6 | 36.9 | 36.1 | 0.0 | 0.2 |
| Other liabilities | 136.3 | 120.3 | 19.8 | 27.2 | 0.0 | 0.0 |
| Total liabilities | 3,596.5 | 3,967.6 | 2,051.7 | 2,412.3 | 815.8 | 267.5 |

In millions of euros

As estimated as of the reporting date, the following (prospective) interest expense corresponds to these existent liabilities:

| | Due within 1 year | | Due between 1 and 5 years | | Due after more than 5 years | |
|---|----------------------|-------------|------------------------------|-------------|--------------------------------|-------------|
| | 2020/21 | 2021/22 | 2020/21 | 2021/22 | 2020/21 | 2021/22 |
| Interest on bonds | 25.5 | 16.5 | 59.2 | 52.4 | 14.2 | 4.5 |
| Interest on bank loans | 20.5 | 18.2 | 33.6 | 25.2 | 6.0 | 2.5 |
| Interest on liabilities from leases ¹ | 6.1 | 6.2 | 18.1 | 16.8 | 20.7 | 18.6 |
| Interest on interest hedges (incl. cross currency swaps) | 1.9 | 14.4 | 0.9 | 0.0 | 0.0 | 0.0 |
| Interest on other financial liabilities | 1.2 | 1.0 | 2.3 | 1.6 | 0.0 | 0.0 |
| Total interest expense | 55.2 | 56.3 | 114.1 | 96.0 | 40.9 | 25.6 |

¹ Business year 2020/21, retroactively adjusted.

In millions of euros

Credit risk

Credit risk refers to financial losses that may occur due to non-fulfillment of contractual obligations by individual business partners.

The management of credit risks from investment and derivative transactions is governed by internal guidelines. All investment and derivative transactions are limited for each counterparty, with the size of the limit being contingent on the bank's rating.

For the most part, cash and cash equivalents are deposited with banks whose credit ratings are good. They are generally invested for the short term. The associated credit risk thus is secondary.

BREAKDOWN OF INVESTMENTS AT FINANCIAL INSTITUTIONS BY RATING CLASS

| | AAA | AA | A | BBB | <BBB/NR |
|---|-----|-------|------|------|---------|
| Money market investments excl. account credit balances | 0.0 | 185.0 | 40.0 | 0.0 | 0.0 |
| Derivatives ¹ | 0.0 | 27.5 | 51.9 | 11.7 | 0.6 |

¹ Only positive fair values.

In millions of euros

The credit risk associated with derivative financial instruments is limited to transactions with a positive fair value and, in this case, to the amount of the fair value. As a result, solely the positive fair value of the derivative transactions is counted against the limit. Derivatives are closed exclusively based on standardized master agreements for financial futures transactions.

The credit risk of the underlying transactions is minimized to a large degree through a large number of credit insurances and bankable securities (guarantees, letters of credit). The default risk related to the Group's remaining own risk is managed by way of defined credit assessment, risk evaluation, risk classification, and credit monitoring processes. The credit risk of the counterparties to financial contracts is managed by monitoring the given counterparties' credit ratings and changes in their credit default swap (CDS) levels on a regular basis.

Depending on both the customer structure and the line of business, in most cases financial assets are deemed to have been defaulted when they are more than 180 days past due or when it is no longer certain that they will be paid in full absent collateral sales.

Receivables are classified as financial assets with impaired credit ratings when specific indicators of impairment are present (in particular, substantial financial difficulties on the part of the debtor, default or late payments, heightened risk of insolvency). Receivables are written off (derecognized) when they become uncollectible (especially when the counterparty becomes insolvent). A write-up to the amortized cost is made if the reasons for the write-down no longer exist.

The maximum theoretical default risk equals the amount at which the receivables are recognized in the statement of financial position.

The expected loss rates are determined based on historical default rates in the past five years.

As most of the receivables are insured, the risk of bad debt losses may be considered minor. There is no concentration of default risks because the customer portfolio is well diversified.

The gross carrying amounts and allowances for trade receivables and contract assets are as follows:

| | 2020/21 | 2021/22 |
|--|----------------|----------------|
| Gross carrying amount of trade receivables and contract assets | 1,241.3 | 1,506.2 |
| Less gross carrying amount of trade receivables and contract assets that are credit-impaired | -48.6 | -48.0 |
| Gross carrying amount of trade receivables and contract assets that are not credit-impaired | 1,192.8 | 1,458.2 |
| Less portfolio value adjustments | -0.6 | -0.5 |
| Net carrying amount of trade receivables and contract assets that are not credit-impaired | 1,192.1 | 1,457.7 |

In millions of euros

TRADE RECEIVABLES AND CONTRACT ASSETS THAT ARE PAST DUE BUT NOT CREDIT-IMPAIRED

| | 2020/21 | 2021/22 |
|-----------------------------|--------------|--------------|
| Up to 30 days past due | 128.6 | 151.4 |
| 31 to 60 days past due | 34.0 | 40.9 |
| 61 to 90 days past due | 10.3 | 11.2 |
| 91 to 120 days past due | 4.7 | 5.1 |
| More than 120 days past due | 30.4 | 31.3 |
| Total | 208.0 | 239.9 |

In millions of euros

The loss allowances for trade receivables and contract assets that are credit-impaired have developed as follows:

**LOSS ALLOWANCE FOR RECEIVABLES THAT ARE CREDIT-IMPAIRED
(INDIVIDUAL VALUE ADJUSTMENTS)**

| | 2020/21 | 2021/22 |
|---------------------------------------|-------------|-------------|
| Opening balance as of April 1 | 25.2 | 32.8 |
| Additions | 13.1 | 5.7 |
| Net exchange differences | -0.5 | 0.9 |
| Changes in the scope of consolidation | 0.2 | 0.0 |
| Reversal | -2.8 | -3.1 |
| Use | -2.4 | -1.4 |
| Closing balance as of March 31 | 32.8 | 34.9 |

In millions of euros

**LOSS ALLOWANCE FOR RECEIVABLES THAT ARE NOT CREDIT-IMPAIRED
(PORTFOLIO VALUE ADJUSTMENTS)**

| | 2020/21 | 2021/22 |
|---|------------|------------|
| Opening balance as of April 1 | 0.6 | 0.6 |
| Change | 0.0 | -0.1 |
| Reclassification of discontinued operations | 0.0 | 0.0 |
| Closing balance as of March 31 | 0.6 | 0.5 |

In millions of euros

In the business year 2021/22, the portfolio value adjustments were not affected by any significant individual loss allowances.

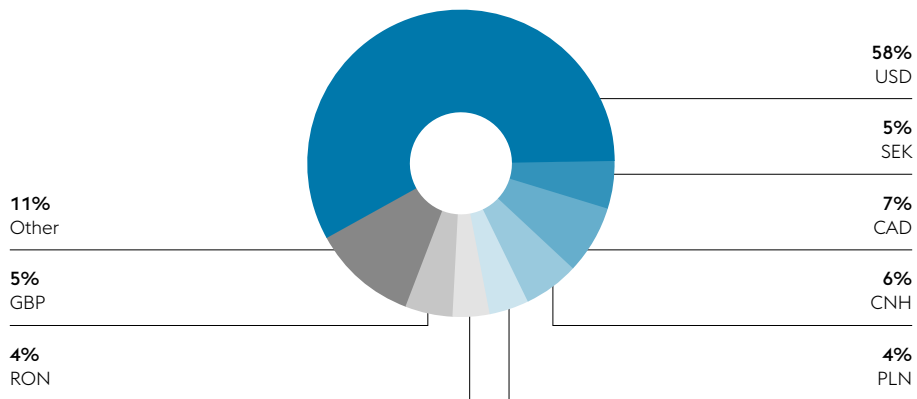
Currency risk

The largest currency position in the Group arises from raw materials purchases in USD; however, the global business activities of the voestalpine Group also give rise to currency exposures in various other currencies.

Cash inflows and outflows in the respective currencies are offset thanks to the implementation of rolling multi-currency netting. The natural hedge created in this way mitigates risk. The use of derivative hedging instruments is another option. voestalpine AG hedges budgeted foreign currency payments at most over the next 12 months. Longer-term hedging occurs only for contracted projects. The hedging ratio is between 25% and 100%. The further in the future the cash flows, the lower the hedging ratio.

In the business year 2021/22, the net need for US dollars in the voestalpine Group was EUR 1,126.0 million. In particular, the increase compared with the previous business year (EUR 434.7 million) is due to increased USD requirements for raw materials purchases. The remaining foreign currency exposure, resulting primarily from exports to “non-eurozone countries” and raw material purchases, is significantly lower than the USD risk.

FOREIGN CURRENCY PORTFOLIO 2021/22



Based on the sensitivity analysis, as of March 31, 2022, the risks of all open positions relative to the Group currency for the upcoming business year are as follows:

FOREIGN CURRENCY PORTFOLIO 2021/22

| | Planned position | Rate 03/31/2022 | Planned position (EUR) | Planned position (EUR) +10% | Delta (EUR) +10% | Planned position (EUR) -10% | Delta (EUR) -10% |
|--------------|------------------|-----------------|------------------------|-----------------------------|------------------|-----------------------------|------------------|
| USD | -767.7 | 1.1101 | -691.6 | -628.7 | 62.9 | -768.4 | -76.8 |
| CAD | 165.4 | 1.3896 | 119.1 | 108.2 | -10.8 | 132.3 | 13.2 |
| CNH | 498.8 | 7.0415 | 70.8 | 64.4 | -6.4 | 78.7 | 7.9 |
| GBP | 63.5 | 0.8459 | 75.1 | 68.2 | -6.8 | 83.4 | 8.3 |
| SEK | -507.2 | 10.3370 | -49.1 | -44.6 | 4.5 | -54.5 | -5.5 |
| RON | 265.5 | 4.9463 | 53.7 | 48.8 | -4.9 | 59.6 | 6.0 |
| PLN | 219.3 | 4.6531 | 47.1 | 42.9 | -4.3 | 52.4 | 5.2 |
| Other | | | 41.8 | 38.0 | -3.8 | 46.4 | 4.6 |
| Total | | | | | 30.3 | | -37.0 |

In millions of euros

Interest rate risks

voestalpine AG is primarily subject to cash flow risks (the risk that interest expenses or interest income will undergo a detrimental change) in connection with variable-interest financial instruments. The positions shown include all interest-rate-sensitive financial instruments (loans, money market, issued and purchased securities as well as interest rate derivatives).

The primary objective of interest rate management is to optimize the interest expense subject to risk considerations.

The variable-interest positions on the liabilities side significantly exceed the positions on the asset side, so that a one-percentage-point increase in the money market rate increases the net interest expense by EUR 5.5 million (2020/21: EUR 3.0 million). A decrease in the interest rate by one-percentage-point decreases the net interest expense by EUR -4.1 million (2020/21: EUR -1.6 million).

The weighted average interest rate for asset positions is –0.15% (2020/21: –0.29%) with a duration of 0.00 years (2020/21: 0.00 years)—including money market investments—and 1.11% (2020/21: 1.27%) for liability positions with a duration of 1.72 years (2020/21: 2.09 years).

| | Position ¹ | Weighted average interest rate | Duration (years) | Average capital commitment (years) ² | Cash flow risk +1% point ¹ | Cash flow risk –1% point ¹ |
|-------------|-----------------------|--------------------------------|------------------|---|---------------------------------------|---------------------------------------|
| Assets | 842.8 | –0.15% | 0.00 | 0.00 | –8.5 | 8.5 |
| Liabilities | 2,918.0 | 1.11% | 1.72 | 2.58 | 14.0 | –12.6 |
| Net | –2,075.2 | | | | 5.5 | –4.1 |

¹ In millions of euros.

