ANNUAL REPORT 2022/23

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voestalpine

ONE STEP AHEAD.

DEVELOPMENT
OF THE KEY FIGURES

In millions of euros	2018/19	2019/20	2020/21	2021/22	2022/23
Income statement					
Revenue	13,560.7	12,717.2	10,901.9	14,923.2	18,225.1
EBITDA	1,564.6	1,181.5	1,148.1	2,291.3	2,544.6
Depreciation	785.2	1,270.5	809.8	837.0	920.4
EBIT	779.4	–89.0	338.2	1,454.3	1,624.2
Profit before tax	645.7	–230.3	234.8	1,382.5	1,490.8
Profit after tax from continuing operations			255.7	1,072.4	1,085.3
Profit after tax from discontinued operations			–224.0	257.9	93.4
Profit after tax[1]	458.6	–216.5	31.7	1,330.3	1,178.7
Statement of financial position					
Investments in property, plant and equipment and intangible assets	1,011.4	775.7	610.4	708.4	922.0
Equity	6,709.8	5,614.9	5,649.9	7,069.3	7,769.4
Net financial debt	3,125.4	3,775.0	2,742.8	2,291.2	1,661.0
Net financial debt in % of equity (gearing)	46.6%	67.2%	48.5%	32.4%	21.4%
Financial key performance indicators (KPIs)					
EBITDA margin	11.5%	9.3%	10.5%	15.4%	14.0%
EBIT margin	5.7%	–0.7%	3.1%	9.7%	8.9%
Return on capital employed (ROCE)	7.0%	–0.8%	3.4%	15.5%	15.5%
Cash flows from operating activities	1,166.6	1,304.0	1,633.5	1,242.9	956.2
Share information					
Share price, end of period (euros)	27.07	18.54	35.33	27.02	31.28
Dividend per share (euros)[2]	1.10	0.20	0.50	1.20	1.50
Market capitalization, end of period	4,832.6	3,308.9	6,307.1	4,823.6	5,400.5
Number of outstanding shares as of March 31	178,520,566	178,520,566	178,520,616	178,520,616	172,650,943
EPS – earnings per share from continuing operations (euros)			1.49	5.84	5.48
EPS – earnings per share from discontinued operations (euros)			–1.25	1.44	0.53
EPS – earnings per share (euros)	2.31	–1.24	0.24	7.28	6.01
Personnel					
Employees (full time equivalent), end of period	51,907	49,682	48,654	50,225[3]	51,202

[1] Before deduction of non-controlling interests.
[2] As proposed to the Annual General Meeting.
[3] Including employees (full-time equivalent) from discontinued operations.

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THE GROUP

CONSOLIDATED MANAGEMENT REPORT

CONSOLIDATED FINANCIAL STATEMENTS

OTHER

HIGHLIGHTS 2022/23

» The business year 2022/23 was characterized by the war in Ukraine, distortions in the raw material and energy markets, and inflation and interest rate hikes.

» Despite this volatile economic environment, the voestalpine Group posted new all-time highs for both revenue and earnings.

» Revenue jumped 22.1% to EUR 18,225.1 million in the business year 2022/23, up from EUR 14,923.2 million.

» Both positive and negative non-recurring effects had an impact on the key performance indicators.

» Impairment losses of EUR 173 million in the High Performance Metals Division for the business year 2022/23 were counteracted by positive EBITDA effects of EUR 133 million from the sale of real property.

» The Steel Division booked EUR 32 million in impairment losses from its 20% equity stake in the ArcelorMittal Texas HBI Group.

» The operating result (EBITDA) improved by 11.1% to EUR 2,544.6 million (2021/22: EUR 2,291.3 million).

» Profit from operations (EBIT) climbed 11.7% to EUR 1,624.2 million (2021/22: EUR 1,454.3 million).

» Profit before tax rose 7.8% to EUR 1,490.8 million (2021/22: EUR 1,382.5 million).

» Profit after tax fell 11.4% to EUR 1,178.7 million. The previous business year's figure of EUR 1,330.3 million included a measurement gain of EUR 257 million from the sale of the Texas-based HBI facility.

» Equity expanded by 9.9% to EUR 7,769.4 million (2021/22: EUR 7,069.3 million).

» Net financial debt fell substantially yet again (–27.5%), and stood at EUR 1,661.0 million as of the reporting date (2021/22: EUR 2,291.2 million).

» The gearing ratio (net financial debt as a percentage of equity) improved substantially to 21.4% (2021/22: 32.4%).

» Dividend proposed to the Annual General Meeting: EUR 1.50 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 191 million in research & development over the business year 2022/23 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)	6,650.3
EBITDA (in millions of euros)	1,120.4
EBITDA margin	16.8%
Employees (full-time equivalent)	10,636

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 CO_2-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)	3,789.6
EBITDA (in millions of euros)	561.5
EBITDA margin	14.8%
Employees (full-time equivalent)	13,654

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.

23%
OF GROUP REVENUE

Revenue (in millions of euros)	4,289.2
EBITDA (in millions of euros)	585.9
EBITDA margin	13.7%
Employees (full-time equivalent)	14,053

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

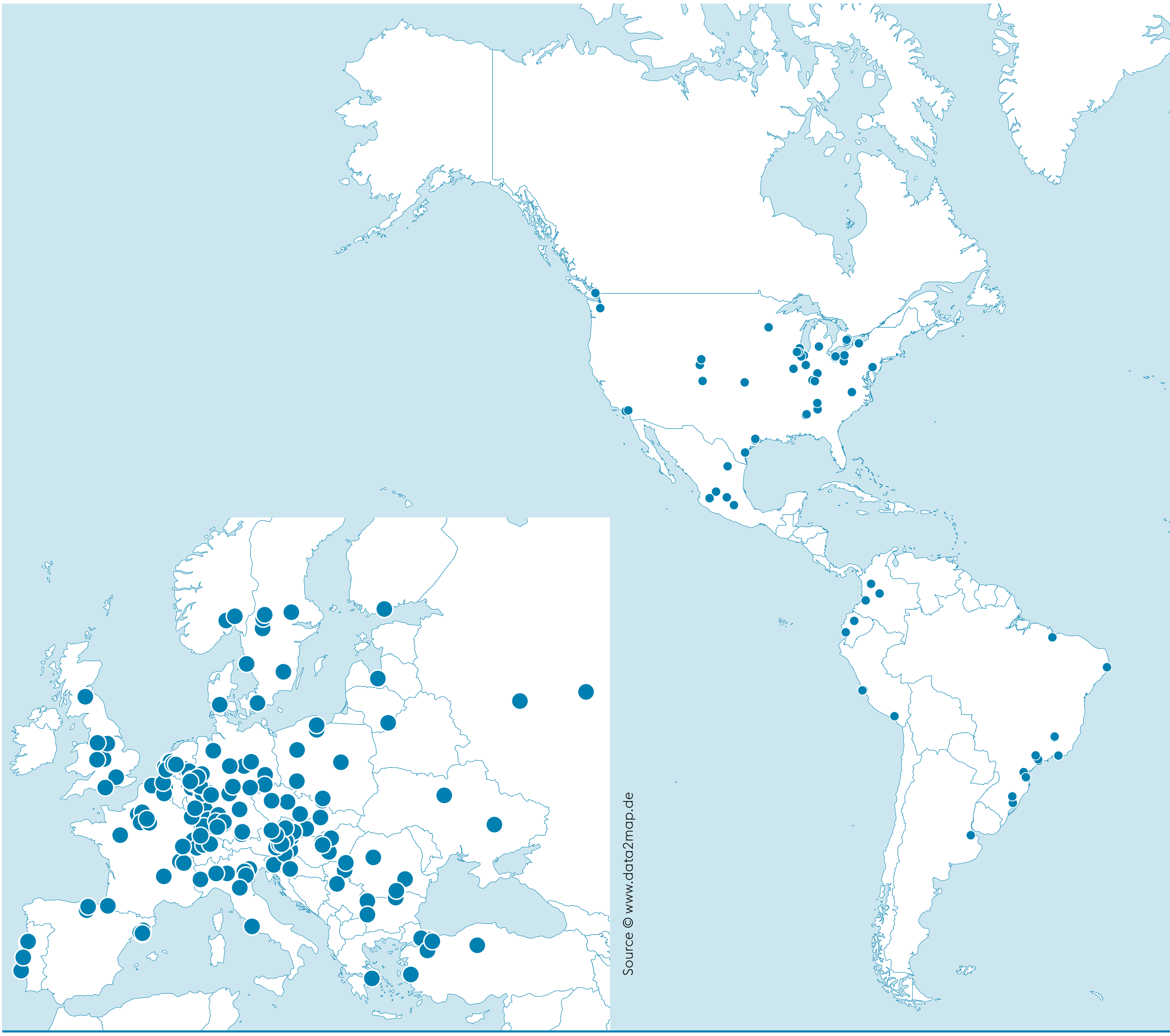
GLOBAL LEADERSHIP
in defined niches that require the highest quality and the most sophisticated technology for metal processing solutions within a global network that generates the best possible customer value.

21%
OF GROUP REVENUE

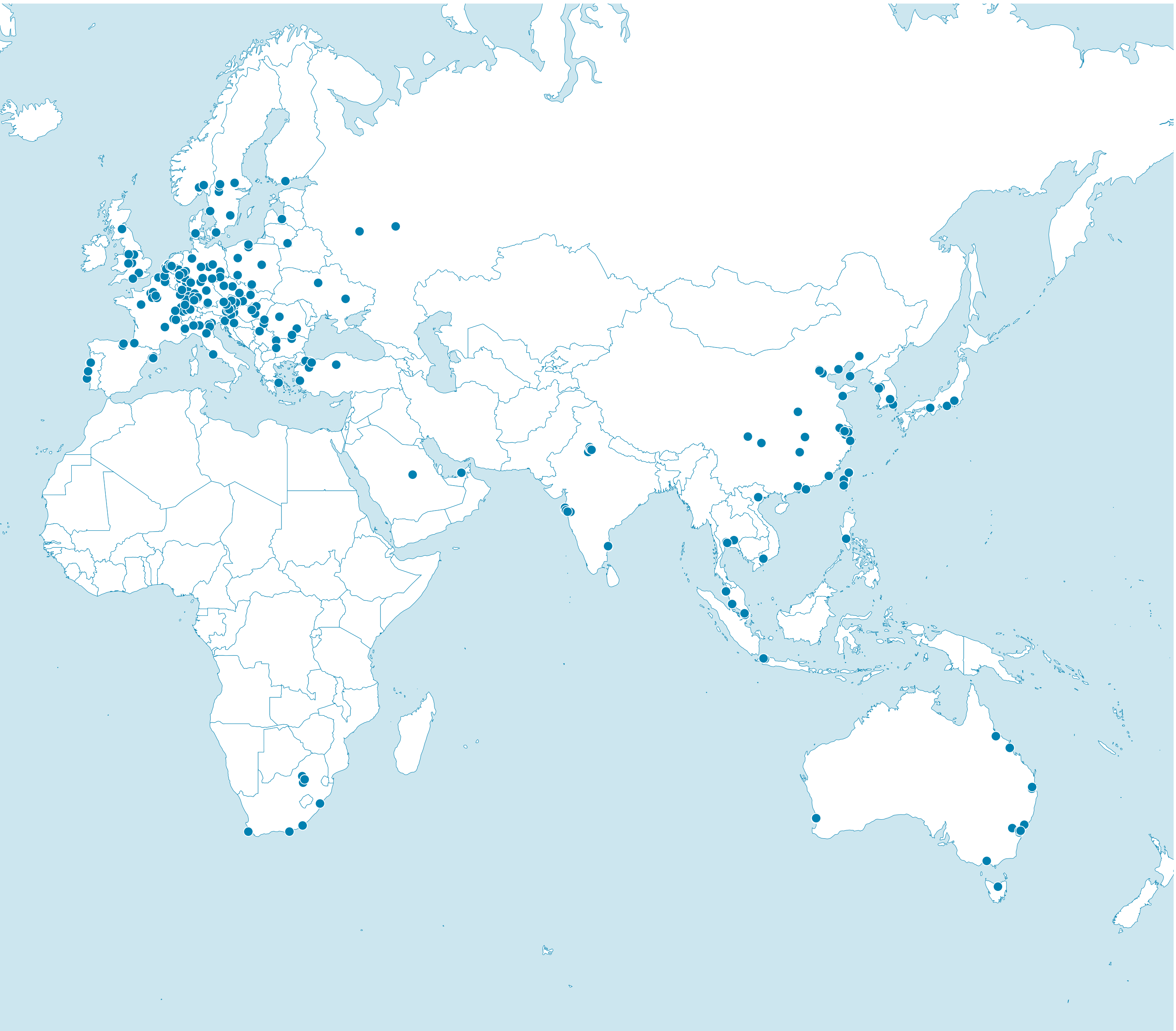
Revenue (in millions of euros)	3,860.7
EBITDA (in millions of euros)	375.3
EBITDA margin	9.7%
Employees (full-time equivalent)	11,853

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. 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.

voestalpine
IS A GLOBAL COMPANY



voestalpine, which operates globally, has about 500 Group companies and locations 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 CO_2 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. 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
Former 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

Dr. Joachim Lemppenau † (Deceased 09/27/2022)[1]
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

[1] Following the death of Dr. Lemppenau, the Supervisory Board resolved not to fill the now vacant seat on the Supervisory Board until his term of office officially ends at the Annual General Meeting in 2024.

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

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

From left to right: Robert Ottel, Selin Klauda (Apprentice, Electrical Engineering – Facilities Operations & Maintenance), Franz Rotter, Yannick Schwarz (Apprentice, Metal Technology/ Mechanical Engineering), Franz Kainersdorfer, Herbert Eibensteiner, Peter Schwab, Szidonia Nagy (Apprentice, Metal Technology/ Cutting Technology), Hubert Zajicek.

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:

The business year 2022/23 was a special year for voestalpine. The fact that the company's Supervisory Board greenlit the investment of EUR 1.5 billion for greentec steel paves the way for green steelmaking and sets an important milestone for the Group's future. Yet we can look back on a very successful year in financial terms too. We posted the best operating result in the Group's history despite the exceedingly turbulent environment shaped by the war in Ukraine, high inflation and rising interest rates as well as supply chain problems and sharp increases in energy costs. As of March 31, 2023, net financial liabilities were the lowest since the business year 2006/07. This creates a solid financial basis for our greentec steel decarbonization plans and other investments that will be key to the future.

Numerous major orders that we received in the business year 2022/23 underscored our customers' high level of trust in our cutting-edge technologies. voestalpine Railway Systems, the world's leading provider of complete rail technology systems, was awarded the contract for Great Britain's new high-speed network ("High Speed 2")—the unit's largest individual order to date. Add to that orders for international rail infrastructure projects that will run for several years. During the reporting period, we also succeeded in securing several major orders for the coming years from renowned international aerospace manufacturers.