² Excluding revolving export loans of EUR 150.0 million.

Derivative financial instruments

In the business year 2021/22, hedge accounting in accordance with IFRS 9 was used to hedge foreign currency cash flows, interest-bearing receivables and liabilities, and raw materials purchase agreements. In this connection, all transactions related to foreign currency and interest rate hedges are hedged in total. Solely the commodity index component is hedged in connection with raw materials procurement contracts. A hedging ratio of 100% is stipulated in this connection. The hedges are cash flow hedges. Hedge accounting is only applied to a portion of the completed hedge transactions.

The following derivative financial instruments are classified as cash flow hedges:

| | Nominal amount ¹ | | Fair value | | | |
|-------------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| | 03/31/ 2021 | 03/31/ 2022 | Assets | | Liabilities | |
| | | | 03/31/ 2021 | 03/31/ 2022 | 03/31/ 2021 | 03/31/ 2022 |
| Cash flow hedge | | | | | | |
| Foreign currency hedges | 560.7 | 542.3 | 8.4 | 6.6 | 2.6 | 11.9 |
| Commodity hedges | 188.2 | 218.0 | 9.9 | 57.1 | 6.8 | 0.4 |
| Total | 748.9 | 760.3 | 18.3 | 63.7 | 9.4 | 12.3 |

¹ A total of EUR 565.4 million (2020/21: EUR 583.4 million) of the derivative financial instruments classified as cash flow hedges have short-term maturities. The remaining portion largely has maturities of two to three years (2020/21: two to three years).

| Line item in the statement of financial position that includes the hedging instrument | Change in the fair value used as the basis for recognizing hedge ineffectiveness | | Ineffectiveness | |
|---|--|-------------|-----------------|------------|
| | 2020/21 | 2021/22 | 2020/21 | 2021/22 |
| Trade and other receivables (assets), Trade and other payables (liabilities) | 5.8 | -5.2 | 0.0 | 0.0 |
| Trade and other receivables (assets), Trade and other payables (liabilities) | 3.1 | 56.6 | 0.0 | 0.0 |
| | 8.9 | 51.4 | 0.0 | 0.0 |

In millions of euros

The hedging volume of key foreign currency hedges is as follows:

| | Nominal amount (in millions of euros) | | Average hedging rate | |
|-------------------------|--|------------|----------------------|------------|
| | 03/31/2021 | 03/31/2022 | 03/31/2021 | 03/31/2022 |
| Cash flow hedge | | | | |
| Foreign currency hedges | | | | |
| USD | 428.3 | 386.6 | 1.2060 | 1.1769 |

The following underlying transactions were hedged:

| | Change in the value of the hedged item used as the basis for recognizing any ineffectiveness | | Cash flow hedge reserve | |
|--|---|--------------|----------------------------|-------------|
| | 03/31/2021 | 03/31/2022 | 03/31/2021 | 03/31/2022 |
| Cash flow hedge | | | | |
| Currency risk (future purchase and sale transactions) | -5.8 | 5.2 | 5.8 | -5.2 |
| Commodity price risk (future purchase and sale transactions) | -3.1 | -56.6 | 3.1 | 56.6 |
| Total | -8.9 | -51.4 | 8.9 | 51.4 |

In millions of euros

The cash flow hedge reserve developed as follows:

CASH FLOW HEDGE

| | 2020/21 | 2021/22 |
|---|--------------|-------------|
| Opening balance as of April 1 | -32.2 | 6.7 |
| Hedging gains and losses recognized in other comprehensive income | 23.1 | 51.9 |
| Foreign currency hedges | 20.0 | -5.0 |
| Commodity hedges | 3.1 | 56.9 |
| Reclassification from other comprehensive income to profit or loss (revenue) | 5.2 | 0.5 |
| Foreign currency hedges | 5.2 | 0.5 |
| Reclassification from other comprehensive income to profit or loss (financial result) | 0.0 | 0.0 |
| Interest rate hedges | 0.0 | 0.0 |
| Reclassification from other comprehensive income to non-financial assets | 23.5 | -9.9 |
| Foreign currency hedges | 1.5 | -6.5 |
| Commodity hedges | 22.0 | -3.4 |
| Deferred taxes on changes in the cash flow hedge reserve | -12.9 | -10.0 |
| Closing balance as of March 31 | 6.7 | 39.2 |

In millions of euros

The following derivative financial instruments are measured at fair value. The associated gains/losses are posted in the income statement:

| | Nominal amount | | Fair value | | | |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 03/31/ 2021 | 03/31/ 2022 | Assets | | Liabilities | |
| | | | 03/31/ 2021 | 03/31/ 2022 | 03/31/ 2021 | 03/31/ 2022 |
| Foreign currency hedges | 763.1 | 1,258.2 | 6.4 | 16.3 | 7.9 | 13.9 |
| Cross currency swaps | 111.5 | 133.6 | 16.6 | 0.2 | 0.2 | 23.7 |
| Commodity hedges | 4.8 | 30.0 | 0.0 | 11.6 | 0.2 | 0.0 |
| Total | 879.4 | 1,421.8 | 23.0 | 28.1 | 8.3 | 37.6 |

In millions of euros

Derivatives designated as cash flow hedges have the following effects on cash flows and the profit or loss for the period:

| | Total contractual cash flows | | Contractual cash flows | | | | | |
|--------------------------------|------------------------------|-------------|------------------------|-------------|-----------------------|-------------|-------------------|------------|
| | | | up to 1 year | | between 1 and 5 years | | more than 5 years | |
| | 03/31/2021 | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 | 03/31/2022 |
| Foreign currency hedges | | | | | | | | |
| Assets | 8.4 | 6.6 | 8.0 | 6.5 | 0.4 | 0.1 | 0.0 | 0.0 |
| Liabilities | -2.6 | -11.8 | -2.1 | -6.1 | -0.5 | -5.7 | 0.0 | 0.0 |
| | 5.8 | -5.2 | 5.9 | 0.4 | -0.1 | -5.6 | 0.0 | 0.0 |
| Commodity hedges | | | | | | | | |
| Assets | 9.9 | 57.1 | 9.9 | 56.8 | 0.0 | 0.3 | 0.0 | 0.0 |
| Liabilities | -6.8 | -0.5 | -6.5 | -0.5 | -0.3 | 0.0 | 0.0 | 0.0 |
| | 3.1 | 56.6 | 3.4 | 56.3 | -0.3 | 0.3 | 0.0 | 0.0 |

In millions of euros

The nominal amounts are allocated to the aforementioned maturity buckets as follows:

| | Total nominal amount | | Nominal amount | | | | | |
|--------------------------------|----------------------|--------------|----------------|--------------|-----------------------|--------------|-------------------|------------|
| | | | up to 1 year | | between 1 and 5 years | | more than 5 years | |
| | 03/31/2021 | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 | 03/31/2022 | 03/31/2021 | 03/31/2022 |
| Foreign currency hedges | | | | | | | | |
| Assets | 358.8 | 203.7 | 299.1 | 203.1 | 59.7 | 0.6 | 0.0 | 0.0 |
| Liabilities | 201.9 | 338.6 | 99.3 | 146.8 | 102.6 | 191.8 | 0.0 | 0.0 |
| | 560.7 | 542.3 | 398.4 | 349.9 | 162.3 | 192.4 | 0.0 | 0.0 |
| Commodity hedges | | | | | | | | |
| Assets | 49.7 | 201.5 | 49.7 | 199.1 | 0.0 | 2.4 | 0.0 | 0.0 |
| Liabilities | 138.5 | 16.5 | 135.3 | 16.5 | 3.2 | 0.0 | 0.0 | 0.0 |
| | 188.2 | 218.0 | 185.0 | 215.6 | 3.2 | 2.4 | 0.0 | 0.0 |

In millions of euros

Categories of financial instruments

| Categories | Financial assets measured at AC ¹ | Hedge accounting | Financial assets measured at FVTPL | Total |
|--|--|------------------|------------------------------------|----------------|
| Assets 03/31/2021 | | | | |
| Other financial assets, non-current | 2.1 | 0.0 | 50.6 | 52.7 |
| Trade and other receivables | 888.8 | 18.3 | 215.5 | 1,122.6 |
| Other financial assets, current ² | 84.2 | 0.0 | 61.1 | 145.3 |
| Cash and cash equivalents | 1,159.7 | 0.0 | 0.0 | 1,159.7 |
| Carrying amount | 2,134.8 | 18.3 | 327.2 | 2,480.3 |

¹ The carrying amount of the financial assets measured at AC represents an adequate approximation of the fair value.

² The "other financial assets, current" of EUR 145.3 million reported as of March 31, 2021, which were classified as FVTPL, were adjusted by EUR 84.2 million.

In millions of euros

| Categories | Financial assets measured at AC ¹ | Hedge accounting | Financial assets measured at FVTPL | Total |
|-------------------------------------|--|------------------|------------------------------------|----------------|
| Assets 03/31/2022 | | | | |
| Other financial assets, non-current | 2.0 | 0.0 | 54.7 | 56.7 |
| Trade and other receivables | 1,129.0 | 63.7 | 287.6 | 1,480.3 |
| Other financial assets, current | 78.8 | 0.0 | 66.8 | 145.6 |
| Cash and cash equivalents | 842.8 | 0.0 | 0.0 | 842.8 |
| Carrying amount | 2,052.6 | 63.7 | 409.1 | 2,525.4 |

¹ The carrying amount of the financial assets measured at AC represents an adequate approximation of the fair value.

In millions of euros

| Categories | Financial liabilities measured at AC | | Hedge accounting | Financial liabilities measured at FVTPL | | Total | |
|---|--------------------------------------|----------------|--------------------------------|---|-----------------|----------------|--|
| | Carrying amount | Fair value | Carrying amount (= fair value) | Carrying amount (= fair value) | Carrying amount | Fair value | |
| Liabilities 03/31/2021 | | | | | | | |
| Financial liabilities, non-current | 2,846.2 | 2,883.2 | 0.0 | 0.0 | 2,846.2 | 2,883.2 | |
| Financial liabilities, current | 1,220.7 | 1,225.1 | 0.0 | 0.0 | 1,220.7 | 1,225.1 | |
| Trade and other payables ¹ | 1,597.4 | 1,597.4 | 9.4 | 8.2 | 1,615.0 | 1,615.0 | |
| Trade payables from bills of exchange and trade payables from reverse factoring agreements ¹ | 782.1 | 782.1 | 0.0 | 0.0 | 782.1 | 782.1 | |
| Total | 6,446.4 | 6,487.8 | 9.4 | 8.2 | 6,464.0 | 6,505.4 | |

¹ The carrying amount of the trade and other payables, the trade payables from bills of exchange, and the payables from reverse factoring agreements represents an adequate approximation of the fair value.

In millions of euros

| Categories | Financial liabilities measured at AC | | Hedge accounting | Financial liabilities measured at FVTPL | | Total | |
|---|--------------------------------------|----------------|--------------------------------|---|-----------------|----------------|--|
| | Carrying amount | Fair value | Carrying amount (= fair value) | Carrying amount (= fair value) | Carrying amount | Fair value | |
| Liabilities 03/31/2022 | | | | | | | |
| Financial liabilities, non-current | 2,646.2 | 2,637.2 | 0.0 | 0.0 | 2,646.2 | 2,637.2 | |
| Financial liabilities, current | 623.9 | 623.9 | 0.0 | 0.0 | 623.9 | 623.9 | |
| Trade and other payables ¹ | 2,174.6 | 2,174.6 | 12.3 | 37.0 | 2,223.9 | 2,223.9 | |
| Trade payables from bills of exchange and trade payables from reverse factoring agreements ¹ | 1,153.4 | 1,153.4 | 0.0 | 0.0 | 1,153.4 | 1,153.4 | |
| Total | 6,598.1 | 6,589.1 | 12.3 | 37.0 | 6,647.4 | 6,638.4 | |

¹ The carrying amount of the trade and other payables, the trade payables from bills of exchange, and the payables from reverse factoring agreements represents an adequate approximation of the fair value.

In millions of euros

The financial liabilities measured at amortized cost, excluding bonds issued, fall under Level 2. Valuation is performed according to the discounted cash flow method, whereby the input parameters for the calculation of the fair values are the foreign exchange rates, interest rates, and credit spreads observable on the market. Using the input parameters, the fair values are calculated by discounting estimated future cash flows at market interest rates.

Bonds issued are measured using Level 1 inputs based on the quoted price as of the reporting date.

The table below analyzes regular fair value measurements of financial assets and financial liabilities. These measurements are based on a fair value hierarchy that categorizes the inputs included in the valuation methods used to measure fair value into three levels. The three levels are defined as follows:

INPUTS

| | |
|---------|--|
| Level 1 | Comprises quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. |
| Level 2 | Comprises inputs other than the quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. |
| Level 3 | Comprises unobservable inputs for the asset or liability. |

FAIR VALUE HIERARCHY LEVELS USED FOR RECURRING FAIR VALUE MEASUREMENTS

| | Level 1 | Level 2 | Level 3 | Total |
|---|-------------|-------------|--------------|--------------|
| 03/31/2021 | | | | |
| Financial assets | | | | |
| Other financial assets, non-current | 14.2 | 0.0 | 36.4 | 50.6 |
| Receivables from derivatives – hedge accounting | 0.0 | 18.3 | 0.0 | 18.3 |
| Trade and other receivables | 0.0 | 23.1 | 192.4 | 215.5 |
| Other financial assets, current ¹ | 61.1 | 0.0 | 0.0 | 61.1 |
| | 75.3 | 41.4 | 228.8 | 345.5 |
| Financial liabilities | | | | |
| Liabilities from derivatives – hedge accounting | 0.0 | 9.4 | 0.0 | 9.4 |
| Trade and other payables | 0.0 | 8.2 | 0.0 | 8.2 |
| | 0.0 | 17.6 | 0.0 | 17.6 |
| 03/31/2022 | | | | |
| Financial assets | | | | |
| Other financial assets, non-current | 13.4 | 0.0 | 41.3 | 54.7 |
| Receivables from derivatives – hedge accounting | 0.0 | 63.7 | 0.0 | 63.7 |
| Trade and other receivables | 0.0 | 27.4 | 260.2 | 287.6 |
| Other financial assets, current | 66.8 | 0.0 | 0.0 | 66.8 |
| | 80.2 | 91.1 | 301.5 | 472.8 |
| Financial liabilities | | | | |
| Liabilities from derivatives – hedge accounting | 0.0 | 12.3 | 0.0 | 12.3 |
| Trade and other payables | 0.0 | 37.0 | 0.0 | 37.0 |
| | 0.0 | 49.3 | 0.0 | 49.3 |

¹ The “other financial assets, current” of EUR 145.3 million reported as of March 31, 2021, which were classified as FVTPL, were adjusted by EUR 84.2 million.

In millions of euros

The derivative transactions (Level 2) are measured using the discounted cash flow method by determining the value that would be realized if the hedging position were closed out (liquidation method). The observable currency exchange rates and raw materials prices as well as interest rates are the input for the calculation of fair values. Fair values are calculated based on the inputs by discounting expected future cash flows at market interest rates.

The voestalpine Group recognizes reclassifications between different levels of the fair value hierarchy as of the end of the reporting period in which the change occurred. There were no reclassifications in the business years 2020/21 or 2021/22.

The table below presents the reconciliation of Level 3 financial assets measured at fair value between the opening balance and the closing balance, as follows:

LEVEL 3 – FVTPL – OTHER FINANCIAL ASSETS – NON-CURRENT

| | 2020/21 | 2021/22 |
|---|-------------|-------------|
| Opening balance | 36.4 | 36.4 |
| Total of gains/losses recognized in the income statement: | | |
| Finance costs/Finance income | 0.0 | 4.9 |
| Closing balance | 36.4 | 41.3 |

In millions of euros

Level 3 includes the equity investment in Energie AG Oberösterreich that is measured at fair value. The fair value of this entity can be reliably determined based on the valuation report that is prepared once a year for Energie AG Oberösterreich as a whole, taking into account all relevant information.

Significant sensitivities in the determination of the fair values may result from changes in the underlying market data of comparable entities and the input factors used to determine the net present value (particularly discount rates, non-current forecasts, plan data, etc.).

LEVEL 3 – FVTPL – TRADE RECEIVABLES (SALE BUSINESS MODEL)

| | 2020/21 | 2021/22 |
|---|--------------|--------------|
| Opening balance as of April 1 | 111.7 | 192.4 |
| Reclassification of discontinued operations | 0.0 | -19.1 |
| Disposals | -111.7 | -173.3 |
| Additions | 192.4 | 260.2 |
| Closing balance as of March 31 | 192.4 | 260.2 |

In millions of euros

The receivables in this portfolio are sold monthly on a rolling basis as part of the Group's factoring programs. The measurement gains or losses allocable to this portfolio are of secondary significance.

The credit risk associated with a particular debtor is the most important factor in the fair value determination of the portfolio entitled, "Trade and other receivables held for factoring." Any increase/decrease by 1% in the established default rates thus would change the fair value of this portfolio at most in the same amount; as a rule, however, the fair value change is disproportionately low, because credit insurance has been purchased for significant portions of the portfolio.

The table below shows the net gains and losses on financial instruments, broken down by measurement category:

| | 2020/21 | 2021/22 |
|--|---------|---------|
| Financial assets at AC | -3.9 | 8.0 |
| Financial liabilities at AC ¹ | -86.1 | -71.5 |
| Financial assets at FVTPL | 7.5 | 13.9 |
| Derivatives at FVTPL | -22.9 | -27.9 |

¹ Business year 2020/21, retroactively adjusted.

In millions of euros

Total interest income and total interest expense for financial assets and financial liabilities that were not measured at fair value through profit or loss are as follows:

| | 2020/21 | 2021/22 |
|-------------------------------------|---------|---------|
| Total interest income | 6.8 | 12.2 |
| Total interest expense ¹ | -88.0 | -73.3 |

¹ Business year 2020/21, retroactively adjusted.

In millions of euros

The impairment loss on financial instruments measured at AC is EUR 6.1 million (2020/21: EUR 13.4 million), and the reversals of loss allowances are EUR 3.1 million (2020/21: EUR 2.8 million).

25. CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows was prepared using the indirect method. Cash and cash equivalents include cash on hand, cash at banks, and checks. The effects of changes in the scope of consolidation were eliminated and reported in the cash flows from investing activities.

NON-CASH EXPENSES AND INCOME, DEPOSITS AND DISBURSEMENTS NOT RECOGNIZED IN INCOME STATEMENT

| | 2020/21 | 2021/22 |
|---|--------------|--------------|
| Depreciation, amortization, impairment / reversal | 1,011.0 | 598.2 |
| Thereof from discontinued operations | 209.4 | -215.9 |
| Result from the sale of assets | -2.9 | 1.1 |
| Changes in pensions and other employee obligations, non-current provisions, and deferred taxes | -106.9 | -47.8 |
| Other non-cash expenses and income, deposits and disbursements not recognized in income statement | 67.3 | -39.5 |
| | 968.5 | 512.0 |
| Thereof from discontinued operations | 209.4 | -215.9 |

In millions of euros

Cash flows from investing activities include inflows of cash and cash equivalents from acquisitions in the amount of EUR 0.0 million (2020/21: EUR 0.9 million) and outflows of acquisition costs in the amount of EUR 0.0 million (2020/21: EUR 2.9 million). The disposal of subsidiaries resulted in an outflow of cash and cash equivalents from cash flows from investing activities of EUR 0.0 million (2020/21: EUR 0.6 million). In the business year 2020/21, the sale of a subsidiary in 2019/20 resulted in an inflow of EUR 0.5 million.

The cash flows and non-cash changes in financial liabilities are presented below:

| | Balance as of April 1 | Increase in non-current financial liabilities | Repayment of non-current financial liabilities (including current maturities of long-term debt) | Repayment of lease liabilities |
|--------------------------------------|--------------------------|--|---|--------------------------------------|
| Financial liabilities 2020/21 | | | | |
| Non-current financial liabilities | 3,520.7 | 154.7 | -451.0 | 0.0 |
| Current financial liabilities | 709.9 | 0.0 | -152.7 | 0.0 |
| Non-current lease liabilities | 369.1 | 0.0 | 0.0 | -1.8 |
| Current lease liabilities | 44.1 | 0.0 | 0.0 | -43.7 |
| Total financial liabilities | 4,643.8 | 154.7 | -603.7 | -45.5 |
| Financial liabilities 2021/22 | | | | |
| Non-current financial liabilities | 2,505.1 | 3.7 | -103.2 | 0.0 |
| Current financial liabilities | 1,176.6 | 0.0 | -664.2 | 0.0 |
| Non-current lease liabilities | 341.1 | 0.0 | 0.0 | -1.1 |
| Current lease liabilities | 44.1 | 0.0 | 0.0 | -43.8 |
| Total financial liabilities | 4,066.9 | 3.7 | -767.4 | -44.9 |

The additions to assets due to finance lease activities contain non-cash investments in the amount of EUR 28.9 million (2020/21: EUR 29.1 million).

| | Cash flows | | | Non-cash changes | | | Balance as of March 31 |
|--|---|---------------------------------------|--------------------------|-------------------|---|---------------|------------------------|
| | Change in current financial liabilities and other financial liabilities | Changes in the scope of consolidation | Foreign exchange effects | Reclassifications | Reclassification from discontinued operations | Other changes | |
| | -1.6 | 1.0 | -50.6 | -672.2 | 0.0 | 4.1 | 2,505.1 |
| | -49.8 | 5.0 | -8.0 | 672.2 | 0.0 | 0.0 | 1,176.6 |
| | 0.1 | 0.0 | -1.4 | -44.2 | 0.0 | 19.3 | 341.1 |
| | -0.4 | 0.0 | -0.4 | 44.2 | 0.0 | 0.3 | 44.1 |
| | -51.7 | 6.0 | -60.4 | 0.0 | 0.0 | 23.7 | 4,066.9 |
| | | | | | | | |
| | 1.5 | 0.0 | 27.6 | -79.8 | 0.0 | 1.3 | 2,356.2 |
| | -34.5 | 0.0 | 15.1 | 79.8 | 0.0 | 0.0 | 572.8 |
| | 0.4 | 0.0 | 4.3 | -49.7 | -30.1 | 25.1 | 290.0 |
| | -0.3 | 0.0 | 0.9 | 49.7 | -0.4 | 0.9 | 51.1 |
| | -32.9 | 0.0 | 47.9 | 0.0 | -30.5 | 27.3 | 3,270.1 |

In millions of euros

26. RELATED PARTY DISCLOSURES

Business transactions between the Group and non-consolidated subsidiaries and associates or their subsidiaries as well as joint ventures primarily relate to supply relationships in connection with the purchase of raw materials or the sale of finished goods and are carried out at arm's length. They are included in the following items of the Consolidated Financial Statements:

| | 2020/21 | | 2021/22 | |
|--|---------------------|--|---------------------|---|
| | With joint ventures | With associates and non-consolidated subsidiaries ¹ | With joint ventures | With associates and non-consolidated subsidiaries |
| Revenue | 0.1 | 160.4 | 0.0 | 335.4 |
| Cost of materials | 1.1 | 184.5 | 2.3 | 294.0 |
| Other operating income | 0.3 | 5.1 | 0.3 | 8.5 |
| Other operating expenses | 0.0 | 20.4 | 0.0 | 23.1 |
| | 03/31/2021 | | 03/31/2022 | |
| Trade and other receivables | 0.1 | 45.5 | 0.0 | 122.8 |
| Financial liabilities/ trade and other payables | 0.1 | 63.2 | 0.1 | 84.7 |

¹ Business year 2020/21, retroactively adjusted due to initial at-equity consolidation of VA Erzberg GmbH.