The fact that we completed the construction phase of the world's most advanced special steel plant in Kapfenberg, Austria, during the business year ended constitutes a crucial technological step that is equally decisive to sustainability and the digital transformation. This new special steel plant—the voestalpine Group's largest project in recent years—will be started up in the current business year 2023/24. It will allow us to supply our customers with even better material grades and thus to further expand our global market leadership in both tool steel and special steels.

All of this shows yet again that our strategy is leading us in the right direction. We want to take this opportunity to thank all employees whose commitment and hard work made a key contribution to this development.

voestalpine is committed to achieving climate neutrality by 2050. We decided to join the Science Based Targets initiative (SBTi) in order to ensure that the information we provide to our stakeholders regarding our climate action work is as transparent and comparable as possible. Our ambitious goal to reduce greenhouse gas (GHG) emissions along the entire process chain will thus be subject to independent review. In turn, this ensures that our strategy is in line with the Paris Agreement.

The decarbonization of steel production at our plants in Linz and Donawitz (both in Austria) is at the heart of this long-term alignment. We worked intensively on greentec steel in the business year ended. In a first step, starting in calendar year 2027, we plan to replace one blast furnace each in Linz and

Donawitz with one electric arc furnace each. The construction is slated to begin in calendar year 2024 once open funding issues have been resolved. The two electric arc furnaces will enable voestalpine to produce about 2.5 million tons of CO_2-reduced steel annually starting in 2027 and thus to lower its CO_2 emissions by up to 30% from then on. This equates to some four million tons of CO_2 per year which, in turn, corresponds to just under 5% of Austria's total CO_2 emissions, thus making greentec steel the country's largest climate change mitigation program. Our plans also call for investment in a second electric arc furnace in Linz after calendar year 2030 and the decommissioning of yet another blast furnace each in both Linz and Donawitz. To achieve our goal of CO_2 neutrality by calendar year 2050, we are already researching several new processes while also investing in pilot projects that explore new avenues in steel production.

An innovative raw materials mix and even more efficient processes have enabled us to offer flat steel products with a low carbon footprint for more than a year now. This is already allowing us to support our customers with respect to their growing demand for green steel in the high-quality segment; in fact, we have already delivered the first coils of the greentec steel edition. Our goal in our capacity as a steel and technology group is clear: We want to be the quality leader in CO_2-reduced and CO_2-neutral steel production.

We want to take this opportunity to once again bid fond farewell to Dr. Joachim Lemppenau, the long-reigning Chairman of our Supervisory Board, who died in September 2022 at the age of 81. This internationally recognized executive was key to voestalpine's success story over the past two decades. We will always honor his memory and consistently pursue the path that he helped to forge for the Group.

Linz, May 26, 2023

The Management Board

Herbert Eibensteiner	Franz Kainersdorfer	Robert Ottel
Franz Rotter	Peter Schwab	Hubert Zajicek

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REPORT OF THE SUPERVISORY BOARD ON THE BUSINESS YEAR 2022/23

Dr. Joachim Lemppenau

In the business year just ended, voestalpine mourned the loss of one of the personalities who had a major impact on the Group in recent decades. Dr. Joachim Lemppenau was a member of voestalpine AG's Supervisory Board for 23 years and chaired it for 18 of those years. He died in late September 2022 at the age of 81. Dr. Lemppenau played a decisive role in shaping the success story of today's steel and technology group voestalpine. On the Supervisory Board, he worked to push the Group's global position as a technology and quality leader in steel, to develop its processing expertise, and accelerate its internationalization. Yet Dr. Lemppenau's exceptional impact was not just due to his considerable entrepreneurial skill; he also cultivated compassion and accountability. Although he stepped down as Chairman of the Supervisory Board at the end of March 2022, he would have continued to make himself available to the company up to the Annual General Meeting in 2024, i.e., throughout the last two years of his term of office, as a member of the Supervisory Board. Following his death, the Supervisory Board decided not to hold an election for the now vacant seat until his term of office officially ends as of the 2024 Annual General Meeting.

The business year 2022/23 was affected by a number of adverse developments: the war in Ukraine, high energy prices in Europe, growing inflation and rising interest rates, as well as persistent supply chain problems. Despite this generally difficult macroeconomic environment, the business year was characterized by solid demand in most market segments. By demonstrating operational flexibility and adaptability, the voestalpine Group once again achieved record figures for revenue and operating result despite the challenging environment. As both the Report of the Management Board and the Group Management Report address the economic environment and the Group's earnings in greater detail, we may dispense with such explanations here.

During the past business year, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Association, holding six plenary sessions, three meetings of the Audit Committee, and six meetings of the General Committee. In both the General Committee and the Audit Committee meetings, the Management Board provided comprehensive verbal and written information on the development of the company's business as well as its position and financial management.

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, innovation, and information technology—all of which will determine the future. Preparations for the first steps toward decarbonizing the company's plants in Linz and Donawitz (both in Austria) undoubtedly took center stage in these discussions during the business year just ended. Already in March 2022, the Supervisory Board gave its approval to carry out the preliminary work needed for climate-friendly steel production in Austria. In March 2023, it approved the next step in this process: With an investment volume of some EUR 1.5 billion, an electric arc furnace is to be built at each of the two sites, replacing two of the five blast furnaces currently in use. According to the greentec steel project plan, decisions regarding facilities and suppliers will be made before the end of 2023, construction will start in 2024, and both units will be commissioned in 2027. From then on, the Group will be saving up to 30% of the current CO_2 emissions. This equates to about 5% of Austria's overall annual CO_2 emissions, making the project the country's largest singular undertaking in terms of climate action. voestalpine's long-term aim is to pave the way for carbon-neutral steel production. To achieve this goal by 2050 at the latest, the Group is already researching several new processes and investing in pilot projects exploring alternative pathways in steel production. These include research projects such as the H2FUTURE hydrogen pilot facility at the Linz plant for manufacturing and using "green" hydrogen on an industrial scale, as well as the testing facilities at the Donawitz plant for carbon-neutral steel production based on direct reduction of iron ore using hydrogen. Yet more research projects focus on storing and reusing unavoidable residual emissions.

The Management Board was also continually kept abreast of yet another Group project that is key to its plans in terms of both innovation and sustainability—namely, the construction of the new special steel plant in Kapfenberg, Austria, that will be started up in the business year 2023/24.

The Supervisory Board also dealt with issues such as the security of the voestalpine Group's supplies of raw materials and energy in the long term, particularly in light of new decarbonization technologies, and a wholly integrated circular economy approach to establishing expanded material cycles.

The General Committee addressed, in addition to questions of compensation, above all the procedures for filling positions on the Management Board after the current term expires in March 2024, as well as preparatory work for the election of the new Supervisory Board at the 2024 Annual General Meeting.

The Audit Committee concerned itself chiefly with the preparation and review of voestalpine AG's Consolidated and Annual Financial Statements, the auditor's independence, and topics related to the current and future structure of the internal control system, the risk management system, and Internal Audit.

For details regarding the composition and procedures of the Supervisory Board and its committees, see the Consolidated Corporate Governance Report 2022/23.

Both the Annual Financial Statements and the Consolidated Financial Statements as of March 31, 2023, were audited by the auditor elected at the Annual General Meeting on July 6, 2022, 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. It showed that the Annual Financial Statements comply with statutory requirements, as do the Consolidated Financial Statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as mandated by Section 245a Austrian Commercial Code *(Unternehmensgesetzbuch – UGB)*. 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 and that the Consolidated Management Report is consistent with the Consolidated Financial Statements.

Following the Audit Committee's prior review of the financials, on June 6, 2023, the Supervisory Board reviewed and approved the Annual Financial Statements as of March 31, 2023. The Annual Financial Statements are herewith deemed to have been 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 all the financials for the business year 2022/23, specifically: the Management Report, the Consolidated Financial Statements, the Consolidated Management Report, the Consolidated Corporate Governance Report, and the Corporate Responsibility Report. The Supervisory Board's reviews did not raise any objections.

The Consolidated Corporate Governance Report 2022/23 was also 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, Austria. This review, too, confirmed compliance with the rules.

The Corporate Responsibility Report (CR Report) for 2022/23 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 standards of the Global Reporting Initiative (GRI).

It is hereby established that voestalpine closed the business year 2022/23 with a net profit of EUR 268.0 million. We propose paying a dividend of EUR 1.50 per share to the 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. The Board's thanks are also due to both 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 6, 2023

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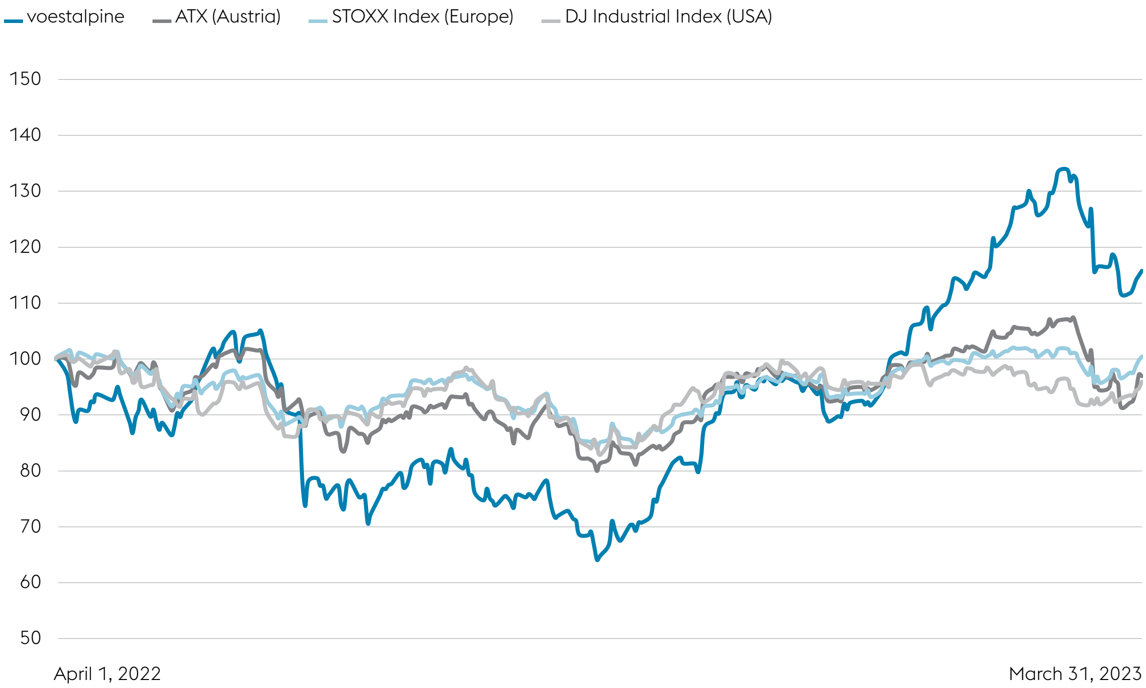
INVESTOR RELATIONS

voestalpine AG VS. THE ATX AND INTERNATIONAL INDICES

Changes compared with March 31, 2022, in %



DEVELOPMENT OF THE voestalpine SHARE

The voestalpine share fluctuated widely in the business year 2022/23, which reflects the numerous uncertainties to which the company was exposed throughout the reporting period. Two contrasting phases shaped the share's performance. The substantial share price declines in the first half of the business year were followed by significant upward trends in the second half.

While the voestalpine share tended to move laterally at the start of the reporting period (i.e., the second calendar quarter), the negative market sentiment overall led to notable price drops in June 2022. The capital markets were unnerved, in particular, by the risk that Europe's industrial sector was facing imminent bottlenecks in electricity and natural gas supplies, along with associated extreme price fluctuations. Not even voestalpine's then highly positive earnings report at this point helped to stop the downward trend, because the assessment of a company's future performance is an important yardstick in the valuation of share prices. As a result, the price of the voestalpine share shed about 30% of its value within two weeks. Aside from the threat scenario involving a shortage of energy on account of the Ukraine war, unstable global value chains as well as sharply rising inflation rates in both Europe and the United States further unsettled the stock markets. While the inflation dynamic in the U.S. was largely fueled by strong demand paired with bottlenecks in the labor market, the same development in Europe was fed mainly by high energy prices. In this environment, the central banks announced that significant interest rate hikes were in the offing. Market participants then began to fear that a worldwide recession was inevitable. Yet market sentiment began to brighten again from the early Northern fall of calendar year 2022. Most significantly, the fact that many European countries were reducing their dependence on Russian natural gas to an unexpected degree triggered euphoria in the capital markets. The central banks' efforts to bring inflation under control also began to bear fruit. Thanks not least to governmental support packages in Europe and the United States, both economies turned out to be more robust than initially expected and the economic forecasts became increasingly optimistic. This environment had a commensurate positive effect on the voestalpine share. However, the announcement and implementation of the company's share buyback program accounted to a significant extent for the stock's extremely favorable performance in the second half of the business year 2022/23. Owing to the aforementioned developments, its price doubled within a few months from just over EUR 17 in late September 2022 to more than EUR 36 in early March 2023. Subsequently, the dire financial straits of Silicon Valley Bank (SVB) along with the financial collapse of Credit Suisse Bank put a stop to the positive trend. Given fears that the banking crisis might envelop the real economy as well, the value of the voestalpine share dropped by some 15% within a few weeks.

Viewed across the entire business year 2022/23, the voestalpine share rose 15.9%. While the price as of April 1, 2022, was EUR 26.98, by March 31, 2023, it had climbed to EUR 31.28. The benchmark indices, ATX and Dow Jones Industrial, declined only slightly during the same period. The level of the STOXX Index Europe as of March 31, 2023, however, was exactly the same it had been at the start of the reporting period (April 1, 2022).

TREASURY SHARE BUYBACK PROGRAM

The Management Board of voestalpine AG resolved on November 3, 2022, to buy back up to ten million shares equating to equity of about 5.6%. It had been authorized to do so by the Annual General Meeting on July 7, 2021. The share buyback program was launched on November 10, 2022. The voestalpine share had come under strong pressure during the Northern summer of calendar year 2022 due to great uncertainties in the wake of the Ukraine war and the expectation that it would trigger a significant economic downturn. Hence the share buyback program had an additional uplifting effect on the share price in the second half of the business year 2022/23 over and above the positive external factors affecting the share price development.

CONVERTIBLE BOND

voestalpine successfully floated a EUR 250 million convertible bond in April of calendar year 2023, i.e., after the business year 2022/23 had ended. The offer was made exclusively to institutional investors as part of an accelerated offering. The convertible bond is denominated in units of EUR 100,000 and has a coupon of 2.75% p.a., payable on a semi-annual basis. The initial conversion price is EUR 40.8915, which equates to a conversion premium of 30% over the reference share price of EUR 31.455. These bonds were issued on April 28, 2023, and will be redeemed after five years at the nominal value plus accrued interest unless they are converted, repaid, or redeemed at an earlier date. The convertible bonds are listed on the Vienna MTF market of the Vienna Stock Exchange.