In millions of euros

Receivables from and liabilities to associates and joint ventures as well as non-consolidated subsidiaries comprise both direct and indirect relationships.

In addition, there are business transactions with core shareholders that document a significant influence because the voestalpine shares are consolidated using the equity method.

Business transactions are carried out at arm's length and are presented as follows:

| | 03/31/2021 | 03/31/2022 |
|--|------------|------------|
| Cash and cash equivalents | 2.9 | 8.8 |
| Financial liabilities/trade and other payables | 94.0 | 81.7 |
| Trade payables from bills of exchange and trade payables from reverse factoring agreements | 53.8 | 85.1 |
| Guarantees received | 0.4 | 2.0 |

In millions of euros

Interest expense of EUR 1.4 million (2020/21: EUR 1.5 million) was recognized in connection with the aforementioned financial liabilities as well as trade and other payables.

Under the first type of factoring agreement (see Note 29. Disclosures of transactions not recorded in the statement of financial position), receivables are sold to core shareholders at arm's length. As of March 31, 2022, these receivables were recognized at a total of EUR 327.0 million (2020/21: EUR 204.2 million). Interest expense of EUR 1.2 million (2020/21: EUR 0.9 million) was recognized for the business year 2021/22 in this connection.

The non-inclusion of the non-consolidated entities in the Consolidated Financial Statements has no material impact on the Group's net assets, financial position, and results of operations.

Management Board

The fixed compensation of the Management Board is determined by the General Committee of the Supervisory Board pursuant to Austrian legal requirements and is reviewed periodically.

The award of a bonus is subject to a target agreement to be concluded with the General Committee of the Supervisory Board that consists of quantitative and qualitative targets. The maximum bonus is limited to 200% of the annual gross salary for members of the Management Board and to 250% of the annual gross salary for the chairman of the Management Board. If the agreed quantitative targets are achieved exactly, 60% of the maximum bonus applies; if the agreed qualitative targets are achieved, 20% of the maximum bonus applies. Any overachievement of the quantitative targets is taken into consideration proportionately until the maximum bonus is reached. The quantitative targets are "earnings before interest and taxes" (EBIT); "return on capital employed" (ROCE); "free cash flow"; operating working capital as a percentage of revenue; and "value added per employee." The specific target amounts applicable to EBIT and ROCE are determined periodically (in each case for a period of three years) by the General Committee of the Supervisory Board in consultation with the Management Board. The target amount for operating working capital in percent of revenue for the business years 2019/20, 2020/21, and 2021/22 was determined each year. The new targets—"free cash flow" and "value added per employee"—were stipulated for the first time in the business year 2021/22. The given target amounts are computed independently of the respective budget and/or the medium-term business plan, i.e., budget compliance does not mean that a bonus is granted. The qualitative targets defined for the business year 2021/22 were, first, the preparation of several

alternative scenarios for both furnace-based plants in response to the pressure to decarbonize and, second, the work on the “Trentino” project (sale of the majority stake in the Texas HBI plant) up to and including submission of the decision-ready documentation to the Supervisory Board.

The amount of the contractually stipulated company pension payable to the members of the Management Board, Dipl.-Ing. Herbert Eibensteiner and Mag. Dipl.-Ing. Robert Ottel, MBA, depends on the length of their service. The amount of the annual pension equals 1.2% of the most recent annual gross salary for each year of service. However, the pension benefit cannot exceed 40% of the most recent annual gross salary (excluding variable compensation). A defined contribution arrangement was put in place for the following members of the Management Board: Dipl.-Ing. Franz Rotter; Dipl.-Ing. Dr. Franz Kainersdorfer; Dipl.-Ing. Dr. Peter Schwab, MBA; and Dipl.-Ing. Hubert Zajicek, MBA. Pursuant to the agreement, the company pays 15% of their annual gross salary (excluding bonuses) into the pension fund.

An extraordinary supplementary payment to the defined contribution system was resolved in the business year 2018/19 for the Management Board members, Dipl.-Ing. Franz Rotter, Dipl.-Ing. Dr. Franz Kainersdorfer; and Dipl.-Ing. Dr. Peter Schwab, MBA. The payment to the pension fund shall be made in five equal annual instalments starting on March 31, 2020.

Upon termination of their director’s contracts, Management Board members are granted severance pay that is modeled on the approach set forth in the Austrian Employment Act (*Angestelltengesetz – AngG*), pursuant to which the maximum allowable under the law may not be surpassed.

D&O insurance has been purchased for the members of the Management Board (as well as for the Group’s executives) and for the members of the Supervisory Board; the cost is borne by the company.

The compensation paid to the members of the Management Board of voestalpine AG for the business year 2021/22 comprises the following:

| | Current compensation fixed | Current compensation variable | Total |
|------------------------------------|----------------------------------|-------------------------------------|--------------|
| Dipl.-Ing. Herbert Eibensteiner | 1.19 | 2.95 | 4.14 |
| Dipl.-Ing. Dr. Franz Kainersdorfer | 0.96 | 1.90 | 2.86 |
| Mag. Dipl.-Ing. Robert Ottel, MBA | 0.96 | 1.90 | 2.86 |
| Dipl.-Ing. Franz Rotter | 0.96 | 1.90 | 2.86 |
| Dipl.-Ing. Dr. Peter Schwab, MBA | 0.96 | 1.90 | 2.86 |
| Dipl.-Ing. Hubert Zajicek, MBA | 0.96 | 1.90 | 2.86 |
| 2021/22 | 5.99 | 12.45 | 18.44 |
| 2020/21 | 5.70 | 4.71 | 10.41 |

In millions of euros

The fixed compensation specified in the foregoing table for the business year 2020/21 includes EUR 0.04 million in long-service bonuses. No long-service bonuses were paid in the business year 2021/22. Furthermore, the following service costs (personnel expenses) are recognized in the Consolidated Financial Statements for members of the Management Board with defined benefit pension agreements: Mag. Dipl.-Ing. Robert Ottel, MBA: EUR 0.52 million (2020/21: EUR 0.41 million) and Dipl.-Ing. Herbert Eibensteiner: EUR 0.61 million (2020/21: EUR 0.51 million). In the business year 2021/22, payments for ongoing pension fund contributions as well as payments—to the extent relevant—for the aforementioned supplementary defined contribution payment were recognized in the Consolidated Financial Statements as follows for the Management Board members with defined contribution pension agreements: Dipl.-Ing. Franz Rotter: EUR 0.61 million (2020/21: EUR 0.60 million); Dipl.-Ing. Dr. Franz Kainersdorfer: EUR 0.53 million (2020/21: EUR 0.52 million); Dipl.-Ing. Dr. Peter Schwab, MBA: EUR 0.71 million (2020/21: EUR 0.70 million); and Dipl.-Ing. Hubert Zajicek, MBA: EUR 0.14 million (2020/21: EUR 0.13 million). Pension payments in the amount of EUR 1.56 million (2020/21: EUR 1.54 million) were paid by the pension fund for former members of the Management Board with defined benefit pension agreements. In the business year 2021/22, payments to a pension fund totaling EUR 0.12 million (2020/21: EUR 0.08 million) concerning four members of the Management Board were made under the existing severance payment regulations.

As of the reporting date, the outstanding balance of the variable compensation was EUR 10.90 million (2020/21: EUR 4.21 million). No advances or loans were granted to the members of the Management Board of voestalpine AG.

Supervisory Board

The Articles of Association (AoA) of voestalpine AG contained definitive provisions regarding the compensation of the members of the Supervisory Board for the business years 2005/06 through 2020/21. Effective as of the business year 2021/22, however, Article 15 of the AoA now requires the amount of the compensation and of the attendance fee payable to the Supervisory Board members elected by the Annual General Meeting (AGM)—i.e., the shareholder representatives—to be determined by the AGM.

The members of the Supervisory Board nominated by the Works Council are not entitled to any compensation for their work on the Supervisory Board nor to any attendance fees.

The Management Board and the Supervisory Board will propose the following Supervisory Board compensation and the amount of the attendance fee to the Annual General Meeting on July 6, 2022:

| | |
|---|-------------|
| Chairman | EUR 100,000 |
| Deputy Chairman | EUR 75,000 |
| Member | EUR 50,000 |
| Chairperson of a Committee (unless s/he is the Chairman of the Supervisory Board) | EUR 25,000 |
| Attendance fee | EUR 500 |

Subject to approval by the Annual General Meeting on July 6, 2022, the total compensation payable to the Supervisory Board (including attendance fees) for the business year 2021/22 is EUR 0.53 million (2020/21: EUR 0.18 million).

The compensation of the Supervisory Board for the business year 2021/22 will be paid at the latest 14 days after the Annual General Meeting on July 6, 2022.

No advances or loans were granted to members of the Supervisory Board of voestalpine AG.

27. EMPLOYEE INFORMATION

TOTAL NUMBER OF EMPLOYEES

| | Reporting date | | Average | |
|--|----------------|---------------|---------------|---------------|
| | 03/31/2021 | 03/31/2022 | 2020/21 | 2021/22 |
| Waged employees | 28,286 | 28,761 | 28,432 | 28,366 |
| Salaried employees | 17,762 | 18,177 | 17,897 | 18,074 |
| Apprentices | 1,309 | 1,369 | 1,407 | 1,469 |
| | 47,357 | 48,307 | 47,736 | 47,909 |
| Thereof employees from discontinued operations | 287 | 307 | 285 | 294 |

The personnel expenses included in these Consolidated Financial Statements excluding those related to discontinued operations are EUR 3,175.1 million (2020/21: EUR 2,920.5 million).

28. EXPENSES FOR THE GROUP AUDITOR

Expenses for the Group auditor in the business year 2021/22 are structured as follows:

| | 2020/21 | 2021/22 |
|---|-------------|-------------|
| Expenses for the audit of the Consolidated Financial Statements and the separate financial statements of voestalpine AG | 0.25 | 0.25 |
| Expenses for the audit of the subsidiaries of voestalpine AG | 0.93 | 0.95 |
| Expenses for other certifications | 0.05 | 0.06 |
| Expenses for tax consulting services | 0.00 | 0.00 |
| Expenses for other services | 0.03 | 0.03 |
| | 1.26 | 1.29 |

In millions of euros

29. DISCLOSURES OF TRANSACTIONS NOT RECORDED IN THE STATEMENT OF FINANCIAL POSITION

In the voestalpine Group, trade receivables are sold monthly to various banks on a revolving basis. In this context, there are four different types of factoring agreements.

Under the first type of factoring agreement, trade receivables totaling EUR 1,086.7 million (March 31, 2021: EUR 760.7 million) were sold to various banks. Receivables covered by credit insurance were assigned to banks in an amount corresponding to 100% of the nominal value, with the acquiring banks assuming the risk of default. Any claims arising under the credit insurance are assigned to the acquiring bank. The selling Group company only assumes liability for default up to—generally—9% of the retention level under the credit insurance. As of the reporting date, the maximum risk associated with the liability for default was EUR 97.8 million (March 31, 2021: EUR 76.1 million). The liability for default corresponds to the theoretical maximum loss. The probability of needing to fall back on this liability is extremely low. The fair value of this risk is assessed at EUR 0.2 million (March 31, 2021: EUR 0.0 million). The receivables are derecognized in full in accordance with the provisions of IFRS 9 due to the transfer of the material risks and opportunities as well as control to the acquiring party.

Under the second type of factoring agreement, uninsured trade receivables of EUR 318.9 million (March 31, 2021: EUR 241.6 million) were sold. The acquiring bank assumes 100% of the default risk. All of the receivables are fully derecognized. With the exception of the capitalized service fee mentioned below for the administration of the receivables, there is no ongoing commitment.

Under the third type of factoring agreement—introduced in October 2014—both insured and uninsured trade receivables of EUR 132.5 million (March 31, 2021: EUR 99.5 million) were sold. Any claims arising under the credit insurance were assigned to the acquiring bank. At the time the receivables were sold, loss reserves of 0.9% and dilution reserves of 1.6% (with reference to the sold receivables) were deducted from the purchase price. The dilution reserves totaling EUR 2.1 million (March 31, 2021: EUR 1.6 million) for receivables sold as of the reporting date concern claims to discounts, bonuses, etc. and are posted as other receivables. The carrying amount corresponds to the fair value. A loss reserve to cover any defaults in the amount of EUR 1.2 million (March 31, 2021: EUR 0.9 million) for receivables sold as of the reporting date was posted as an expenditure, which is reversed in the absence of any defaults. The theoretical maximum loss is limited to the loss reserve. The receivables are derecognized in full in accordance with the provisions of IFRS 9 due to the transfer of the material risks and opportunities as well as control to the acquiring party.

Under the fourth type of factoring agreement, both insured and uninsured trade receivables of EUR 38.3 million (March 31, 2021: EUR 40.0 million) were sold. Any claims under the credit insurance were assigned to the acquiring bank. For bad debts, a “first loss reserve account” was funded in the amount of EUR 0.3 million for 12 months by the selling Group company. The first loss reserve account was EUR 0.3 million (March 31, 2021: EUR 0.3 million) as of the reporting date and was reported as cash. The carrying amount corresponds to the fair value. The theoretical maximum loss is limited to the amount of the first loss reserve account. Due to the transfer of the material risks and opportunities as well as control to the acquiring party, the receivables were derecognized in full in accordance with the provisions of IFRS 9.

Under all of the types of factoring agreements, the payments received from customers during the period between the last sale of receivables and the reporting date are recognized on an accrual basis in other current financial liabilities.

The administration of receivables for all types of factoring contracts remains with the respective Group companies. For the receivables sold, as of March 31, 2022, a total service fee of 0.15% of the sold receivables of EUR 2.4 million (March 31, 2021: EUR 1.7 million) was recognized in other provisions. The carrying amount corresponds to the fair value of the ongoing commitment.

30. EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after the reporting period.

31. EARNINGS PER SHARE

In accordance with IAS 33, the diluted and basic earnings per share are calculated as follows:

| | 2020/21 | 2021/22 |
|---|--------------------|--------------------|
| Profit attributable to equity holders of the parent (in millions of euros) | 42.1 | 1,299.6 |
| Issued ordinary shares (average) | 178,549,163 | 178,549,163 |
| Effect of treasury shares held (average) | -28,568 | -28,547 |
| Weighted average number of outstanding ordinary shares | 178,520,595 | 178,520,616 |
| Diluted and basic earnings per share (euros) from continuing operations | 1.49 | 5.84 |
| Diluted and basic earnings per share (euros) from discontinued operations | -1.25 | 1.44 |
| Diluted and basic earnings per share (euros) | 0.24 | 7.28 |

32. APPROPRIATION OF NET PROFIT

In accordance with the Austrian Stock Corporation Act, the appropriation of net profit is based on the annual financial statements of voestalpine AG as of March 31, 2022. They show net retained profits of EUR 215.0 million. The Management Board proposes a dividend of EUR 1.20 per share (2020/21: EUR 0.50).

Linz, May 24, 2022

The Management Board

Herbert Eibensteiner

Franz Kainersdorfer

Robert Ottel

Franz Rotter

Peter Schwab

Hubert Zajicek

The Consolidated Financial Statements of voestalpine AG and associated documents will be filed with the Commercial Register of the Commercial Court of Linz under company register number FN 66209 t.

Appendix to the Notes: Investments

This report is a translation of the original German-language report, which is solely valid.

AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of **voestalpine AG, Linz** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the consolidated financial position of the Group as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB.

BASIS FOR OPINION

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following matters have been of most significance in our audit:

- » Valuation of goodwill, other intangible assets and property plant and equipment
- » Valuation and presentation of discontinued operations (Texas CGU)

Valuation of goodwill, other intangible assets and property plant and equipment

» Description and Issue

Goodwill, other intangible assets and property plant and equipment are presented in the amounts EUR 1,448.6 million, EUR 289.9 million and EUR 5,635.9 million in the consolidated financial statements of voestalpine AG and represent a significant part of the assets of the group. Impairment losses of EUR 80.2 million and reversals of impairment losses of EUR 11.8 million were recognized within the business year 2021/22.

An impairment loss is recognized at the amount by which the carrying amount of an asset or cash generating unit exceeds the recoverable amount. For detailed explanations with regard to the determination of impairments and further information, please refer to Section B. Summary of accounting policies, "Uncertainties in accounting estimates and assumptions", "Impairment testing of cash generating units with and without goodwill and of other assets" as well as "9. Property, plant and equipment", "10. Goodwill and other intangible assets" and "11. Impairment losses and reversal of impairment losses" in the notes to the consolidated financial statements.

The assessment of the recoverability is based on assumptions concerning the future. The determination of the recoverable amount in the course of an impairment test is based on several assumptions such as future net cash flows, discount rates or alternatively derived fair values. Estimates of future cash flows are subject to uncertainties, which have increased due to the Ukraine-crisis. The determination of the discount rate is complex and depends to a high degree on management's estimates and market data. Small changes of the assumptions applied can significantly influence the recoverable amount. Due to these facts and also given the significance of goodwill, other intangible assets, property, plants and equipment and impairment losses and reversals of impairment losses accounted for in the consolidated financial statements we identified this position as a key audit matter.

» Our Response

We have audited the process implemented by the management to identify triggers for impairments and reversal of impairments with regard to design and implementation. We assessed the appropriateness of the assumptions underlying the planning of future cash flows made by the management of the divisions and compared these to the five-year mid-term planning approved by the Management of the group. We compared the parameters of the impairment tests, such as planned development of revenue or profit, working capital or capital expenditure, with internal information and available industry-specific market expectations derived from external sources, validated them based on historical data and discussed them with management.

Furthermore we verified the appropriateness of the valuation model by involvement of internal experts. We assessed the applied discount rates by determining a range for plausible discount rates.

For assets valued at the fair value less cost to sell of the individual assets we have in addition assessed the assumptions of the management and the fair values estimated by external experts and discussed them with management.

Valuation and presentation of discontinued operations (Texas CGU)

» Description and Issue

End of March 2022 the Supervisory Board approved the decision to sell 80% of the Texas cash-generating unit and therefore satisfied the criteria for classifying the assets as held for sale. Management has classified the Texas CGU as discontinued operations because it represents a separate significant line of business. The assets from discontinued operations are presented in the amount of EUR 921.5 million and the liabilities from discontinued operations in the amount of EUR 95.1 million. Derived from the fair value less cost to sell a reversal of impairment loss of EUR 256.6 million has been recorded.

Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. The fair value less cost to sell is derived from the expected proceeds of the sale of the equity interest of 80% of voestalpine Texas LLC (part of Texas Group). For detailed explanations please refer to Section B. Summary of accounting policies, "Non-current assets held for sale, disposal groups, and discontinued operations" and "Uncertainties in accounting estimates and assumptions", as well as Section C. Scope of consolidation, "Discontinued operations" in the notes to the consolidated financial statements.

The determination of the fair value of the Texas CGU is based on estimates and assumptions. Due to these facts and also given the significance of the discontinued operations and the reversal of impairment loss accounted for in the consolidated financial statements we identified this position as a key audit matter.

» Our Response

We have reviewed the criteria for the presentation as discontinued operations and the approval of the sale. We critically assessed management's derivation of the fair value less cost to sell, reconciled it to the purchase agreement and discussed it with management.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information in the annual report, excluding the consolidated financial statements, the consolidated management report and the audit opinion as well as the separate consolidated report on non-financial information (Corporate Responsibility Report). We received the annual report (not including the report of the Supervisory Board) and the report on non-financial information (Corporate Responsibility Report) prior to the date of our independent auditor's report; the report of the Supervisory Board will be provided to us after this date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. With respect to the information in the consolidated management report beyond the consolidated non-financial statement we refer to the section "Report on the Audit of the Consolidated Management Report".

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the additional requirements under section 245a UGB and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- » Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- » Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- » Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- » We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- » We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- » We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- » From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE AUDIT OF THE CONSOLIDATED MANAGEMENT REPORT

Pursuant to statutory provisions, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the consolidated management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the consolidated management report.

OPINION

In our opinion, the consolidated management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to section 243a UGB and is consistent with the consolidated financial statements.

STATEMENT

In the light of the knowledge and understanding of the Group and its environment obtained in the course of our audit of the consolidated financial statements, we have not identified material misstatements in the consolidated management report.

Other Matters which we are required to address according to Article 10 of Regulation (EU) No 537/2014

We were appointed as auditors by the annual general meeting on July 7, 2021 and commissioned by the supervisory board on July 8, 2021 to audit the consolidated financial statements for the financial year ending March 31, 2022. We have been auditing the Group since the financial year ending March 31, 2020.

We confirm that our opinion expressed in the section "Report on the Audit of the Consolidated Financial Statements" is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 and that we remained independent of Group in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Marieluise Krimmel.

Vienna

May 24, 2022

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Marieluise Krimmel
Certified Public Accountant (Austria)

pp. Mag. Monika Viertlmayer
Certified Public Accountant (Austria)

This English translation of the audit report was prepared for the client's convenience only. It is not a legally binding translation of the German audit report.

The consolidated financial statements and our auditor's report may be published or transmitted together only if the consolidated financial statements and the consolidated management report are identical with the confirmed version. Section 281 para 2 Austrian Commercial Code applies to versions that differ.

MANAGEMENT BOARD STATEMENT

IN ACCORDANCE WITH SECTION 124 (1) OF THE AUSTRIAN STOCK EXCHANGE ACT 2018 (*BÖRSEGESETZ 2018 – BÖRSEG 2018*)

The Management Board of voestalpine AG confirms to the best of its knowledge that the Consolidated Financial Statements, which have been prepared in accordance with the applicable accounting standards, give a true and fair view of the Group's net assets, financial position, and results of operations; that the Group Management Report describes the Group's development, business performance, and position such that it gives a true and fair view of the Group's net assets, financial position, and results of operations; and that the Group Management Report describes the material risks and uncertainties to which the Group is exposed.

Linz, May 24, 2022

The Management Board

Herbert Eibensteiner
Chairman of the Management Board

Franz Kainersdorfer
Member of the Management Board

Robert Ottel
Member of the Management Board

Franz Rotter
Member of the Management Board

Peter Schwab
Member of the Management Board

Hubert Zajicek
Member of the Management Board

This report is a translation of the original German-language report, which is solely valid.

INVESTMENTS

Explanations:

- KV Full consolidation
- KEA Equity method associates
- KEG Equity method joint ventures
- K0 No consolidation

Company names reflect the status as of April 20, 2022.