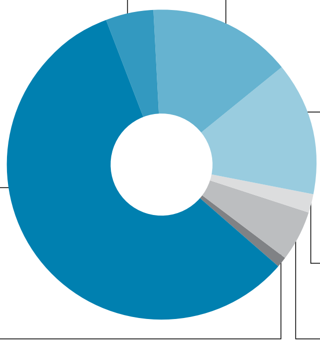
BONDS

Type of bond	ISIN number	Issuing volume	Interest rate	Share price (03/31/2023)
Corporate Bond 2017–2024	AT0000A1Y3P7	EUR 500 million	1.375%	97.0
Corporate Bond 2019–2026	AT0000A27LQ1	EUR 500 million	1.75%	95.1
Convertible Bond 2023–2028	AT0000937503	EUR 250 million	2.75%	

SHAREHOLDER STRUCTURE

The shareholder structure by region as of the end of the business year 2022/23 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:

» Baader Bank AG, Munich
» Bank of America/Merrill Lynch, London
» Barclays, London
» Citigroup, London
» Deutsche Bank, London
» Erste Bank, Vienna
» Exane BNP Paribas, Paris
» Goldman Sachs, London
» J.P. Morgan, London
» Kepler Cheuvreux, Frankfurt
» Morgan Stanley, London
» Oddo BHF, Paris
» Raiffeisen Centrobank, Vienna
» 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, 2023	5,898,220 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)

Share price high, April 2022 to March 2023	EUR 36.16
Share price low, April 2022 to March 2023	EUR 17.32
Share price as of March 31, 2023	EUR 31.28
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, 2023[1]	EUR 5,400,521,497.04

[1] Basis: Total number of shares minus repurchased shares.

BUSINESS YEAR 2022/23

Earnings per share	EUR 6.01
Dividend per share	EUR 1.50[1]
Carrying amount per share as of March 31, 2023	EUR 43.61

[1] As proposed to the Annual General Meeting.

FINANCIAL CALENDAR

Record date for attendance at the AGM	June 25, 2023
Annual General Meeting	July 5, 2023
Ex-dividend date	July 13, 2023
Record date for dividend payment	July 14, 2023
Dividend payment date	July 18, 2023
Publication Q1 2023/24	August 9, 2023
Publication Q2 2023/24	November 8, 2023
Publication Q3 2023/24	February 7, 2024
Publication Business year 2023/24	June 5, 2024
Annual General Meeting	July 3, 2024

CONSOLIDATED CORPORATE GOVERNANCE REPORT 2022/23

COMMITMENT TO THE CODE OF CORPORATE GOVERNANCE

The Austrian Code of Corporate Governance (the "Code") provides domestic stock corporations with a framework for managing and monitoring their companies. It serves to establish a system for managing and controlling companies and groups that is accountable and geared toward 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; and the OECD Principles of Corporate Governance. The Code has undergone a number of revisions since 2002. The present Corporate Governance Report is based on the Code's most recent amendment, which was adopted in January 2023.

» 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 Austrian Code of Corporate Governance and have also accepted and implemented the amendments introduced since that date. voestalpine AG is thus committed to complying with the Austrian Code of Corporate Governance as amended.

In the business year 2022/23, voestalpine AG complied with the Code's mandatory "L Rules" in addition to all "C Rules"—with the exception of C Rule 39, from which it deviated—and all "R Rules."[1]

[1] The Austrian 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.

Under the Code's provisions, any non-compliance with its C Rules *(comply or explain)* must be explained and justified. By providing the following explanation, voestalpine AG is adhering to the Code's requirements:

Rule 39:
Under C Rule 39, the majority of committee members shall satisfy the independence criteria established by the Supervisory Board in accordance with C Rule 53. In addition to one employee representative, the General and Compensation Committee includes two members elected by the Annual General Meeting. Having been elected Chairman of the Supervisory Board of voestalpine AG with effect from April 1, 2022, pursuant to the Supervisory Board's rules of procedure Dr. Wolfgang Eder also chairs both the General Committee (which simultaneously serves as the Nominating Committee) and the Compensation Committee. Owing to his prior position as Chairman of the Management Board of voestalpine AG until July 3, 2019, Dr. Eder does not fulfill one of the Supervisory Board's criteria of independence as stipulated in Rule 53 of the Code. As a result, these two committees do not comply with Rule 39 of the Code, because the majority of the committee members elected by the Annual General Meeting do not fulfill the independence criteria required by the Supervisory Board. By electing Dr. Eder as Chairman of the Supervisory Board and thus also Chairman of the General and Compensation Committee, the Supervisory Board is relying—in the company's interest with regard to these key responsibilities—on his many years of experience in both the industry and management as well as his insights into the Group.

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 subsidiaries[1] 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 subsidiaries[1] 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 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; 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 subsidiaries[1] 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

[1] 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 subsidiaries[1] 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; voestalpine BÖHLER Aerospace GmbH, Member of the Supervisory Board; voestalpine High Performance Metals Pacific Pte. Ltd., Member of the Board of Directors
» 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 Austrian Institute of Technology (AIT), Vienna, Austria	**Assigned area of responsibility within the Group:** Procurement Strategy **Positions at material subsidiaries[1] 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, Member 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 Sadef nv, Chairman of the Executive Board; voestalpine Precision Strip GmbH, Chairman of the Supervisory Board; voestalpine Automotive Components Bunschoten B.V., Chairman of the Supervisory Board; Nedcon B.V., Member 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; Member of the Board of Directors of ArcelorMittal Texas HBI Holdings LLC, Portland, Texas, USA	**Assigned area of responsibility within the Group:** Raw Materials **Positions at material subsidiaries[1] 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 Rohstoffbeschaffungs GmbH, Chairman of the Advisory Board

[1] 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

» **Dr. Wolfgang Eder** Born 1952	**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 (until 02/16/2023); Chairman of the Supervisory Board of Mayr-Melnhof Karton AG, Vienna, Austria (since 04/26/2023)
» **Dr. Heinrich Schaller** Born 1959	**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; Second Deputy Chairman of the Supervisory Board of AMAG Austria Metall AG, Braunau-Ranshofen, Austria
» **KR Dr. Franz Gasselsberger, MBA** Born 1959	**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
» **Mag. Ingrid Jörg** Born 1969	**Member of the Supervisory Board** Initial appointment: 07/03/2019 President of Aerospace and Transportation, Constellium Switzerland AG, Zurich, Switzerland
» **Dr. Florian Khol** Born 1971	**Member of the Supervisory Board** Initial appointment: 07/03/2019 Attorney at law; partner at Binder Grösswang Rechtsanwälte GmbH, Vienna, Austria
» **Mag. Maria Kubitschek** Born 1962	**Member of the Supervisory Board** Initial appointment: 07/03/2019 Former Deputy Director of the Federal Chamber of Workers/ Vienna Chamber of Workers, Vienna, Austria
» **Prof. Elisabeth Stadler** Born 1961	**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; Chairwoman of the Supervisory Board of Österreichische Post Aktiengesellschaft, Vienna, Austria (since 04/20/2023); Member of the Supervisory Board of OMV Aktiengesellschaft, Vienna, Austria
» **Dr. Joachim Lemppenau †** Born 1942 deceased on 09/27/2022[1]	**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

[1] Following the death of Dr. Lemppenau, the Supervisory Board resolved not to fill the now vacant seat on the Supervisory Board until his term of office officially ends at the Annual General Meeting in 2024.

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 the 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 just ended.

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 2022/23 is accounted for as part of the Compensation Report to be prepared in accordance with Sections 78c and 98a Austrian Stock Corporation Act *(Aktiengesetz – AktG)*. The Compensation Report will be submitted to the Annual General Meeting on July 5, 2023, for a vote and subsequently published on the company's website. 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 "Code"), 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 out 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 Chairman of the Management Board 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 such shareholders (Rule 54).

As legal counsel to voestalpine AG and its subsidiaries, the law firm Binder Grösswang Rechtsanwälte GmbH, of which the Supervisory Board member Dr. Florian Khol is a partner, provided legal services in the business year 2022/23, particularly in connection with matters related to corporate, capital market, and civil law. Fees for these matters were billed at customary market rates. For the business year 2022/23, total net fees of EUR 32,237.67 (2021/22: EUR 19,237) were incurred for services provided by Binder Grösswang Rechtsanwälte GmbH. The Supervisory Board member Prof. Elisabeth Stadler is 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. In the business year 2022/23, VIG accounted for about 33.8% (2021/22: about 35.5%) of the voestalpine Group's premiums for insurance programs.

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 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. Wolfgang Eder (Chairman)
» Dr. Heinrich Schaller
» Hans-Karl Schaller

AUDIT COMMITTEE

The Audit Committee is tasked with the responsibilities set forth in Section 92 (4a) AktG and 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 adoption of the annual financial statements; reviewing the proposal for the appropriation of earnings, the Management Report, and the Consolidated Corporate Governance Report; and 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. Furthermore, the Audit Committee 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 from 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 †
(deceased on September 27, 2022)
» 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. Wolfgang Eder (Chairman)
» Dr. Heinrich Schaller
» Hans-Karl Schaller

In the business year 2022/23, the majority of members of all Supervisory Board committees met the criteria for independence pursuant to Rule 53 of the Austrian Code of Corporate Governance. In addition to one employee representative, the General and Compensation Committee includes two members elected by the Annual General Meeting. Having been elected Chairman of the Supervisory Board of voestalpine AG with effect from April 1, 2022, pursuant to the Supervisory Board's rules of procedure Dr. Wolfgang Eder also chairs both the General Committee (which simultaneously serves as the Nominating Committee) and the Compensation Committee. Owing to his prior position as Chairman of the Management Board of voestalpine AG until July 3, 2019, Dr. Eder does not fulfill one of the Supervisory Board's criteria of independence as stipulated in Rule 53 of the Code. As a result, these two committees do not comply with Rule 39 of the Code, because the majority of the committee members elected by the Annual General Meeting do not fulfill the independence criteria required by the Supervisory Board. By electing Dr. Eder as Chairman of the Supervisory Board and thus also Chairman of the General and Compensation

Committee, the Supervisory Board is relying—in the company's interest with regard to these key responsibilities—on his many years of experience in both the industry and management as well as his insights into the Group.

NUMBER OF AND SIGNIFICANT CONTENT OF THE SUPERVISORY BOARD AND COMMITTEE MEETINGS IN THE BUSINESS YEAR 2022/23

During the business year 2022/23, the Supervisory Board fulfilled its responsibilities under the law and the Articles of Association, holding six plenary sessions, three meetings of the Audit Committee, and six meetings of the General Committee.

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

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, innovation, and information technology—all of which will determine the future. Preparations for the first steps toward decarbonizing the company's plants in Linz and Donawitz (both in Austria) undoubtedly took center stage in these discussions during the business year just ended. Already in March 2022, the Supervisory Board gave its approval to carry out the preliminary work needed for climate-friendly steel production in Austria. In March 2023, it approved the next step in this process: With an investment volume of some EUR 1.5 billion, an electric arc furnace is to be built at each of the two sites, replacing two of the five blast furnaces currently in use. According to the greentec steel project plan, decisions regarding facilities and suppliers will be made before the end of 2023, construction will start in 2024, and both units will be commissioned in 2027. From then on, the Group will be cutting up to 30% of its current CO_2 emissions. This equates to about 5% of Austria's overall annual CO_2 emissions, making the project the country's largest singular undertaking in terms of climate action. voestalpine's long-term aim is to pave the way for carbon-neutral steel production. To achieve this goal by 2050 at the latest, the Group is already researching several new processes, and investing in pilot projects exploring alternative pathways in steel production. These include research projects such as the H2FUTURE hydrogen pilot facility at the Linz plant for manufacturing and using "green" hydrogen on an industrial scale, as well as the testing facilities at the Donawitz plant for carbon-neutral steel production based on direct reduction of iron ore using hydrogen. Yet more research projects focus on storing and reusing unavoidable residual emissions.

Another key Group project in terms of both innovation and sustainability is the construction of the new stainless steel plant in Kapfenberg, which entered its final phase in the past business year with the successful start of commissioning.

The Supervisory Board also dealt with issues such as the security of the voestalpine Group's supplies of raw materials and energy in the long term, particularly in light of new decarbonization technologies, and a wholly integrated circular economy approach to establishing expanded material cycles.

The General Committee addressed, in addition to questions of compensation, above all the procedures for filling positions on the Management Board after the current term expires in March 2024, as well as preparatory work for the election of the new Supervisory Board at the 2024 Annual General Meeting.

The Audit Committee concerned itself chiefly with the preparation and review of voestalpine AG's Consolidated and Annual Financial Statements, the auditor's independence, and topics related to the current and future structure of the internal control system, the risk management system, and Internal Audit.

The auditor of Deloitte Audit Wirtschaftsprüfungs GmbH attended all three meetings of the Audit Committee in the business year 2022/23 and was available for questions and discussions.

At its meeting on March 21, 2023, 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 the Management Board and the Supervisory Board, the quality and scope of the documents made available to the Supervisory Board, and 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 this compensation component 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 either for one business year at a time or for a minimum of three years.

Requirements applicable to managing directors and officers of the Group in Austria 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 regard, 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 factors in the decision-making process. Independent management audits by external advisers, which are conducted as necessary, ensure that the decisions are based on objective evaluations. At present, there are no women on the Management Board of voestalpine AG. The members of the Management Board are between 54 and 65 years of age and possess a variety of educational credentials (primarily in technical fields) along with wide-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 one non-Austrian national. The members of the Supervisory Board are between 52 and 71 years of age and possess a wide range of professional expertise along with professional and management experience.

STEPS FOR PROMOTING WOMEN

In the business year 2022/23, the percentage of female executives[1] was 13.6%, thus up slightly from 12.9% in 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 number 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"). Thanks to the consistent implementation of the Group's self-imposed commitment to boost the employment of women in all of the Group's divisions, the share of women in voestalpine's three-stage executive development program (pre-stage, stage 1, stage 2: total of 215 female and male participants) in the business year 2022/23 was raised to an impressive 23.3% (previous year: 12.2%).

Overall, the percentage of women in the voestalpine Group in the business year 2022/23 was 15.7% (previous year: 15.4%). 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 about 39.3%. Despite all of our efforts, however, women still only account for a mere 9.7% among workers.

None of the voestalpine Group companies currently uses explicit "female quotas" when filling particular positions. Instead, the general aim is to raise the percentage of women in the Group at all levels through appropriate measures that will have a long-term effect. 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. These offerings are supplemented by flexible work and shift models; enhanced technical training geared to women; upskilling opportunities for apprentices and assistants; mentoring programs; special health programs; guidance on equality and non-discrimination; and so forth. As a result of these efforts, by now women are also employed in leadership positions in the company's traditionally male-dominated, technical areas. Women also hold executive positions in the financial, legal, strategic, communications, and human resources departments in a number of Group companies.