STEEL DIVISION

| | Domicile of the company | 03/31/2022 | | 03/31/2021 | |
|--|-------------------------|---------------|-----------------------|---------------|-----------------------|
| | | Interest held | Type of consolidation | Interest held | Type of consolidation |
| voestalpine Stahl GmbH | AUT | 100.000% | KV | 100.000% | KV |
| Cargo Service GmbH | AUT | 100.000% | KV | 100.000% | KV |
| Caseli GmbH | AUT | 100.000% | KV | 100.000% | KV |
| Logistik Service GmbH | AUT | 100.000% | KV | 100.000% | KV |
| VAPS GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Camtec GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Eurostahl GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Giesserei Linz GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Giesserei Traisen GmbH & Co KG | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Giesserei Traisen Verwaltung GmbH | AUT | 100.000% | KV | | |
| voestalpine Grobblech GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Standortservice GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Steel & Service Center GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Steel Service Center Polska Sp. z o.o. | POL | 100.000% | KV | 100.000% | KV |
| voestalpine Steel Service Center Romania SRL | ROU | 100.000% | KV | 100.000% | KV |
| voestalpine Steel Trading (Shenyang) Co., Ltd. | CHN | 100.000% | KV | 100.000% | KV |
| voestalpine Steel US Holding LLC | USA | 100.000% | KV | | |
| voestalpine Steel US LLC | USA | | | 100.000% | KV |
| voestalpine Texas Holding LLC | USA | 100.000% | KV | 100.000% | KV |
| voestalpine Texas LLC | USA | 100.000% | KV | 100.000% | KV |
| GEORG FISCHER FITTINGS GmbH ¹ | AUT | 49.000% | KEA | 49.000% | KEA |
| Industrie-Logistik-Linz GmbH ¹ | AUT | 49.000% | KEA | 49.000% | KEA |
| Kocel Steel Foundry Co., Ltd. ¹ | CHN | 49.000% | KEA | 49.000% | KEA |
| Kühne + Nagel Euroshipping GmbH ¹ | DEU | 49.000% | KEA | 49.000% | KEA |
| METALSERVICE S.P.A. ¹ | ITA | 40.000% | KEA | 40.000% | KEA |
| Scholz Austria GmbH ¹ | AUT | 34.011% | KEA | 34.011% | KEA |
| TransAnt GmbH ¹ | AUT | 80.200% | KEA | 50.000% | KEA |

¹ For companies consolidated according to the equity method marked¹, the reporting date of December 31 applies.

STEEL DIVISION

| | Domicile of the company | 03/31/2022 | | 03/31/2021 | |
|---|-------------------------|---------------|-----------------------|---------------|-----------------------|
| | | Interest held | Type of consolidation | Interest held | Type of consolidation |
| Jiaxing NYC Industrial Co., Ltd ¹ | CHN | 51.000% | KEG | 51.000% | KEG |
| Energie AG Oberösterreich | AUT | 2.061% | K0 | 2.061% | K0 |
| K1-MET GmbH | AUT | 35.000% | K0 | 35.000% | K0 |
| Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H. | AUT | 33.333% | K0 | 33.333% | K0 |
| vivo Mitarbeiter-Service GmbH | AUT | 100.000% | K0 | 100.000% | K0 |
| voestalpine Belgium NV/SA | BEL | 100.000% | K0 | 100.000% | K0 |
| voestalpine Camtec Corp. | CAN | 100.000% | K0 | 100.000% | K0 |
| voestalpine CR, s.r.o. | CZE | 100.000% | K0 | 100.000% | K0 |
| voestalpine d.o.o. | HRV | 100.000% | K0 | 100.000% | K0 |
| voestalpine d.o.o. | SRB | 100.000% | K0 | 100.000% | K0 |
| voestalpine d.o.o. | SVN | 100.000% | K0 | 100.000% | K0 |
| voestalpine Deutschland GmbH | DEU | 100.000% | K0 | 100.000% | K0 |
| voestalpine France SAS | FRA | 100.000% | K0 | 100.000% | K0 |
| voestalpine Hungaria Kft. | HUN | 99.000% | K0 | 99.000% | K0 |
| voestalpine Iberia S.L. | ESP | 100.000% | K0 | 100.000% | K0 |
| voestalpine Italia S.r.l. | ITA | 100.000% | K0 | 100.000% | K0 |
| voestalpine Nederland B.V. | NLD | 100.000% | K0 | 100.000% | K0 |
| voestalpine Polska Sp. z o. o. | POL | 100.000% | K0 | 100.000% | K0 |
| voestalpine Scandinavia AB | SWE | 100.000% | K0 | 100.000% | K0 |
| voestalpine Schweiz GmbH | CHE | 100.000% | K0 | 100.000% | K0 |
| voestalpine Slovakia, s.r.o. | SVK | 100.000% | K0 | 100.000% | K0 |
| voestalpine Stahlwelt GmbH | AUT | 100.000% | K0 | 100.000% | K0 |
| voestalpine Turkey Celik Limited Sirketi | TUR | 100.000% | K0 | 100.000% | K0 |
| voestalpine UK Ltd. | GBR | 100.000% | K0 | 100.000% | K0 |
| voestalpine USA LLC | USA | 100.000% | K0 | 100.000% | K0 |
| Werksgärtnerei Gesellschaft m.b.H. | AUT | 100.000% | K0 | 100.000% | K0 |

¹ For the company consolidated according to the equity method marked¹, the reporting date of December 31 applies.

HIGH PERFORMANCE METALS DIVISION

| | Domicile of the company | 03/31/2022 | | 03/31/2021 | |
|--|-------------------------|---------------|-----------------------|---------------|-----------------------|
| | | Interest held | Type of consolidation | Interest held | Type of consolidation |
| voestalpine High Performance Metals GmbH | AUT | 100.000% | KV | 100.000% | KV |
| AÇOS BÖHLER-UDDEHOLM DO BRASIL LTDA. | BRA | 100.000% | KV | 100.000% | KV |
| Advanced Tooling Tek (Shanghai) Co., Ltd. | CHN | 100.000% | KV | 100.000% | KV |
| ASSAB Japan KK | JPN | 100.000% | KV | 100.000% | KV |
| ASSAB Steels (HK) Ltd. | CHN | 95.000% | KV | 95.000% | KV |
| ASSAB Steels (Malaysia) Sdn Bhd | MYS | 100.000% | KV | 100.000% | KV |
| ASSAB Steels (Taiwan) Ltd. | TWN | 94.500% | KV | 94.500% | KV |
| ASSAB Steels (Thailand) Ltd. | THA | 100.000% | KV | 100.000% | KV |
| ASSAB Steels Korea Co., Ltd | KOR | 100.000% | KV | 100.000% | KV |
| ASSAB Steels Singapore (Pte) Ltd. | SGP | 100.000% | KV | 100.000% | KV |
| ASSAB Steels Vietnam Company Limited | VNM | 100.000% | KV | 100.000% | KV |
| ASSAB Tooling (Beijing) Co., Ltd. | CHN | 100.000% | KV | 100.000% | KV |
| ASSAB Tooling (Dong Guan) Co., Ltd. | CHN | 95.000% | KV | 95.000% | KV |
| ASSAB Tooling (Qing Dao) Co., Ltd. | CHN | 100.000% | KV | 100.000% | KV |
| ASSAB Tooling (Xiamen) Co., Ltd. | CHN | 95.000% | KV | 95.000% | KV |
| ASSAB Tooling Technology (Chongqing) Co., Ltd. | CHN | 95.000% | KV | 95.000% | KV |
| ASSAB Tooling Technology (Ningbo) Co., Ltd. | CHN | 95.000% | KV | 95.000% | KV |
| ASSAB Tooling Technology (Shanghai) Co., Ltd. | CHN | 95.000% | KV | 95.000% | KV |
| Bohlasia Steels Sdn. Bhd. | MYS | 80.000% | KV | 80.000% | KV |
| BÖHLER GRUNDSTÜCKS BETEILIGUNGS GMBH | DEU | 100.000% | KV | 100.000% | KV |
| Bohler Special Steels (Shanghai) Co., Ltd. | CHN | 100.000% | KV | 100.000% | KV |
| Böhler Grundstücks GmbH & Co. Kommanditgesellschaft ¹ | DEU | 100.000% | KV | 100.000% | KV |
| Buderus Edelstahl GmbH | DEU | 100.000% | KV | 100.000% | KV |
| Densam Industrial Co. Ltd. | TWN | 97.305% | KV | 97.305% | KV |
| Deville Rectification S.A.S.U. | FRA | 100.000% | KV | 100.000% | KV |
| EDRO Engineering LLC | USA | 100.000% | KV | 100.000% | KV |
| EDRO Specialty Steels GmbH | DEU | 100.000% | KV | 100.000% | KV |
| EDRO Specialty Steels LLC | USA | 100.000% | KV | 100.000% | KV |
| ENPAR Sonderwerkstoffe GmbH | DEU | 100.000% | KV | 100.000% | KV |
| Eschmann Textures India Private Limited | IND | 100.000% | KV | 100.000% | KV |
| Eschmann Textura Internacional - Transformacao de Ferramentas, Unipessoal, LDA | PRT | 100.000% | KV | 100.000% | KV |
| Eschmann Textures International GmbH | DEU | 100.000% | KV | 100.000% | KV |
| EschmannStahl GmbH | DEU | | | 100.000% | KV |
| GMV Eschmann International SAS | FRA | 100.000% | KV | 100.000% | KV |
| Gravutex Eschmann International Limited | GBR | 100.000% | KV | 100.000% | KV |
| Jing Ying Industrial Co. Ltd. | TWN | 97.305% | KV | 97.305% | KV |
| OOO voestalpine High Performance Metals RUS | RUS | 100.000% | KV | 100.000% | KV |
| PT Assab Steels Indonesia | IDN | 100.000% | KV | 100.000% | KV |
| Uddeholm Eiendom AS | NOR | 100.000% | KV | 100.000% | KV |
| Uddeholms AB | SWE | 100.000% | KV | 100.000% | KV |
| Villares Metals International B.V. | NLD | 100.000% | KV | 100.000% | KV |

¹ These consolidated financial statements represent an exemption for Böhler Grundstücks GmbH & Co. Kommanditgesellschaft in accordance with Section 264b of the German Commercial Code (*dHGB*).

HIGH PERFORMANCE METALS DIVISION

| | Domicile of the company | 03/31/2022 | | 03/31/2021 | |
|---|-------------------------|---------------|-----------------------|---------------|-----------------------|
| | | Interest held | Type of consolidation | Interest held | Type of consolidation |
| Villares Metals S.A. | BRA | 100.000% | KV | 100.000% | KV |
| voestalpine Additive Manufacturing Center GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Additive Manufacturing Center Singapore Pte. Ltd. | SGP | 100.000% | KV | 100.000% | KV |
| voestalpine Additive Manufacturing Centre Ltd. | CAN | 100.000% | KV | 100.000% | KV |
| voestalpine BÖHLER Aerospace GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine BÖHLER Aerospace GmbH & Co KG | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine BÖHLER Bleche GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine BÖHLER Bleche GmbH & Co KG | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine BÖHLER Edelstahl GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine BÖHLER Edelstahl GmbH & Co KG | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine BÖHLER Profil GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Edelstahl Deutschland GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Edelstahl Wärmebehandlung GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine eifeler Coating GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine eifeler Coatings LLC | USA | 100.000% | KV | 100.000% | KV |
| voestalpine eifeler Lasertechnik GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine eifeler Vacotec GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metal Anonim Sirketi | TUR | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals (Australia) Pty Ltd | AUS | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Africa (Pty) Ltd | ZAF | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Argentina S.A. | ARG | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals B.V. | NLD | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Colombia S.A. | COL | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Corporation | USA | | | 100.000% | KV |
| voestalpine High Performance Metals CZ s.r.o. | CZE | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals del Ecuador S.A. | ECU | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals del Peru S.A. | PER | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Deutschland GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Deutschland Holding GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals DIGITAL SOLUTIONS GmbH | AUT | 100.000% | KV | | |
| voestalpine High Performance Metals Finland Oy Ab | FIN | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals France S.A.S. | FRA | 100.000% | KV | 100.000% | KV |