[1] The basis of the calculation is the number of employees (headcount).

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 2022/23 annual financial statements. The review did not bring to light any facts and circumstances that would cause us to assume that the company's Consolidated Corporate Governance Report 2022/23 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 that, in the business year 2022/23, voestalpine AG complied with Rules 77 through 83 of the Code to the extent that they are C-Rules.

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

Linz, Austria, May 26, 2023

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 units, voestalpine is a global steel and technology group that combines materials and processing expertise, focuses on product and system solutions in technology-intensive industries and niches using steel and other metals, and applies stringent quality standards. As a reliable partner, voestalpine takes ownership of the challenges facing its customers. Furthermore, it is fully aware of its responsibilities in its dealings not only with customers, suppliers, and other business partners but also, and in equal measure, with its employees and shareholders.

The voestalpine Code of Conduct encourages employees of the voestalpine Group to be conscious of their individual responsibilities when carrying out their business activities. It provides the basis for the morally, ethically, and legally sound conduct of all of the Group's employees.

Our employees are integral to the Group's success and are therefore key to both the trust placed in voestalpine and its reputation. This is precisely why it is important to establish unequivocal policies and principles on matters of ethics and morality in business. The Code of Conduct provides the relevant parameters to that end. By enabling each and every employee to put its principles into practice, it is also designed to form a central element of the Group's corporate culture. The Management Board is explicitly and emphatically committed to both this Code of Conduct and a zero-tolerance policy toward violations thereof.

COMPLIANCE MANAGEMENT SYSTEM

The Compliance management system encompasses risk analysis/prevention, identification, and reaction. 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 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. So far, web-based courses have been used to train some 14,800 Group employees in antitrust law and some 33,200 employees in matters relating to the Code of Conduct; a final test is carried out in all cases. Face-to-face training is tailored to target groups, and it is also generally carried out as part of executive training programs as well as specific training offered to non-executive employees in sales and procurement. 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 division-level 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. However, this web-based system also offers the option 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 information for the purpose of identifying Compliance risks within the Group early on and effectively. Initially, the areas in regard to which irregularities could be reported using this system were limited. As of the business year 2022/23, however, it has been possible to use this web-based whistleblower system to file reports concerning the following areas:

» Antitrust law, corruption, fraud, conflicts of interest, capital market compliance
» Discrimination, sexual harassment, mobbing, human rights
» Data privacy and protection
» Technical compliance with special reference to adhering to technical standards and certifications in production processes and IT security
» Environmental issues
» health & safety
» Violations in other areas

CONSOLIDATED MANAGEMENT REPORT 2022/23

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 2022/23 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 2022/23 that was prepared separately from the Consolidated Financial Statements pursuant to Section 267a (6) UGB. It, too, is available on voestalpine AG's website.

REPORT ON THE GROUP'S BUSINESS PERFORMANCE AND ECONOMIC SITUATION

Far-reaching geopolitical developments and distortions shaped the economic environment of the voestalpine Group in the business year 2022/23. In particular, Russia's invasion of Ukraine had an enormous impact on the global economy and the energy markets worldwide.

The sharp price increases in the energy and raw materials markets, along with the central banks' easy-money policies in recent years (especially during the COVID-19 pandemic), triggered stubbornly high inflation in both Europe and North America. The central banks in Europe and North America reacted late to the rising inflation, but all the more aggressively: Never before in recent decades have interest rate hikes been imposed in such short order.

Given the massive increases in interest rates, economists' forecasts regarding a recession in North America and Europe caused a dramatic dampening of sentiment in these regions during the second half of 2022/23.

Moreover, the start of the business year 2022/23 was still affected by the COVID-19 pandemic, although both Europe and the United States imposed few or merely moderate restrictions in response to new waves of infection. China, by contrast, stuck to its rigorous containment policy through most of the business year 2022/23 and did not announce a reversal of its zero-COVID approach until the end of the reporting period. This step triggered massive waves of infections, adversely affecting the country's economy yet further.

EUROPE

In the business year 2022/23, the impact of the Russian war of aggression against Ukraine was felt throughout Europe. Europe responded to Russia's aggression by imposing extensive trade restrictions on the Russian economy. The Ukraine war also led to massive increases in the prices of both raw materials and energy. In turn, this caused great uncertainty with regard to economic developments going forward, as the consequences for the European economy were difficult to predict, particularly in the first few months.

The price increases in the energy markets were one of the main reasons for the substantial increase in inflation at the start of the reporting period. Additional factors included the massive fiscal support packages that European states enacted during the COVID-19 pandemic, as well as the EU's longstanding low-interest regime. While the European Central Bank (ECB) initially considered the inflationary pressures to be "temporary," it changed its assessment as time wore on and began to raise interest rates in rapid steps. The initially limited success of these measures aimed at controlling inflation and the unambiguous communications policy of the ECB significantly depressed economic sentiment in the Northern fall of calendar year 2022. According to forecasts, the dramatic economic contraction would be followed by a recession in calendar year 2023. Moreover, the bankruptcy of U.S. banks triggered a massive loss of confidence in Swiss banking giant Credit Suisse, which had to be saved from bankruptcy at short notice by UBS's acquisition.

Developments in the real economy were relatively stable until the end of the business year despite the unfavorable economic forecasts in the third business quarter.

While demand for voestalpine's products followed a pleasing trajectory on the whole amid this volatile and difficult environment overall, the strong momentum at the start of the business year 2022/23 declined somewhat as time wore on—especially in the consumer goods and construction industries. The automotive industry remained stable despite ongoing difficulties in the global supply chains. The railway infrastructure segment performed very well throughout the business year. Demand in the energy sector for both fossil fuels and solar products was excellent.

NORTH AMERICA/USA

As in Europe, the waves of COVID-19 infections in North America early in the business year 2022/23 were managed without significant restrictions on the economy. The complete opening of all areas of social life stimulated the economy. Yet high demand and close to full employment triggered a rapid rise in inflation. The U.S. Federal Reserve (Fed) reacted more quickly than its European counterpart and raised the prime rate to tamp down inflation. In turn, however, this slowed the economic momentum and soon dampened economic sentiment. As in Europe, there were fears that the U.S. economy would slip into a recession. In addition, the historic speed and extent of the interest rate hikes increasingly weighed on the capital markets, actually leading to collateral damage in the business year's last quarter, as feared: California-based Silicon Valley Bank (SVB) was no longer able to absorb the large losses in the value of its bond portfolio and slid into bankruptcy. In order to prevent domino effects in the banking system and a bank run, the U.S. administration had to significantly raise the federal deposit insurance limit over and above the regulatory level. Yet two smaller regional banks also slid into bankruptcy despite these immediate responses.

At the close of the business year 2022/23, the banking crisis and the dilemma in which the Fed found itself shaped sentiment in the United States. Further interest rate hikes aimed at tamping down inflation run the risk of significantly damaging the economy.

The voestalpine Group's North America business developed along an encouraging trajectory in this environment nonetheless. Demand in the railway infrastructure segment and storage technology was highly satisfactory for long periods. The energy segment for its part saw a veritable boom. Not until the end of the reporting period did a certain amount of restraint make itself noticed in a few market segments owing to the developments in the banking sector.

BRAZIL/SOUTH AMERICA

In contrast to Europe and North America, the economic environment in Brazil has had to contend with high inflation and high interest rates for quite some time. Yet the country's economy developed along a clearly positive trajectory in the business year 2022/23. Both the domestic economy and exports were strong. Generous support packages and grants were distributed in the run-up to the presidential elections in October of calendar year 2022, stimulating local demand particularly in the first six months of the business year. While the change in government gave rise to some uncertainty, so far it has not brought about a significant economic downturn.

All of the voestalpine Group's Brazilian facilities performed well in this environment owing to the boom in Brazil's solar industry and high international demand for products used in the oil and natural gas industry.

CHINA/ASIA

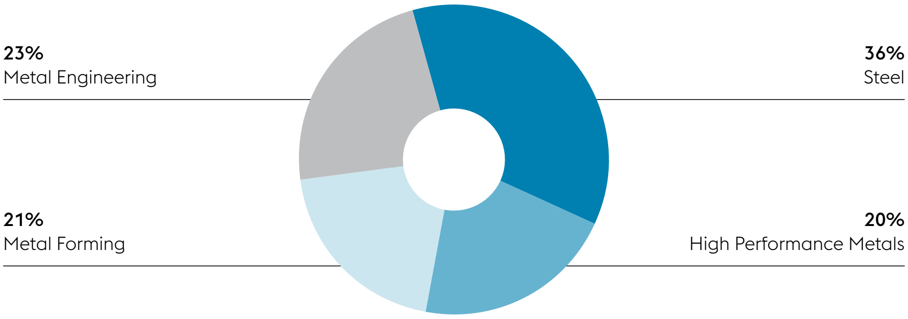
Economic developments in China during the first three quarters of the business year 2022/23 were adversely affected by the country's strict zero COVID policy. Economic activity ground to a complete halt in some of the country's regions. This triggered significantly slower growth in China itself and global supply chain disruptions that gave rise to enormous challenges in Europe and North America in particular. Ongoing problems in the real estate sector further dampened China's economy.

The country's central government did not implement a 180-degree reversal—entailing the immediate abandonment of all COVID-19 pandemic control measures—until toward the end of the third business quarter. The sudden opening of social life in the last quarter of 2022/23 triggered a massive wave of COVID-19 infections, piling yet more pressure on the economy. The economy therefore did not begin to gather momentum until after the Chinese New Year celebrations in late January/early February of calendar year 2023.

These developments affected the voestalpine Group's Chinese facilities in varying intensity. For example, the production of automotive components continued largely undisturbed at a solid level throughout the reporting period. Projects in the rail technology sector, however, were interrupted from time to time, and the tool steel segment was repeatedly impaired by lockdowns. Demand began to rebound in all key market segments toward the end of the business year 2022/23.

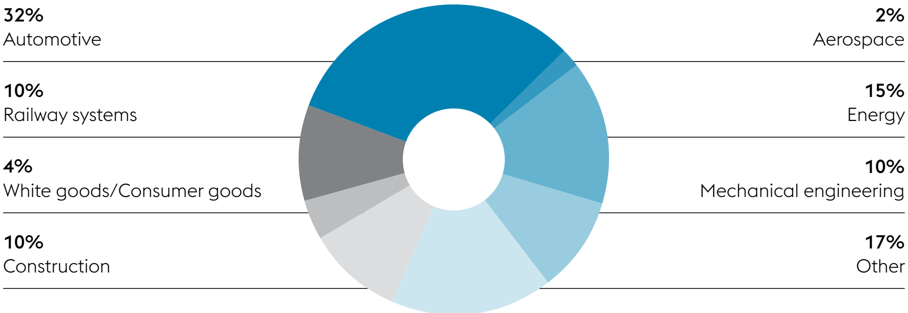
REVENUE BY DIVISIONS

As percentage of total divisional revenue, business year 2022/23



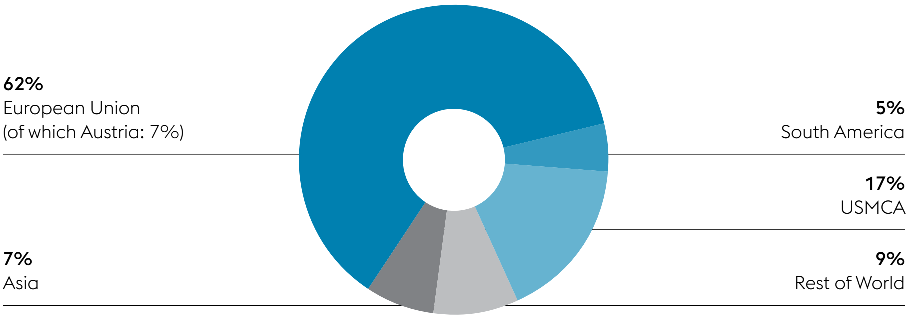
REVENUE BY INDUSTRIES

As percentage of Group revenue, business year 2022/23



REVENUE BY REGIONS

As percentage of Group revenue, business year 2022/23



REPORT ON THE FINANCIAL KEY PERFORMANCE INDICATORS OF THE voestalpine GROUP

REVENUE

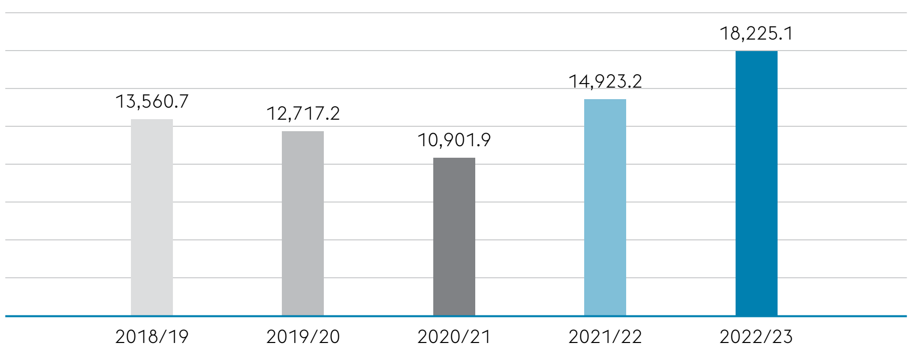
All-time highs characterized the performance of the voestalpine Group in the business year 2022/23 with respect to both revenue and numerous earnings categories. At EUR 18,225.1 million, revenue for the reporting period topped the previous business year's revenue jump (EUR 14,923.2 million) by another 22.1%. Considered individually, all four divisions posted all-time revenue highs due to historically high product prices following the exorbitant increases in the cost of raw materials and energy. The Ukraine war, in particular, triggered a price shock in the raw materials and types of energy critical to steelmaking. Delivery volumes, by contrast, developed just moderately. As a result, both the Steel Division and the High Performance Metals Division posted slightly lower delivery volumes year over year, whereas the Metal Engineering Division increased its sales marginally during the business year ended. As far as markets are concerned, the energy sector's contribution to revenue growth was disproportionately high. Revenue developed along a stable trajectory throughout the reporting period—with the exception of the weakening in the third business quarter for both seasonal and macroeconomic reasons.