HIGH PERFORMANCE METALS DIVISION

| | Domicile of the company | 03/31/2022 | | 03/31/2021 | |
|--|-------------------------|---------------|-----------------------|---------------|-----------------------|
| | | Interest held | Type of consolidation | Interest held | Type of consolidation |
| voestalpine High Performance Metals Hungary Kft. | HUN | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Iberica, S.A.U. | ESP | 100.000% | KV | 100.000% | KV |
| VOESTALPINE HIGH PERFORMANCE METALS INDIA PRIVATE LIMITED | IND | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals International GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Italia S.p.A. | ITA | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals LLC | USA | 100.000% | KV | | |
| voestalpine High Performance Metals Ltd. | CAN | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Norway AS | NOR | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Pacific Pte. Ltd. | SGP | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Polska Sp. z o. o. | POL | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Portugal, Unipessoal, Lda | PRT | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Romania S.R.L. | ROU | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals S.A. de C.V. | MEX | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Schweiz AG | CHE | 99.833% | KV | 99.833% | KV |
| voestalpine High Performance Metals SCM GmbH | AUT | 100.000% | KV | | |
| voestalpine High Performance Metals SCM GmbH & Co KG | AUT | 100.000% | KV | | |
| voestalpine High Performance Metals Slovakia, s.r.o. | SVK | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals Sweden AB | SWE | 100.000% | KV | 100.000% | KV |
| voestalpine High Performance Metals UK Limited | GBR | 100.000% | KV | 100.000% | KV |
| voestalpine HPM Denmark A/S | DNK | 100.000% | KV | 100.000% | KV |
| voestalpine Specialty Metals (Shanghai) Co. Ltd. | CHN | 100.000% | KV | 100.000% | KV |
| voestalpine Specialty Metals Pte. Ltd. | SGP | 100.000% | KV | 100.000% | KV |
| voestalpine Technology Institute (Asia) Co. Ltd. | TWN | 100.000% | KV | 100.000% | KV |
| BÖHLER-UDDEHOLM Immobilien GmbH | AUT | 100.000% | K0 | 100.000% | K0 |
| BÖHLER-UDDEHOLM UKRAINE LLC (in Liquidation) | UKR | 100.000% | K0 | 100.000% | K0 |
| EDRO Limited | CHN | 100.000% | K0 | 100.000% | K0 |
| Eschmann Beteiligungsgesellschaft mbH | DEU | 100.000% | K0 | 100.000% | K0 |
| Grundstück-Verwaltungsgesellschaft Gewerbehof Sendling mbH & Co. KG (in Liquidation) | DEU | 62.916% | K0 | 62.916% | K0 |
| HOTEL BÖHLERSTERN Gesellschaft m.b.H. | AUT | 100.000% | K0 | 100.000% | K0 |
| voestalpine HPM Zagreb d.o.o. | HRV | 100.000% | K0 | 100.000% | K0 |
| voestalpine Special Steels China Limited | CHN | | | 100.000% | K0 |

METAL ENGINEERING DIVISION

| | Domicile of the company | 03/31/2022 | | 03/31/2021 | |
|---|-------------------------|---------------|-----------------------|---------------|-----------------------|
| | | Interest held | Type of consolidation | Interest held | Type of consolidation |
| voestalpine Metal Engineering GmbH | AUT | 100.000% | KV | 100.000% | KV |
| CNTT Chinese New Turnout Technologies Co., Ltd. | CHN | 50.000% | KV | 50.000% | KV |
| Nortrak-Damy, Cambios de Via, S.A.P.I. de C.V. | MEX | 51.007% | KV | 51.007% | KV |
| OOO voestalpine Bohler Welding Russia | RUS | 100.000% | KV | 100.000% | KV |
| PT voestalpine Bohler Welding Asia Pacific | IDN | 100.000% | KV | 100.000% | KV |
| Ruzhou Zhengzhou Railway Sanjia Turnout Co., Ltd. | CHN | 35.000% | KV | 35.000% | KV |
| Travertec S.R.L. | ROU | 60.000% | KV | 60.000% | KV |
| TSF-A GmbH | AUT | 50.100% | KV | 50.100% | KV |
| TSTG Schienen Technik GmbH & Co KG ¹ | DEU | 100.000% | KV | 100.000% | KV |
| TSTG Schienen Technik Verwaltungs GmbH | DEU | 100.000% | KV | 100.000% | KV |
| VALIDA Railway Systems Investment Co. Ltd. | CHN | 50.000% | KV | 50.000% | KV |
| VAMAV Vasúti Berendezések Kft. | HUN | 50.000% | KV | 50.000% | KV |
| voestalpine Bahnsysteme Vermögensverwaltungs GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding (China) Co., Ltd. | CHN | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Africa Pty. Ltd. | ZAF | 51.000% | KV | 51.000% | KV |
| voestalpine Bohler Welding Asia Pacific Pte. Ltd. | SGP | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Austria Vertriebs-GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Automation GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Belgium S.A. | BEL | 100.000% | KV | 100.000% | KV |
| voestalpine Bohler Welding Canada Ltd. | CAN | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding CEE GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Fileur SRL | ITA | 90.000% | KV | 90.000% | KV |
| voestalpine Böhler Welding Fontargen GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding France SAS | FRA | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Group GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Hellas S.A. | GRC | 100.000% | KV | 100.000% | KV |
| voestalpine Bohler Welding India Private Limited | IND | 100.000% | KV | 100.000% | KV |
| voestalpine Bohler Welding India Technology Private Limited | IND | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Italia S.r.l. | ITA | 100.000% | KV | 100.000% | KV |
| voestalpine Bohler Welding Mexico S.A. de C.V. | MEX | 100.000% | KV | 100.000% | KV |
| voestalpine Bohler Welding Middle East FZE | ARE | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Nederland B.V. | NLD | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Nordic AB | SWE | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Northeast Asia Ltd. | KOR | 100.000% | KV | 100.000% | KV |
| voestalpine Bohler Welding Romania SRL | ROU | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Selco Invest S.R.L. | ITA | 90.000% | KV | 90.000% | KV |
| voestalpine Böhler Welding Selco S.r.l. | ITA | 90.000% | KV | 90.000% | KV |
| voestalpine Böhler Welding Soldas do Brasil Ltda. | BRA | 100.000% | KV | 100.000% | KV |

¹ These consolidated financial statements represent an exemption for TSTG Schienen Technik GmbH & Co KG in accordance with Section 264b of the German Commercial Code (*dHGB*).

METAL ENGINEERING DIVISION

| | Domicile of the company | 03/31/2022 | | 03/31/2021 | |
|--|-------------------------|---------------|-----------------------|---------------|-----------------------|
| | | Interest held | Type of consolidation | Interest held | Type of consolidation |
| voestalpine Böhler Welding Spain, S.A. | ESP | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Trading (Shanghai) Co., Ltd. | CHN | 100.000% | KV | 100.000% | KV |
| voestalpine Bohler Welding USA LLC | USA | 100.000% | KV | 100.000% | KV |
| voestalpine Bohler Welding USA Technology LLC | USA | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding UTP Maintenance GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Austria GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Germany Vertriebs-GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler weldCare AB | SWE | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Schweiz AG | CHE | 100.000% | KV | 100.000% | KV |
| voestalpine Böhler Welding Germany GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Bohler Welding UK Limited | GBR | 100.000% | KV | 100.000% | KV |
| voestalpine Forschungsservicegesellschaft Donawitz GmbH | AUT | 93.986% | KV | 93.987% | KV |
| voestalpine Kardemir Demiryolu Sistemleri Sanayi ve Ticaret Anonim Sirketi | TUR | 59.935% | KV | 59.935% | KV |
| voestalpine Klöckner Bahntechnik GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Metal Engineering US Holding LLC | USA | 100.000% | KV | 100.000% | KV |
| voestalpine Metal Engineering US LLC | USA | | | 100.000% | KV |
| voestalpine Nortrak-Damy US LLC | USA | 100.000% | KV | 100.000% | KV |
| voestalpine Rail Technology GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems (Thailand) Co., Ltd. | THA | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems Australia Pty Ltd | AUS | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems Beijing Co. Ltd. | CHN | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems Brazil Ltda. | BRA | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems Bulgaria OOD | BGR | 51.000% | KV | 51.000% | KV |
| voestalpine Railway Systems France SAS | FRA | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems JEZ, S.L. | ESP | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems Latvia SIA | LVA | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems Lietuva, UAB | LTU | 66.000% | KV | 66.000% | KV |
| voestalpine Railway Systems MFA SASU | FRA | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems Nortrak LLC | USA | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems Nortrak Ltd. | CAN | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems Polska Sp. z o. o. | POL | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems Romania SA | ROU | 100.000% | KV | 100.000% | KV |
| voestalpine Railway Systems Saudi Arabia Limited | SAU | 51.000% | KV | 51.000% | KV |
| voestalpine Signaling Austria GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Signaling China Co. Ltd. | CHN | 100.000% | KV | 100.000% | KV |

METAL ENGINEERING DIVISION

| | Domicile of the company | 03/31/2022 | | 03/31/2021 | |
|---|-------------------------|---------------|-----------------------|---------------|-----------------------|
| | | Interest held | Type of consolidation | Interest held | Type of consolidation |
| voestalpine Signaling Poland Sp. z o.o. | POL | 100.000% | KV | 100.000% | KV |
| voestalpine Signaling Sainerholz GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Signaling Siershahn GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Signaling UK Ltd. | GBR | 100.000% | KV | 100.000% | KV |
| voestalpine Signaling USA LLC | USA | 100.000% | KV | 100.000% | KV |
| voestalpine Special Wire GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Stahl Donawitz GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Track Solutions Duisburg GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Track Solutions Germany GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Track Solutions Königsborn GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Track Solutions Netherlands B.V. | NLD | 70.000% | KV | 70.000% | KV |
| VOEST-ALPINE TUBULAR CORP. | USA | 57.500% | KV | 57.500% | KV |
| voestalpine Tubulars GmbH & Co KG | AUT | 49.888% | KV | 49.888% | KV |
| voestalpine Tubulars Al Bassam Company Limited (in Liquidation) | SAU | 57.500% | KV | 57.500% | KV |
| voestalpine Tubulars GmbH | AUT | 57.500% | KV | 57.500% | KV |
| voestalpine Turnout Technology Germany GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Turnout Technology Netherlands B.V. | NLD | 100.000% | KV | 100.000% | KV |
| voestalpine Turnout Technology UK Limited | GBR | 100.000% | KV | 100.000% | KV |
| voestalpine Turnout Technology Zeltweg GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine VAE Africa (Pty) Ltd. | ZAF | 100.000% | KV | 100.000% | KV |
| voestalpine VAE SA (Pty) Ltd. | ZAF | 50.000% | KV | 69.000% | KV |
| voestalpine VAE VKN India Private Limited | IND | 57.000% | KV | 57.000% | KV |
| voestalpine Wire (Suzhou) Co., Ltd. | CHN | 100.000% | KV | 100.000% | KV |
| voestalpine Wire Austria GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Wire Germany GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Wire Italy s.r.l. | ITA | 100.000% | KV | 100.000% | KV |
| voestalpine Wire Rod Austria GmbH | AUT | 100.000% | KV | 100.000% | KV |
| Weichenwerk Wörth GmbH | AUT | 56.950% | KV | 56.950% | KV |
| voestalpine Digital Track Management GmbH | AUT | 50.000% | KEG | | |
| SBI GmbH ¹ | AUT | | | 24.900% | KEA |
| WS Service GmbH ¹ | AUT | 49.000% | KEA | 49.000% | KEA |
| Burbiola S.A. | ESP | 50.000% | K0 | 50.000% | K0 |
| Casedo GmbH | AUT | 100.000% | K0 | 100.000% | K0 |
| KW PenzVAEE GmbH | AUT | 49.000% | K0 | 49.000% | K0 |
| Liegenschaftsverwaltungs GmbH | AUT | 100.000% | K0 | 100.000% | K0 |
| Parkwood Way Holdings Ltd. | CAN | 40.000% | K0 | 40.000% | K0 |
| Royal Fortune Holding Limited | HKG | 25.000% | K0 | 25.000% | K0 |
| Sistemas Ferroviarios Argentinos S.R.L. | ARG | 40.000% | K0 | 40.000% | K0 |
| Virtual Vehicle Research GmbH | AUT | 8.000% | K0 | 8.000% | K0 |

¹ For the companies consolidated according to the equity method marked¹, the reporting date of December 31 applies.

METAL FORMING DIVISION

| | Domicile of the company | 03/31/2022 | | 03/31/2021 | |
|---|-------------------------|---------------|-----------------------|---------------|-----------------------|
| | | Interest held | Type of consolidation | Interest held | Type of consolidation |
| voestalpine Metal Forming GmbH | AUT | 100.000% | KV | 100.000% | KV |
| Nedcon B.V. | NLD | 100.000% | KV | 100.000% | KV |
| Nedcon Bohemia, s.r.o. | CZE | 100.000% | KV | 100.000% | KV |
| Nedcon France SASU | FRA | 100.000% | KV | 100.000% | KV |
| Nedcon Lagertechnik GmbH | DEU | 100.000% | KV | 100.000% | KV |
| Nedcon USA LLC | USA | 100.000% | KV | 100.000% | KV |
| Polynorm Leasing B.V. | NLD | 100.000% | KV | 100.000% | KV |
| RFC LLC | USA | 100.000% | KV | 100.000% | KV |
| RFC-Sharon LLC | USA | 100.000% | KV | 100.000% | KV |
| STAMPTEC France SAS | FRA | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Tianjin Co., Ltd. | CHN | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Aguascalientes S. de R.L. de C.V. | MEX | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Arad Beteiligung GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Arad SRL | ROU | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Birkenfeld GmbH & Co. KG ¹ | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Böhmenkirch GmbH & Co. KG ¹ | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Bunschoten B.V. | NLD | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Cartersville Beteiligung GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Cartersville LLC | USA | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Dettingen GmbH & Co. KG ¹ | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components East London (Pty) Ltd. | ZAF | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Fontaine | FRA | 99.998% | KV | 99.998% | KV |
| voestalpine Automotive Components Hungaria Kft. | HUN | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Linz GmbH & Co KG | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Nagold GmbH & Co. KG ¹ | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Schmölln GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Schwäbisch Gmünd GmbH & Co. KG ¹ | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Automotive Components Shenyang Co., Ltd. | CHN | 100.000% | KV | 100.000% | KV |
| voestalpine HTI Beteiligungs GmbH | AUT | 100.000% | KV | 100.000% | KV |

¹ These consolidated financial statements represent an exemption for voestalpine Automotive Components Birkenfeld GmbH & Co. KG, voestalpine Automotive Components Böhmenkirch GmbH & Co. KG, voestalpine Automotive Components Dettingen GmbH & Co. KG, voestalpine Automotive Components Nagold GmbH & Co. KG and voestalpine Automotive Components Schwäbisch Gmünd GmbH & Co. KG in accordance with Section 264b of the German Commercial Code (*dHGB*).

METAL FORMING DIVISION

| | Domicile of the company | 03/31/2022 | | 03/31/2021 | |
|--|-------------------------|---------------|-----------------------|---------------|-----------------------|
| | | Interest held | Type of consolidation | Interest held | Type of consolidation |
| voestalpine Krems Finaltechnik GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Krems GmbH | AUT | 100.000% | KV | 100.000% | KV |
| VOEST-ALPINE KREMS U.K. plc | GBR | 100.000% | KV | 100.000% | KV |
| voestalpine Meincol S.A. | BRA | 100.000% | KV | 100.000% | KV |
| voestalpine Metal Forming Netherlands Holding B.V. | NLD | 100.000% | KV | 100.000% | KV |
| voestalpine Metal Forming US Holding LLC | USA | 100.000% | KV | 100.000% | KV |
| voestalpine Metal Forming US LLC | USA | | | 100.000% | KV |
| voestalpine Metsec plc | GBR | 100.000% | KV | 100.000% | KV |
| voestalpine Präzisionsprofil GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Precision Strip GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Precision Strip LLC | USA | 100.000% | KV | 100.000% | KV |
| voestalpine Precision Strip, S.A.U. | ESP | 100.000% | KV | 100.000% | KV |
| voestalpine Profilafröid | FRA | 99.925% | KV | 99.925% | KV |
| voestalpine Profilform (China) Co., Ltd. | CHN | 100.000% | KV | 100.000% | KV |
| voestalpine Profilform s.r.o. | CZE | 100.000% | KV | 100.000% | KV |
| voestalpine Rotec Coating SRL | ROU | 100.000% | KV | 100.000% | KV |
| voestalpine Rotec de Mexico S. de R.L. de C.V. | MEX | 100.000% | KV | 100.000% | KV |
| voestalpine Rotec GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Rotec GmbH & Co. KG ¹ | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine Rotec Iberica S.A. | ESP | 100.000% | KV | 100.000% | KV |
| voestalpine Rotec Limited | GBR | 100.000% | KV | 100.000% | KV |
| voestalpine Rotec LLC | USA | 100.000% | KV | 100.000% | KV |
| voestalpine Rotec North America Corp. | CAN | 100.000% | KV | 100.000% | KV |
| voestalpine Rotec Sp. z o. o. | POL | 100.000% | KV | 100.000% | KV |
| voestalpine S.A.P. | FRA | 100.000% | KV | 100.000% | KV |
| voestalpine Sadev nv | BEL | 100.000% | KV | 100.000% | KV |
| voestalpine Stamptec Holding GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Precision Strip Trading (Suzhou) Co., Ltd | CHN | 100.000% | KV | 100.000% | KV |
| voestalpine Precision Strip AB | SWE | 100.000% | KV | 100.000% | KV |
| Entwicklungsgesellschaft Gügling Verwaltungs GmbH | DEU | 100.000% | K0 | 100.000% | K0 |
| EURACIER | FRA | 20.000% | K0 | 20.000% | K0 |
| Hinckley Precision Tubes Limited | GBR | 100.000% | K0 | 100.000% | K0 |
| Metal Sections Limited | GBR | 100.000% | K0 | 100.000% | K0 |
| Munkfors Energi AB | SWE | 40.000% | K0 | 40.000% | K0 |
| SADEF FRANCE S.A.R.L. | FRA | 100.000% | K0 | 100.000% | K0 |
| voestalpine Automotive Components Dettingen Verwaltungs GmbH | DEU | 100.000% | K0 | 100.000% | K0 |
| voestalpine Automotive Components Linz Verwaltung GmbH | AUT | 100.000% | K0 | | |
| voestalpine Beteiligungsgesellschaft Schwäbisch Gmünd mbH | DEU | 100.000% | K0 | 100.000% | K0 |
| voestalpine Stamptec Beteiligungs GmbH | DEU | 100.000% | K0 | 100.000% | K0 |

¹ These consolidated financial statements represent an exemption for voestalpine Rotec GmbH & Co. KG in accordance with Section 264b of the German Commercial Code (*dHGB*).

OTHER

| | Domicile of the company | 03/31/2022 | | 03/31/2021 | |
|--|-------------------------|---------------|-----------------------|---------------|-----------------------|
| | | Interest held | Type of consolidation | Interest held | Type of consolidation |
| voestalpine Financial Services B.V. | NLD | 100.000% | KV | 100.000% | KV |
| voestalpine Funding International GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine group-IT AB | SWE | 100.000% | KV | 100.000% | KV |
| voestalpine group-IT GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine group-IT GmbH | DEU | 100.000% | KV | 100.000% | KV |
| voestalpine group-IT Tecnologia da Informacao Ltda. | BRA | 100.000% | KV | 100.000% | KV |
| voestalpine Personal Services GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine Rohstoffbeschaffungs GmbH | AUT | 100.000% | KV | 100.000% | KV |
| voestalpine US Holding GmbH | AUT | 100.000% | KV | | |
| voestalpine US Holding LLC | USA | 100.000% | KV | | |
| APK Pensionskasse AG ¹ | AUT | 32.084% | KEA | 32.084% | KEA |
| VA Erzberg GmbH | AUT | 0.000% | KEA | | |
| AC styria Mobilitätscluster GmbH | AUT | 12.333% | K0 | 12.333% | K0 |
| Danube Equity GmbH | AUT | 100.000% | K0 | 100.000% | K0 |
| Donauländische Baugesellschaft m.b.H. | AUT | 100.000% | K0 | 100.000% | K0 |
| voestalpine Dienstleistungs- und Finanzierungs GmbH (in Liquidation) | DEU | 100.000% | K0 | 100.000% | K0 |
| voestalpine group-IT (Suzhou) Co., Ltd. | CHN | 100.000% | K0 | 100.000% | K0 |
| voestalpine HR Services GmbH (in Liquidation) | DEU | 100.000% | K0 | 100.000% | K0 |
| voestalpine Insurance Services GmbH | AUT | 100.000% | K0 | 100.000% | K0 |

¹ For the company consolidated according to the equity method marked¹, the reporting date of December 31 applies.

GLOSSARY

Acquisition. Takeover or purchase of companies or of interests in companies.

Asset deal. Company takeover, where the buyer purchases individual assets (rather than shares).

ATX. “Austrian Traded Index,” the leading index of the Vienna Stock Exchange, which contains the 20 most important stocks in the prime market segment.

Capital employed. Total employed interest-bearing capital.

Cash flow.

- » From investing activities: outflow/inflow of liquid assets from investments/disinvestments;
- » From operating activities: outflow/inflow of liquid assets not affected by investment, disinvestment, or financing activities.
- » From financing activities: outflow/inflow of liquid assets from capital expenditures and capital contributions.

EBIT (earnings before interest and taxes). Profit before the deduction of taxes, non-controlling interests, and financial result.

EBIT margin. EBIT as a percentage of revenue.

EBITDA (earnings before interest, taxes, depreciation, and amortization). Profit before the deduction of taxes, non-controlling interests, financial result, and depreciation and amortization expenses.

EBITDA margin. EBITDA as a percentage of revenue.

Equity. Assets made available to a corporation by the owners through deposits and/or contributions or from retained profits.

Equity ratio. Equity divided by total assets.

Free float. The portion of the share capital that is actively traded on the stock exchange.

Full-time equivalent (FTE). A full-time employee corresponds to a full-time equivalent of one, part-time employees are taken into account on a pro-rata basis corresponding to their working hours.

Gearing. Ratio of net financial debt to equity.

Gross profit. Revenue less cost of sales.

IFRS (International Financial Reporting Standards). Accounting regulations developed to guarantee comparable accounting and disclosure.

Market capitalization. Market capitalization reflects the current market price of an exchange-listed company.

Net financial debt. Interest-bearing liabilities less interest-earning assets.

Rating. An evaluation of the credit quality of a company recognized on international capital markets.

Return on equity. ROE is the ratio of profit for the period to equity as recorded in the previous period.

ROCE (return on capital employed). ROCE is the ratio of EBIT to average capital employed, that is, profit generated by the capital invested.

Volatility. The degree of fluctuation in stock prices and currency exchange rates or in prices of consumer goods in comparison to the market.

Weighted average cost of capital (WACC). Average capital costs for both borrowed capital and equity.

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