OPERATING INCOME

In terms of its operating income (EBITDA) for the business year 2022/23, the voestalpine Group also surpassed its excellent performance in the business year 2021/22. Overall, EBITDA climbed 11.1% to EUR 2,544.6 million with a margin of 14.0% (2021/22: EUR 2,291.3 million, margin of 15.4%). Dynamic pricing across all product categories more than offset some of the significant increases in the cost of raw materials and energy. The positive EBITDA performance of the Metal Engineering Division, which benefited from favorable conditions in the oil and natural gas sector, was particularly pronounced. But the High Performance Metals Division also posted a sharp increase in EBITDA for the business year ended. This jump includes EUR 133 million in positive non-recurring effects from the sale of a property belonging to High Performance Metals Germany in Düsseldorf, Germany. In the business year 2022/23, both the Steel Division and the Metal Forming Division came close to repeating the all-time highs they reported in the business year 2021/22.

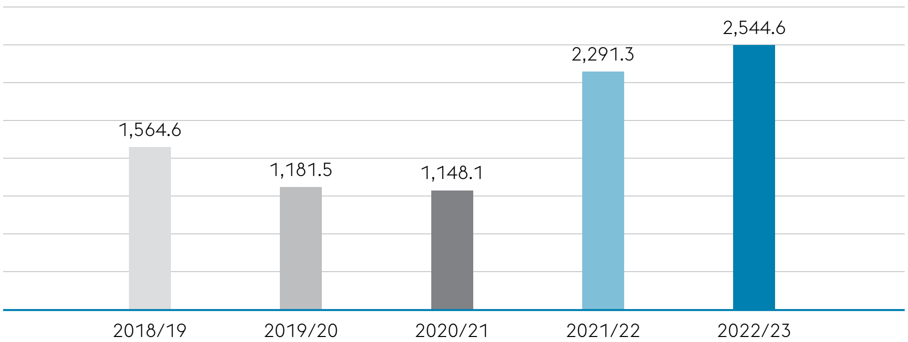
REVENUE OF THE voestalpine GROUP

In millions of euros



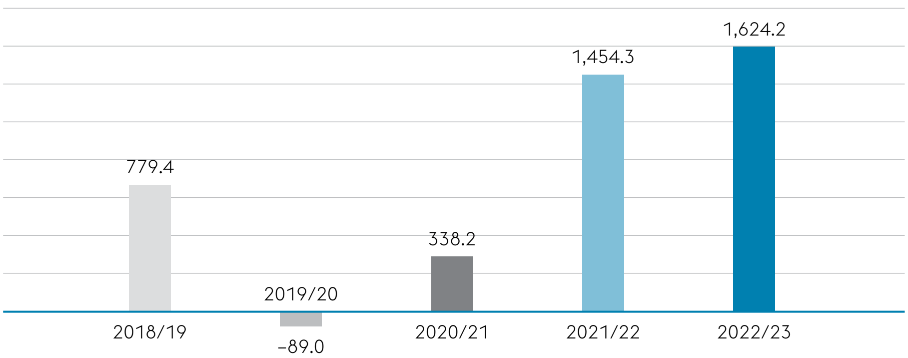
EBITDA

In millions of euros



EBIT

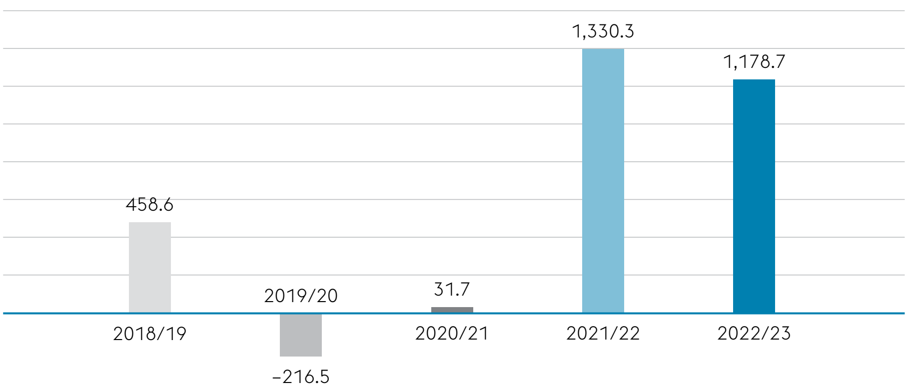
In millions of euros



PROFIT AFTER TAX

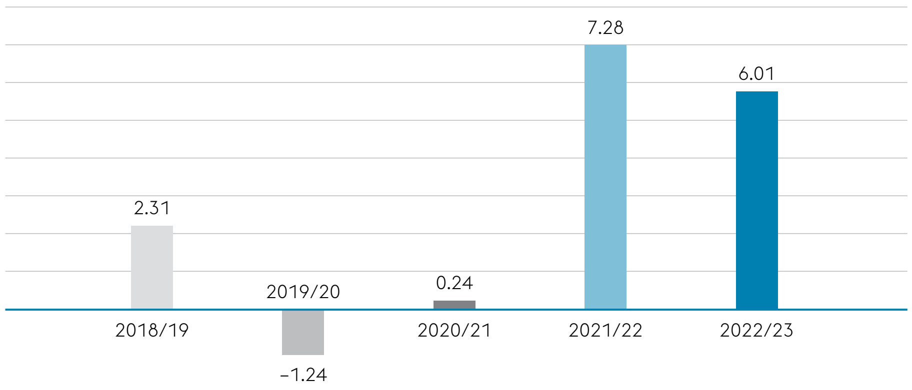
In millions of euros

Before deduction of non-controlling interests.



EPS – EARNINGS PER SHARE

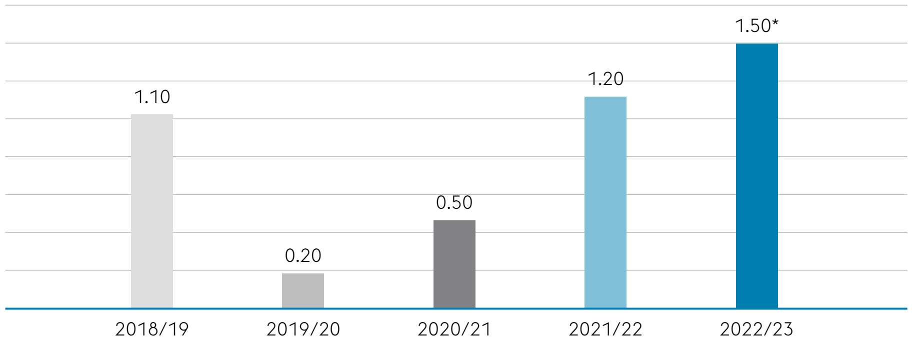
In euros



DIVIDEND PER SHARE

In euros

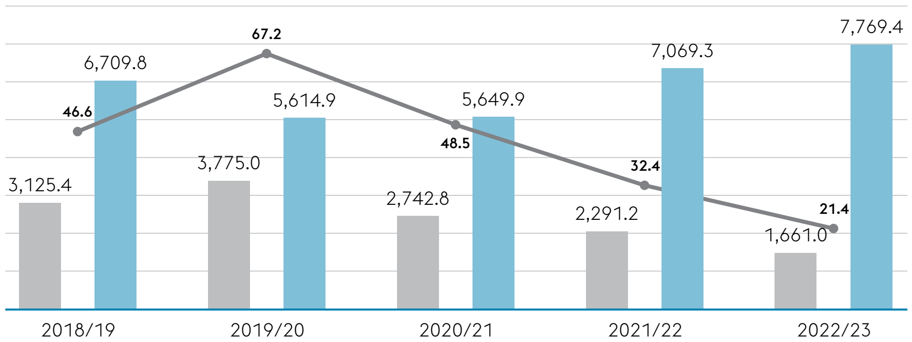
* As proposed to the Annual General Meeting.



NET FINANCIAL DEBT – EQUITY – GEARING RATIO

In millions of euros

Net financial debt Equity Gearing (in %)



It is worth noting the following with respect to the sale of 80% of the voestalpine Group's equity interest in voestalpine Texas to ArcelorMittal (which closed at the end of June 2022): The direct reduction plant in Texas, USA, was fully consolidated in the business year 2021/22 as well as in the first quarter of the business year 2022/23 and shown in the item, "Income from discontinued operations." As of the second quarter of 2022/23, earnings from voestalpine's 20% stake in the ArcelorMittal Texas HBI Group were shown in the item, "Income from entities consolidated at equity." A total of EUR 32 million in impairment losses was taken in the reporting period's fourth quarter on the 20% equity interest in the ArcelorMittal Texas HBI Group. At EUR 1,624.2 million with a margin of 8.9%, the voestalpine Group's profit from operations (EBIT) for the business year 2022/23 was 11.7% higher year over year (2021/22: EUR 1,454.3 million, margin of 9.7%). Negative non-recurring effects impacted EBIT for both the business year 2021/22 and the business year 2022/23. While EBIT for the business year 2021/22 was negatively affected mainly by impairment losses of EUR 15 million at Buderus Edelstahl (Wetzlar, Germany) and of EUR 64 million at voestalpine Automotive Components Cartersville (Georgia, USA), the total of EUR 79 million was partly offset by EUR 12 million in reversals of impairment losses. A total of EUR 173 million in impairment losses for the business year 2022/23 had a negative impact on the High Performance Metals Division. Specifically, EUR 54 million in impairment losses were taken on the assets of Buderus Edelstahl ohne Schmiede (a cash generating unit (CGU) in Wetzlar, Germany) and EUR 119 million on the goodwill of HPM Production (another CGU).

PROFIT BEFORE AND AFTER TAX

The finance costs of the voestalpine Group rose substantially in the business year 2022/23 owing to the interest rate increases in recent business quarters. This is reflected in the net financial result (financial expenses less financial income) of EUR –133.4 million in the reporting period compared with EUR –71.8 million a year earlier. This yields a profit before tax of EUR 1,490.8 million for the business year 2022/23, up from EUR 1,382.5 million for the business year 2021/22. Given a tax rate of 27.2% (2021/22: 22.4%), the profit after tax for 2022/23 from continued operations is EUR 1,085.3 million, up slightly by 1.2% year over year from EUR 1,072.4 million. Figures for the voestalpine Texas Group were shown in the profit after tax from discontinued operations up to the closing of the transaction at the end of June 2022. The profit after tax of EUR 257.9 million from discontinued operations for the business year 2021/22 included EUR 256.6 million in reversals of impairment losses on the higher fair value in connection with the sale of the 80% equity stake. The profit after tax from discontinued operations for the business year 2022/23 is EUR 93.4 million. As a result, the profit after tax of EUR 1,178.7 million for the reporting period is 11.4% lower year over year (2021/22: EUR 1,330.3 million).

PROPOSED DIVIDEND

For the business year 2022/23, a dividend of EUR 1.50 per share will be paid to the company's shareholders subject to approval by the Annual General Meeting of voestalpine AG on July 5, 2023 (2021/22: EUR 1.20). Hence the dividend is being raised by another 25% following an already significant increase a year earlier. Relative to the 2022/23 earnings per share of EUR 6.01 reported in accordance with IFRS (2021/22: EUR 7.28), the current proposal equates to a distribution ratio of 25.0% (2021/22: 16.5%). Relative to voestalpine's average share price of EUR 25.09 in the reporting period, the dividend yield is 6.0%. This means that the current dividend yield not only substantially exceeds the previous year's value (3.6%), but also the long-term average.

CASH FLOWS

The cash flows from operating activities fell in the business year 2022/23 by 23.1% to EUR 956.2 million (2021/22: EUR 1,242.9 million) due chiefly to the accelerated build-up of net working capital. While the change in working capital in the business year 2021/22 was EUR –599.4 million, the figure for the business year 2022/23 is EUR –1,014.0 million. The dramatic increase in net working capital is largely rooted in the significant expansion of inventories. Over and above the steep increases in the cost of raw materials, energy, and other input materials, this increase was also driven by the first-ever stockpile of natural gas. Although investments during the reporting period were a bit higher yet again, at EUR –47.1 million, the cash flow from investing activities was marginally negative (2021/22: EUR –629.8 million) due to the proceeds in the business year 2022/23 from the sale of 80% of voestalpine's stake in voestalpine Texas to ArcelorMittal and the sale of real property in Düsseldorf, Germany (High Performance Metals Division). In the business year 2022/23, the cash flow from financing activities in the amount of EUR –685.9 million (2021/22: EUR –948.3 million) stems mostly from dividend payments, the buyback of treasury shares as well as the extinguishment of non-current financial liabilities without actually taking on new non-current borrowings. For the reporting period, this translates into an increase in cash and cash equivalents by EUR 223.2 million (2021/22: reduction by EUR 335.2 million). Including the change from currency translation, as of the reporting date (March 31, 2023), cash and cash equivalents stood at EUR 1,055.8 million (March 31, 2022: EUR 842.8 million).

GEARING RATIO

Continuing the process it initiated a few years ago, the voestalpine Group accelerated payments on its liabilities during the reporting period as well. At EUR 1,661.0 million as of March 31, 2023 (EUR 2,291.2 million as of March 31, 2022), net financial debt was the lowest since the business year 2006/07. Over and above the Group's excellent earnings performance, this outcome is also due to the proceeds from the sale of the 80% stake in the Texas-based direct reduction plant and from the sale of real property in Düsseldorf by the High Performance Metals Division. The voestalpine Group thus succeeded in lowering its net financial debt by more than half within a mere three years. This consolidation provides a comfortable starting point for the Group's planned cutting-edge investments over the next few years, especially with respect to the decarbonization of its steel production. Compared with the March 31, 2022, reporting date (EUR 7,069.3 million), voestalpine substantially boosted its equity by 9.9% as of March 31, 2023, to EUR 7,769.4 million. Year over year, therefore, the gearing ratio (net financial debt as a percentage of equity) fell significantly from 32.4% as of March 31, 2022, to 21.4% as of March 31, 2023.

HUMAN RESOURCES

At 51,202 employees (full-time equivalent, FTE), as of March 31, 2023, the workforce of the voestalpine Group is 1.9% higher year over year (March 31, 2022: 50,225). For one, the increase is due to the greater number of employees in the High Performance Metals Division thanks to the ongoing rebound in two of its customer segments (oil and natural gas as well as aerospace) and, for another, due to the acquisition of Plastwil Sp. z o.o. in the Metal Engineering Division. As a result, the total number of the voestalpine Group's employees as of March 31, 2023, is now only slightly lower than it was prior to the outbreak of the COVID-19 pandemic.

Net financial debt can be broken down as follows:

NET FINANCIAL DEBT

In millions of euros	03/31/2022	03/31/2023
Financial liabilities, non-current	2,646.2	2,242.2
Financial liabilities, current	623.9	836.6
Cash and cash equivalents	–842.8	–1,055.8
Other financial assets	–145.6	–341.3
Loans and other receivables from financing	–21.0	–20.7
Net financial debt from discontinued operations	30.5	0.0
Net financial debt	**2,291.2**	**1,661.0**

QUARTERLY DEVELOPMENT OF THE voestalpine GROUP

In millions of euros					BY		
	1st quarter 2022/23	2nd quarter 2022/23	3rd quarter 2022/23	4th quarter 2022/23	2022/23	2021/22	Change in %
Revenue	4,645.4	4,649.8	4,290.0	4,639.9	18,225.1	14,923.2	22.1
EBITDA	879.1	566.6	433.3	665.6	2,544.6	2,291.3	11.1
EBITDA margin	18.9%	12.2%	10.1%	14.3%	14.0%	15.4%	
EBIT	692.7	205.4	241.9	484.2	1,624.2	1,454.3	11.7
EBIT margin	14.9%	4.4%	5.6%	10.4%	8.9%	9.7%	
Profit before tax	670.3	176.0	206.3	438.2	1,490.8	1,382.5	7.8
Profit after tax[1]	614.5	100.6	149.1	314.5	1,178.7	1,330.3	–11.4
Employees (full-time equivalent)	49,900	50,374	50,018	51,202	51,202	50,225	1.9

[1] Before deduction of non-controlling interests.

STEEL DIVISION

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

For the Steel Division, the business year 2022/23 was shaped largely by the Ukraine war and the resulting distortions in the European steel market. The loss of steel imports from both Russia and Ukraine led to an imbalance of supply and demand at the start of the reporting period, resulting in erratic price increases in the European steel market. Following these highly volatile developments in the first business quarter, the market rebalanced in subsequent quarters, in turn causing European steel prices to fall.

The prices of key raw materials used in steelmaking, such as iron ore and coal, shot up in the wake of the Ukraine war but then declined again as the business year wore on.

Given Europe's dependence on Russian energy supplies—oil and coal as well as natural gas—energy prices had already risen substantially at the outbreak of the Ukraine war. By the time of the sabotage of the Nord Stream pipelines in the Northern fall of calendar year 2022, Europe's energy prices were increasing precipitously. Although market conditions eased and prices fell over time, the cost of energy did not return to the level prevailing prior to the outbreak of the war.

The Steel Division saw unusually strong demand in the first quarter of the business year 2022/23 amid this extremely volatile environment, influenced by tight supplies and dynamic developments in both prices and costs. Demand returned to normal over the Northern summer of 2022 once the European steel market had regained its equilibrium. Recession forecasts for Europe affected developments in the third quarter of the reporting period, leading to a significant cooling of demand, which was dampened yet further by strong inventory reduction effects. Some of the division's competitors had to remove capacities from the market during this time. While the Steel Division also had to contend with reduced capacity utilization, it nevertheless managed to keep all of its key facilities online.

Demand rebounded sharply in the fourth business quarter. A recession did not materialize as forecast by the end of the reporting period either, which in turn improved overall sentiment in the European steel market.

The Steel Division's individual market segments developed as follows in the business year 2022/23:

In the European **automotive industry,** ongoing supply chain problems adversely affected automotive production throughout most of the reporting period. Under the circumstances, this sector was unable to process its high order levels. Nevertheless, orders from the Steel Division's automotive market segment were good throughout the business year 2022/23 thanks to the division's broad customer base and its proactive working of the market.

Supply chain issues rapidly improved toward the end of the reporting period, substantially contributing to volume growth in the division during the last business quarter.

Growth in e-mobility provided a highly positive environment for the **electrical industry segment** too. Toward the end of the business year 2022/23, however, industrial engine and compressor manufacturers were confronted with a significantly weakening economic environment, whereas demand for electrical steel strip used in electric drivetrains remained high for strategic reasons.

Demand from the **consumer goods and white goods industries** in the reporting period was subdued following the preceding boom during the COVID-19 lockdowns. Rising interest rates and recession fears had an additional dampening effect over the course of the business year 2022/23.

The **mechanical engineering sector** benefited from high order levels that ensured high capacity utilization over long periods of time. The slowing momentum in individual segments did not make itself felt until the end of the reporting period.

Demand in the **construction industry** was good throughout the first half of the business year just ended but slumped to some extent as the year wore on.

Against the backdrop of high energy prices worldwide, the **energy sector**—the main market of the heavy plate business unit—profited from very good demand throughout the business year.

FINANCIAL KEY PERFORMANCE INDICATORS

In the business year 2022/23, in terms of revenue the Steel Division surpassed the all-time high it achieved in the previous business year by an even more pronounced margin. The 16.6% increase in revenue to EUR 6,650.3 million (2021/22: EUR 5,701.8 million) reflects all-time high product prices in an environment characterized by exorbitant increases in the cost of raw materials and energy. Sales volumes, by contrast, fell slightly short of the levels achieved a business year earlier. Both the weakening economic momentum and inventory reductions in the market prevented the Steel Division from achieving full capacity utilization, particularly in the third business quarter. On the earnings side, however, the division almost matched the all-time highs it posted in the business year 2021/22. The operating result (EBITDA) for the business year 2022/23 is EUR 1,120.4 million (margin of 16.8%) and thus just 2.7% less than the previous business year's EBITDA of EUR 1,150.9 million (margin of 20.2%). The division prepared the ground for its excellent performance especially in the reporting period's first half. It is worth pointing out that 80% of voestalpine's equity interest in voestalpine Texas was sold to

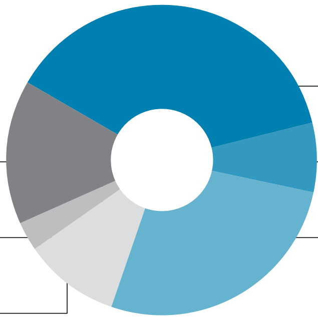
ArcelorMittal in the business year ended, with the deal being closed at the end of June 2022. The fully consolidated, Texas-based direct reduction plant was shown in the item, “Income from discontinued operations,” both during the previous business year and in the first quarter of the business year 2022/23. Starting in the second quarter of 2022/23, the earnings of voestalpine’s 20% stake in the ArcelorMittal Texas HBI Group were shown in the item, “Income from entities consolidated at equity.” A total of EUR 32 million in impairment losses were taken on the 20% stake in the ArcelorMittal Texas HBI Group in the fourth quarter of 2022/23. At EUR 862.5 million (margin of 13.0%), the profit from operations (EBIT) for the reporting period missed the previous business year’s result of EUR 889.1 million (margin of 15.6%) by a mere 3.0%.

The quarter-on-quarter (QoQ) comparison of the third and fourth quarters of the business year 2022/23 shows substantial improvements in the Steel Division’s financial key performance indicators (KPIs). Revenue for Q4 2022/23 shot up by 13.7% to EUR 1,709.1 million (Q3 2022/23: EUR 1,503.7 million). This was due primarily to the strong rebound in delivery volumes following very moderate demand in the third quarter. Starting from a very high level and subject to a time lag relative to developments in the spot markets, the contract prices for the Steel Division weakened somewhat. The fact that the division’s earnings performance in the fourth quarter followed a clearly positive trend nonetheless stems from satisfactory delivery volumes as well as slightly easing raw material and energy costs. As noted above in the year-over-year comparison, EUR 32 million in impairment losses on voestalpine’s 20% equity stake in the ArcelorMittal Texas HBI Group adversely affected EBITDA in the reporting period’s fourth quarter. Nonetheless, the division’s EBITDA soared 30.8% to EUR 183.7 million in the fourth quarter of 2022/23, up from EUR 140.4 million in the third, raising the EBITDA margin from 9.3% to 10.7%. EBIT even skyrocketed by 56.6% to EUR 119.8 million with a margin of 7.0% (Q3 2022/23: EUR 76.5 million, margin of 5.1%).

Following the slight increase in the number of the Steel Division’s employees (FTE) in the business year 2021/22 due to the improvement in the economic environment, as of March 31, 2023, the number of employees declined again somewhat by 0.6% to 10,636 (March 31, 2022: 10,703).

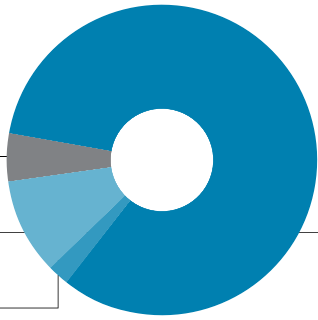
CUSTOMERS OF THE STEEL DIVISION

As percentage of divisional revenue, business year 2022/23



MARKETS OF THE STEEL DIVISION

As percentage of divisional revenue, business year 2022/23



QUARTERLY DEVELOPMENT OF THE STEEL DIVISION

In millions of euros	1st quarter 2022/23	2nd quarter 2022/23	3rd quarter 2022/23	4th quarter 2022/23	BY 2022/23	BY 2021/22	Change in %
Revenue	1,826.2	1,611.3	1,503.7	1,709.1	6,650.3	5,701.8	16.6
EBITDA	526.8	269.5	140.4	183.7	1,120.4	1,150.9	–2.7
EBITDA margin	28.8%	16.7%	9.3%	10.7%	16.8%	20.2%	
EBIT	461.8	204.4	76.5	119.8	862.5	889.1	–3.0
EBIT margin	25.3%	12.7%	5.1%	7.0%	13.0%	15.6%	
Employees (full-time equivalent)	10,366	10,446	10,401	10,636	10,636	10,703	–0.6

HIGH PERFORMANCE METALS DIVISION

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The High Performance Metals Division specializes in the production and processing of high performance materials, customer-specific services such as heat and surface treatments, and additive manufacturing processes. While the division benefited from a very robust economic environment at the start of the business year 2022/23, the momentum gradually weakened in individual customer segments as the year wore on. The tool steel product segment was affected the most by this development due to declining demand in the automotive and consumer goods industries. By contrast, the special materials product segment was boosted by the upward trend in the aerospace industry and in the oil and natural gas sector, which solidified over the course of the reporting period. However, the business year just ended was also shaped by a highly volatile environment with regard to raw material and energy prices. The outbreak of the Ukraine war brought about massive increases not only in the prices of electricity and natural gas, but also in the price of numerous alloys such as nickel. In keeping with common practice, rising alloy costs are passed on to customers based on the rationale that the input materials have become more expensive. The substantial energy price increases in Europe were also largely passed on to customers. However, this was only possible to a very limited extent in connection with exports to overseas markets, where competitors were not exposed to similar hikes in the cost of natural gas and electricity.

TOOL STEEL

Orders from the European automotive industry at the start of the business year 2022/23 were good despite automakers' fairly low production rates. The development of electric vehicles (EVs) in addition to passenger cars with traditional drivetrains boosted demand for machine tools. Yet demand for tool steel dropped a bit in the second half of the reporting period, especially in Germany and France. In North and South America, orders from the automotive industry followed a largely stable trajectory throughout the business year.

In Asia, the consumer goods industry is the main driver of demand for tool steel. In China, market developments were governed by the measures taken to control the COVID-19 pandemic. While comprehensive lockdowns initially slowed the momentum, the sudden reversal of China's COVID policies toward the end of calendar year 2022 had an adverse impact on both consumption and industrial production due to massive waves of illness. As a result, the country's economy did not even begin to recover until late in the reporting period.

SPECIAL MATERIALS

The previous year's upward demand trend in the special materials product segment continued unabated in the business year 2022/23. The ongoing increase in passenger volumes worldwide gave fresh momentum to the aerospace industry, which is an important customer of the segment. In North America, passenger air travel was already approaching the level prevailing prior to the outbreak of COVID-19. The steps China took to open its economy after the COVID-19 lockdowns also helped to support air travel in the fourth quarter of the business year just ended. Rising passenger numbers in regional air traffic and replacement investments in more efficient types of aircraft drove the build rates of short- and medium-haul planes. Toward the end of calendar year 2022, there was also a noticeable increase in demand for larger, wide-bodied aircraft, yet disruptions in global supply chains had a somewhat dampening effect on aircraft manufacturers' production.

The momentum in the oil and natural gas sector continued unabated in the reporting period. The need to accelerate exploration activity in oil and natural gas fields against the backdrop of high energy prices triggered brisk demand for corrosion-resistant special materials. There was little sign of a resurgence in the wind energy segment, however, as lengthy approval procedures and rising construction costs have delayed or adversely affected project implementation.

Considered regionally, demand in Europe for special materials used in the aerospace industry and the oil and natural gas sector is very encouraging. Order levels for these sectors in North America were also satisfactory. Expanding orders from the oil and natural gas industry benefited the High Performance Metals Division in South America, too.

HIGH PERFORMANCE METALS PRODUCTION

Capacity utilization at the division's key production plants during the business year 2022/23 was satisfactory. The manufacturing facility in Wetzlar, Germany, was the only one that had to contend with critically low capacity utilization rates. Here, production cutbacks were necessary because the exorbitant increases in the costs of electricity and natural gas could only be passed on to customers to a limited extent. In addition, restructuring measures were launched in the second half of the business year with the aim of boosting efficiency in the long term. Aside from the production plant in Wetzlar, the special steel plant in Kapfenberg, Austria, was also adversely affected by sharp fluctuations in energy prices. Thanks to a product portfolio that strongly differentiates itself from the competition, however, the division succeeded in limiting the negative impact of these developments on earnings. Moreover, the first smelting tests were carried out at the new Kapfenberg special steel plant during the fourth quarter of the business year just ended, while the steel plants in Sweden and Brazil benefited from substantially lower adverse effects in terms of energy costs.

VALUE ADDED SERVICES

The Value Added Services business segment cultivates a global sales and services network. It provides customers with high-quality tool steel grades and also offers services such as mechanical processing, heat treatment, and surface coating. In Europe, demand for tool steel and related services was satisfactory during the business year

2022/23. In North America, this business segment benefited from the improvement in the general economic climate as well as from changes in foreign exchange rates. The facilities in China, by contrast, had to contend with negative effects owing to state-imposed COVID-19 control measures. In all of its key regions, the High Performance Metals Division defined growth projects during the reporting period to consolidate its leading market position.

FINANCIAL KEY PERFORMANCE INDICATORS

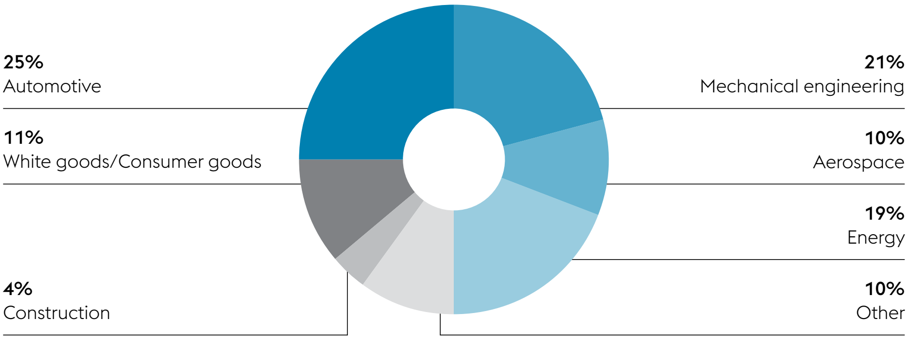
The marked increase in the revenue of the High Performance Metals Division during the business year 2022/23 reflects the exorbitant increases in the cost of raw materials and energy that the division translated into substantially higher sales prices. Strong competitive differentiation at the product level supported this development. In turn, this enabled the division not only to offset the sharp increase in the cost of alloys, but also to implement fair market prices for its products more or less across the board in the face of significant energy price increases, among others. But the revenue increase also stems from an improved product mix resulting from the accelerating momentum in both the aerospace industry and the energy sector. Delivery volumes, by contrast, declined slightly year over year. On the whole, the High Performance Metals Division boosted revenue in the business year 2022/23 by 24.2% to EUR 3,789.6 million (2021/22: EUR 3,052.2 million). It also delivered solid EBITDA, which jumped by 40.6% to EUR 561.5 million with a margin of 14.8% (2021/22: EUR 399.4 million, margin of 13.1%). This includes positive non-recurring effects of EUR 133 million from the sale of real property belonging to voestalpine High Performance Metals Deutschland in Düsseldorf, Germany. An advantageous product mix further fueled the division's positive EBITDA performance. By contrast, EUR 173 million in negative non-recurring effects weighed on the division's EBIT. This includes impairment losses of EUR 54 million on the assets of Buderus Edelstahl (Wetzlar, Germany), for one, and impairment losses of EUR 119 million on the goodwill of HPM Production, a cash generating unit (CGU), for another. EBIT for the previous business year, by contrast, included only EUR 15 million in impairment losses. As a result, EBIT for the business year 2022/23 rose but slightly year over year by 5.4% to EUR 239.2 million (2021/22: EUR 226.9 million). The EBIT margin declined in the same period from 7.4% to 6.3%.

A quarter-on-quarter (QoQ) comparison of the High Performance Metals Division's performance in the business year's second half also reveals the substantial improvement in its financial key performance indicators (KPIs). Revenue climbed 11.2% to EUR 1,005.8 million in the fourth quarter of 2022/23, up from EUR 904.2 million in the third. While prices gave way somewhat quarter to quarter due to the decline in the cost of raw materials and energy, the division succeeded in substantially expanding its delivery volumes. Its EBITDA skyrocketed by 206.1% to EUR 237.2 million in the fourth quarter, up from EUR 77.5 million in the third, with the margin soaring from 8.6% to 23.6%. This includes the positive non-recurring effects of EUR 133 million mentioned earlier in the year-over-year comparison. EBIT for the fourth quarter of 2022/23 multiplied many times over to EUR 203.4 million with a margin of 20.2% (Q3 2022/23: EUR 39.3 million, margin of 4.3%).

As of March 31, 2023, the number of employees (FTE) in the High Performance Metals Division rose 2.7% to 13,654 (2021/22 reporting date: 13,291) thanks to improved economic conditions in the aerospace industry as well as in the oil and natural gas sector.

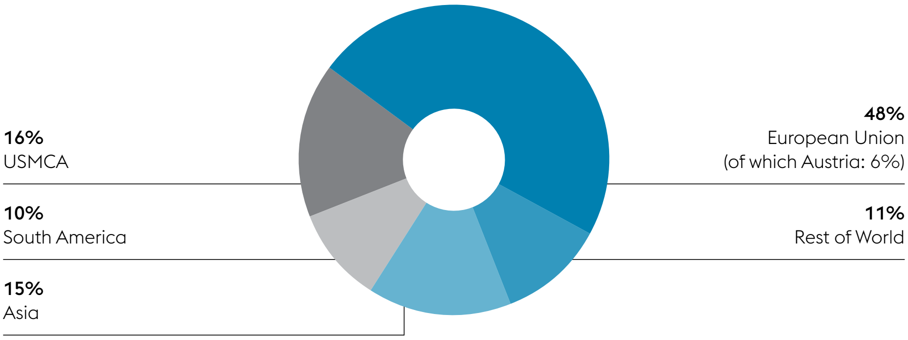
CUSTOMERS OF THE HIGH PERFORMANCE METALS DIVISION

As percentage of divisional revenue, business year 2022/23



MARKETS OF THE HIGH PERFORMANCE METALS DIVISION

As percentage of divisional revenue, business year 2022/23



QUARTERLY DEVELOPMENT OF THE HIGH PERFORMANCE METALS DIVISION

In millions of euros					BY		
	1st quarter 2022/23	2nd quarter 2022/23	3rd quarter 2022/23	4th quarter 2022/23	2022/23	2021/22	Change in %
Revenue	958.8	920.8	904.2	1,005.8	3,789.6	3,052.2	24.2
EBITDA	146.0	100.8	77.5	237.2	561.5	399.4	40.6
EBITDA margin	15.2%	10.9%	8.6%	23.6%	14.8%	13.1%	
EBIT	107.7	–111.2	39.3	203.4	239.2	226.9	5.4
EBIT margin	11.2%	–12.1%	4.3%	20.2%	6.3%	7.4%	
Employees (full-time equivalent)	13,344	13,479	13,390	13,654	13,654	13,291	2.7

METAL ENGINEERING DIVISION

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

Thanks to its best performance ever since it was founded, the Metal Engineering Division delivered yet another significant growth spurt in the business year 2022/23, following on from the success of the previous year, which had already seen a return to the level prevailing before the outbreak of the COVID-19 pandemic. The customarily solid market environment for the Railway Systems business segment contributed to this result. Yet it was the Industrial Systems business segment, which prospered due to excellent demand from the oil and natural gas industry, that drove the division's outstanding performance. The worldwide boom in the exploration of fossil fuels was driven not only by the backlog of investment projects resulting from the COVID-19 pandemic; the distortions resulting from the Ukraine war led to an overall realignment of international oil and natural gas deliveries also.

As the global leader in systems solutions for railway infrastructure, the **Railway Systems** business segment's highly satisfactory performance continued unabated in the business year 2022/23. Ongoing maintenance work on the railway infrastructure has been key to the segment's good capacity utilization. Moreover, demand has stabilized owing to the broad focus of Railway Systems—both as a global company specialized in rail technology and a one-stop-shop (OSS) provider of fully integrated rail technology infrastructure solutions—on all types of rail traffic, ranging from mixed, freight, and local mass transit systems all the way to high-speed rail lines. In the fourth quarter of 2022/23, Railway Systems also succeeded in securing its largest-ever individual contract to date: the new "High Speed 2" in Great Britain.

Orders from the European core markets (Germany, Austria, and Switzerland) in the rails product segment were good throughout the reporting period. In addition, the implementation of projects in Central and Eastern European countries further contributed to excellent capacity utilization at the rail factory in Donawitz, Austria. Deliveries to overseas regions such as Australia and Brazil were slightly weaker compared to the previous year. Despite robust demand overall, the sharp increases in energy costs started to become a challenge for longer-term project contracts. As the business year wore on, however, the segment became ever more successful in including higher electricity and natural gas costs in pricing agreements. Energy prices eased somewhat in the fourth quarter of the reporting period.

The turnout systems product segment specializes in the production of turnout system solutions for the most stringent requirements. This segment's own rail production makes customized quality grades and sections available as pre-materials. A worldwide network of local production capacities ensures optimal customer service. As far as demand is concerned, in the business year 2022/23 the turnout systems product segment benefited from strong momentum in Europe's

German-speaking region (Germany, Austria, Switzerland). Satisfactory volume effects ensured high capacity utilization at the segment's Central and Eastern European facilities. In North America, demand from the Class I segment of the largest freight railroads in the United States was largely stable, whereas demand in Mexico declined slightly. Mine operators' ongoing strong investment activity in Australia and Brazil had a positive impact on capacity utilization at the local production plants in these regions. Contract awards in India were also very strong. Conditions in China, however, were more complex. Project delays led to volatility in connection with the delivery of turnout systems for high-speed rail lines. As before, the political situation in South Africa was an impediment to more favorable developments in the railway infrastructure sector.

In addition to drive and locking systems for turnouts, the signaling technology product segment also supplies diagnostic and alarm systems for fixed assets and rolling stock. With low life cycle costs, these solutions provide high availability and reliability in rail services for travelers and freight forwarders. While the signaling product segment relied on solid demand in its European core markets during the business year 2022/23, its ability to continue expanding its business activities to export markets outside of Europe was more limited.

Strong momentum in the oil and natural gas industry accounted primarily for the excellent performance of the **Industrial Systems** business segment in the reporting period. The tubulars product segment (seamless tubes), in particular, benefited substantially from this development. It supplies high-grade seamless steel tubes as well as threaded connections chiefly to global oil and natural gas field equipment suppliers in connection with their exploration and production activities. Catch-up investments in the wake of the COVID-19 pandemic against the backdrop of high oil and natural gas prices, as well as supply side distortions in connection with the Ukraine war, led to extensive drilling activity. This is shown by the high rig counts. This indicator comprises all active drilling fields and thus serves as the main barometer of business activity in the oil and natural gas sector. In this market environment the tubulars segment substantially expanded its production and delivery volumes. In the United States (its most important sales market for seamless tubes), tubulars benefited moreover from the rollback of the protectionist tariffs. In January 2022, the general 25% duty on steel imports transitioned to a quota system.

The welding product segment, which provides welding solutions for high-end customer segments such as the oil and natural gas sector, the metal industry, and the automotive industry, also made the most of the strong momentum in the energy sector in the business year 2022/23. Both Europe and South America provided a friendly market environment, especially early in the reporting period. As time wore on, however, orders from these regions flattened out somewhat. While capacity relocation from one US plant to other production facilities led to one-time expenses, this will enable more efficient use of resources going forward. The welding product segment in South America and India benefited from strong momentum throughout the business year ended. In China, orders were subdued at the start of business year 2022/23 owing to the COVID-19 lockdowns but improved thereafter.

Orders in the wire technology product segment followed a downward trend over the course of the reporting period. As a flexible and innovative partner, wire technology provides a wide range of customized wire solutions particularly to the European automotive supplier industry. The segment's customers also include the construction and mechanical engineering industries, the oil and natural gas industry as well as the consumer goods industry. Automotive industry orders for wire products steadily weakened throughout the business year 2022/23 due to the continuing semiconductor supply chain difficulties affecting the original equipment manufacturers (OEMs), as well as inventory adjustments within the value chain. Bookings from the mechanical engineering and consumer goods industry also fell during the second half of the business year. Demand from the oil and natural gas sector, however, was very satisfactory.

FINANCIAL KEY PERFORMANCE INDICATORS

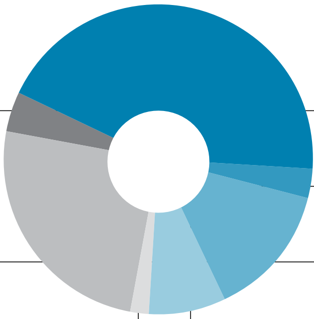
Following the substantial increase in its financial key performance indicators (KPIs) already achieved in the business year 2021/22, the Metal Engineering Division delivered even better revenue and earnings performance in the business year 2022/23. Some of the KPIs are all-time highs. Revenue rose substantially by 27.0% to EUR 4,289.2 million (2021/22: EUR 3,376.2 million). Although all of the division's product segments contributed to the revenue increase, the growth in the tubulars product segment stands out due to high demand from the oil and natural gas industry. The division's prices reached new highs across all product segments in response to the strong upward momentum in the cost of raw materials and energy. Deliveries of finished products also developed along a largely positive trajectory in the reporting period. Wire product deliveries, however, were the only ones to fall short of the previous business year's levels due to the ongoing supply bottlenecks in the automotive industry. A detailed analysis of the operating result (EBITDA) presents a complex picture. As usual, both the rail and the turnout systems product segments delivered solid performance. The wire technology product segment, for its part, had to contend with slight declines. The pleasing EBITDA performance of the tubulars product segment, by contrast, stands out: By raising its own prices higher than the increases in input costs, this manufacturer of seamless tubes expanded its operating result to a remarkable degree. The welding product segment also posted a year-over-year increase in the operating result. On the whole, the Metal Engineering Division's EBITDA for the business year 2022/23 soared 44.4% to EUR 585.9 million with a margin of 13.7% (2021/22: 405.8 million, margin of 12.0%). At an increase of 77.3% to EUR 404.0 million (margin of 9.4%) in the reporting period compared with EUR 227.9 million (margin of 6.8%) in the business year 2021/22, the division also performed very well in terms of its profit from operations (EBIT). Bucking the prevailing economic trend, the division continued to significantly boost the quality of its earnings even in the second half of the business year ended.

The quarter-on-quarter (QoQ) comparison of Q3 and Q4 2022/23 shows that the revenue of the Metal Engineering Division rose but slightly in the fourth quarter by 1.6% to EUR 1,094.0 million (Q3 2022/23: EUR 1,076.9 million). A heterogeneous development made itself felt within some of the product segments. Declining delivery volumes in the rails product segment from the third to the fourth quarter of the reporting period was offset by higher prices arising from catch-up effects. In the wire product segment, for its part, sales volumes rose in the fourth quarter concurrently with shrinking contract prices. Both the tubulars and the welding product segments posted slight QoQ increases in revenue. On the whole, the performance of the Metal Engineering Division in the fourth quarter of the business year 2022/23 continues a dynamic development. Following the jump in earnings in the third quarter, EBITDA for the fourth rose by yet another 4.8% to EUR 176.1 million with a margin of 16.1% (Q3 2022/23: EUR 168.0 million, margin of 15.6%). The product segments that serve the rail technology industry—such as rails and turnout systems—followed a positive trend. While the QoQ performance of the welding and tubulars product segments was stable, wire technology's EBITDA weakened somewhat in the fourth quarter.

As of March 31, 2023, the Metal Engineering Division had 14,053 employees (FTE). This represents an increase of 3.9% compared with the figure (13,528) as of the same date in the previous business year. This increase is chiefly due to the acquisition of Plastwil sp. z.o.o., which has been fully consolidated in the turnout systems product segment since August 1, 2022.

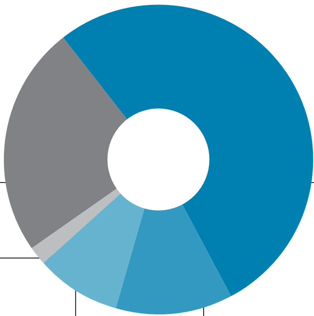
CUSTOMERS OF THE METAL ENGINEERING DIVISION

As percentage of divisional revenue, business year 2022/23



MARKETS OF THE METAL ENGINEERING DIVISION

As percentage of divisional revenue, business year 2022/23



QUARTERLY DEVELOPMENT OF THE METAL ENGINEERING DIVISION

In millions of euros	1st quarter 2022/23	2nd quarter 2022/23	3rd quarter 2022/23	4th quarter 2022/23	BY 2022/23	BY 2021/22	Change in %
Revenue	1,042.2	1,076.1	1,076.9	1,094.0	4,289.2	3,376.2	27.0
EBITDA	121.2	120.6	168.0	176.1	585.9	405.8	44.4
EBITDA margin	11.6%	11.2%	15.6%	16.1%	13.7%	12.0%	
EBIT	77.0	76.5	117.3	133.2	404.0	227.9	77.3
EBIT margin	7.4%	7.1%	10.9%	12.2%	9.4%	6.8%	
Employees (full-time equivalent)	13,504	13,619	13,815	14,053	14,053	13,528	3.9

METAL FORMING DIVISION

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The Metal Forming Division's performance overall in the business year 2022/23 was very satisfactory. The division's Tubes & Sections (T&S), Warehouse & Rack Solutions (WRS), and Precision Strip (PS) business segments saw excellent levels of business activity in a year wracked by an increasingly difficult environment. By contrast, the customer landscape of its Automotive Components business segment continued to suffer from supply chain disruptions and the resulting fallout.

The **Tubes & Sections** business segment carried on its excellent performance in the previous business year at a very solid level in the business year 2022/23. T&S develops and manufactures customer-specific steel tubes and sections for customer segments such as the automotive supplier industry, the construction and solar industry, or even the construction and agricultural machinery sector. This segment saw strong momentum across all key customer segments, especially in the first business quarter, until the number of new contracts in Europe leveled off to some extent during the Northern summer. Thanks to solid order books, capacity utilization at its production plants was good throughout the reporting period. Postponed projects in the construction sector, fewer orders in storage technology, and waning momentum in the construction machinery industry caused order levels to decline. Orders from the automotive supplier industry also fell slightly short of expectations on account of the lack of semiconductors. The commercial vehicle sector did not start to weaken until the fourth business quarter. Demand from both the solar and the agricultural machinery industries remained stable and at a high level worldwide throughout the business year just ended. While Great Britain's economy experienced a sharp downturn, the business segment's plant in England continued to deliver very good performance thanks to its excellent market position. Capacity utilization at the roll forming facilities in the United States was solid overall. The completion of orders from the agricultural machinery industry, the construction sector, the photovoltaics (PV) industry, and storage technology drove the encouraging performance of the U.S.-based facilities. The Brazilian plants in the Tubes & Sections business segment held their ground against the volatile economic environment. They, too, tapped into the positive momentum from the solar industry and also benefited from satisfactory order levels from the agricultural and construction machinery sector and the bus segment. The division's plant in China also did well throughout the reporting period.

In its capacity as a supplier to the worldwide automotive industry, the **Automotive Components** business segment supports renowned original equipment manufacturers (OEMs) thanks, in particular, to its expertise in laser-welded blanks, cold and hot forming processes for manufacturing automotive components, and complex component group assembly. The business year 2022/23 turned out be very challenging, just as the two preceding business years had been. Following the sharp downturn in passenger car sales on account of COVID-19, the forecasts of industry experts and customers alike assumed that the European automotive market would see a palpable rebound in calendar year 2022. In fact, however, the number of new vehicle registrations in 2022 within the European Union was even lower than the level recorded in the two preceding calendar years. As per the registration data, it fell between 25% and 30% compared with before the outbreak of COVID-19. By contrast, the number of battery-operated vehicles rose yet again in calendar year 2022. The Automotive Components business segment offers product solutions for passenger cars with conventional drivetrains as well as for those equipped with hybrid and electric drive systems. Manufacturing in the automotive industry was also limited in calendar year 2022, as supply chain issues other than the semiconductor shortage, which began to ease to some extent, continued to have adverse effects. The outbreak of the Ukraine war, for example, led to bottlenecks in wire harness deliveries that were eventually mitigated by shifting production elsewhere. Nonetheless, the automotive market still had to contend with long delivery schedules in calendar year 2022.

Capacities at the European facilities of the Automotive Components business segment were cut back against the backdrop of shrinking automotive production, but production stoppages and adjustments implemented at short notice weighed yet further on manufacturing. Conditions at the non-European Automotive Components facilities were better, but even orders in the United States fell during the reporting period after a solid start. China offered a largely favorable environment throughout the business year 2022/23 despite regional lockdowns early on in the year and yet another COVID-19 wave in the wake of the openings announced by the country's central government.

The **Precision Strip** business segment benefited from favorable conditions during the reporting period. This segment specializes in the production of precision strip steel for a wide range of applications such as steel and cutting rules for the packaging industry, wood band saws and bimetal strips for the sawmill industry, or precision strip steel for knives and scalpels. Orders did not weaken even a bit until the fall of calendar year 2022. The order backlog was reduced during the second half of the reporting period from what was an initially high level, with the result that production capacity utilization actually remained very robust. Competitive disadvantages stemming from high energy costs in Europe were the most important factor driving the decline in orders from markets outside of Europe. In turn, this led to shrinking demand in China, particularly with regard to precision strip steel for stone saws. Orders in the U.S. for wood band saws fell as well in the Northern fall of calendar year 2022. Bottlenecks in pre-materials supplies eased somewhat over the course of the reporting period.

In the business year 2022/23, the **Warehouse & Rack Solutions** business segment benefited yet again from the continued positive momentum in its market springing from the unbroken trend toward online commerce. This segment provides efficient storage systems such as high-bay warehouses for various industries ranging from e-commerce all the way to industrial warehouses, and food and beverage retailers. Orders in hand remained high throughout the reporting period, notwithstanding a few isolated project postponements against the backdrop of rising interest rates and ensuing recession fears. A potential dampening effect on earnings arose from the tightening of freight capacities and generally high freight costs in connection with projects in North America. Yet high capacity utilization was ensured throughout the business year 2022/23. The high steel prices that marked the first half of the reporting period declined, thus benefiting the segment's performance in the second half.

FINANCIAL KEY PERFORMANCE INDICATORS

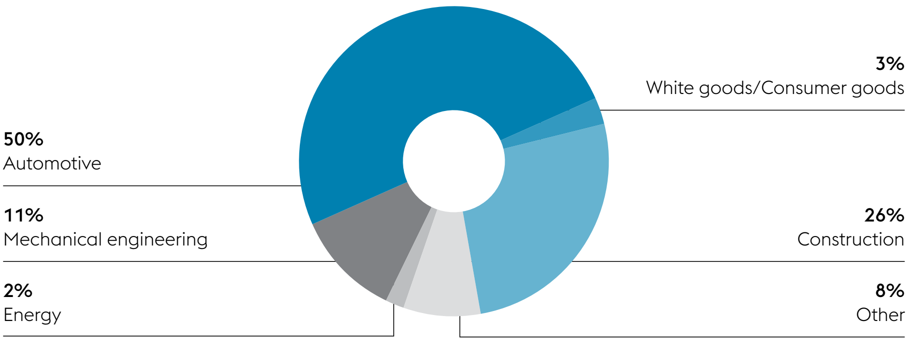
The Metal Forming Division succeeded in translating higher pre-material costs into higher market sales prices. This resulted in a year-over-year increase in revenue for the business year 2022/23 of 11.1% to EUR 3,860.7 million (2021/22: EUR 3,474.4 million). With the exception of the Warehouse & Rack Solutions business segment, which was confronted with falling revenue after strong growth in the previous business year, the division's other three business segments posted higher revenue. The revenue increase for Precision Strip was significant, and that for Automotive Components was also substantial. Yet the operating result (EBITDA) for the reporting period did not match the previous business year's excellent level. At EUR 375.3 million, EBITDA for the business year 2022/23 was 13.3% lower than in 2021/22. The EBITDA margin fell accordingly from 12.5% to 9.7%. The weakening was particularly pronounced in the Automotive Components business segment, which had to contend with challenging conditions in the automotive industry. Starting from a high level, the Tubes & Sections business segment also saw a decline in EBITDA. By contrast, the division's two smaller business segments—Precision Strip and Warehouse & Rack Solutions—followed a solid trajectory with respect to the operating result. The Metal Forming Division's profit from operations (EBIT) improved year over year. Note that a total of EUR 64 million in impairment losses at voestalpine Automotive Components in Cartersville, Georgia, USA, had negatively impacted EBIT in the business year 2021/22, whereas EUR 12 million in reversals of impairment losses had had a positive effect in the same period. On the whole, the Metal Forming Division boosted EBIT in the business year 2022/23 by 4.2% to EUR 230.0 million (2021/22: EUR 220.8 million). The EBIT margin fell slightly from 6.4% to 6.0%.

According to the quarter-on-quarter comparison (QoQ), the Metal Forming Division increased its revenue by 3.1%, from EUR 911.3 million in the third quarter of the business year 2022/23 to EUR 939.5 million in the fourth. While Warehouse & Rack Solutions saw a slight weakening in its business volume, the Tubes & Sections and Precision Strip business segments posted slight revenue growth. The increase in the revenue of the Automotive Components business segment in the reporting period's fourth quarter was more pronounced, although orders had been at a low level during the third quarter for both seasonal and macroeconomic reasons. EBITDA for the Metal Forming Division jumped 21.8% to EUR 96.7 million (margin of 10.3%) in the fourth quarter of the business year 2022/23, up from EUR 79.4 million (margin of 8.7%) in the third. Earnings in all four of the division's business segments followed a positive trend, with Automotive Components posting the biggest improvement. The earnings performance of Warehouse & Rack Solutions stood out as well: Here, EBITDA rose in the fourth quarter despite a lower business volume. EBIT for the division on the whole soared 35.1% to EUR 59.7 million in the fourth quarter, up from EUR 44.2 million in the third. As a result, the EBIT margin climbed from 4.9% to 6.4%.

At 11,853, the number of employees (FTE) in the Metal Forming Division as of March 31, 2023, was slightly higher (0.7%) than the previous business year's level of 11,766.

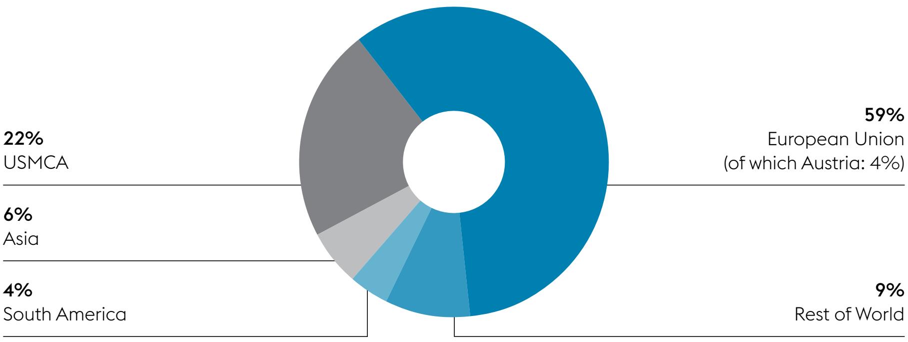
CUSTOMERS OF THE METAL FORMING DIVISION

As percentage of divisional revenue, business year 2022/23



MARKETS OF THE METAL FORMING DIVISION

As percentage of divisional revenue, business year 2022/23



QUARTERLY DEVELOPMENT OF THE METAL FORMING DIVISION

In millions of euros

	1st quarter 2022/23	2nd quarter 2022/23	3rd quarter 2022/23	4th quarter 2022/23	BY 2022/23	BY 2021/22	Change in %
Revenue	1,038.5	971.4	911.3	939.5	3,860.7	3,474.4	11.1
EBITDA	114.0	85.2	79.4	96.7	375.3	433.1	–13.3
EBITDA margin	11.0%	8.8%	8.7%	10.3%	9.7%	12.5%	
EBIT	77.9	48.2	44.2	59.7	230.0	220.8	4.2
EBIT margin	7.5%	5.0%	4.9%	6.4%	6.0%	6.4%	
Employees (full-time equivalent)	11,750	11,892	11,454	11,853	11,853	11,766	0.7

INVESTMENTS

The voestalpine Group pressed ahead with numerous significant investments in the business year 2022/23. This included the completion of the construction phase of the world's most advanced special steel plant in Kapfenberg, Austria. The voestalpine Group's largest project in recent years will be started up in the business year 2023/24. The Steel Division's largest investment project—the construction of a fully automated pickling line with tandem cold mill—has also reached a very advanced stage. Preparatory work for climate-friendly steelmaking in Austria was carried out at the Group's production plants in Linz and Donawitz (both in Austria) during the reporting period as well. As of the end of March 2023, the Supervisory Board of voestalpine AG has given the green light for a total investment volume of EUR 1.5 billion for decarbonization purposes. On the whole, the voestalpine Group's investments in tangible and intangible assets in the business year just ended come to EUR 922.0 million, surpassing the previous business year's level of EUR 708.4 million by 30.2%.

In 2022/23, the **Steel Division** invested EUR 310.0 million, which equates to a year-over-year increase of 28.7% (2021/22: EUR 240.8 million). Key sections of its major project, which involves a pickling line with tandem cold mill ("Beta 3") in Linz, Austria, have been completed. In addition to the coil storage facility, the pickling factory floor where the fully digitalized system will be housed has also been built. The foundation work was also carried out during the reporting period. As the planned delivery of the process plants and their assembly is the next step in the project's implementation, completion of Beta 3 is still slated for the end of calendar year 2023. The pickling line, which has a capacity of about two million tons and is integrated into cold rolling mill 3, is a key to the future in that it will further optimize the processing of high and ultra-high tensile steel, as well as of larger dimensions and lower thicknesses. In addition, the new facility is perfectly suited to the production of electrical steel strip for applications in e-mobility. The refitting of the hot-dip galvanizing lines at the Linz plant will also serve to boost quantities with regard to ultra-high tensile steel grades. The focus in the reporting period was on implementing projects related to hot-dip galvanizing line 4. Finally, the engineering for refitting hot-dip galvanizing lines 2 and 5 was launched in the fourth business quarter. According to the planned schedule, the upgrades of the hot-dip galvanizing lines will continue through to calendar year 2027. The approval of the decarbonization plan by voestalpine's Supervisory Board at the end of March 2023 is an important milestone in the pursuit of climate-friendly steelmaking in Linz. According to the greentec steel project plan, decisions regarding facilities and suppliers for the investment in an electric arc furnace will be made before the end of calendar year 2023; the plant's construction is planned for 2024 and its commissioning for 2027. The preparatory work for the new special steel plant, entailing the necessary construction site clearance along with infrastructure modification work, was launched in the business year 2022/23. Plans for repairing blast furnace 5 were also made during the reporting period. It will undergo further repairs during the Northern summer of calendar year 2023 and will then be replaced in 2027 by the first electric arc furnace (EAF) at the Linz site.

At EUR 245.6 million, the investments of the **High Performance Metals Division** in the business year 2022/23 were 18.6% higher than the EUR 207.0 million invested in the previous business year. The construction phase of the state-of-the-art special steel plant was completed some four years after the official groundbreaking ceremony in calendar year 2018. The integrated cold start-up, which serves to test both the functionality and the interactions of a range of machinery, was also carried out during the business year just ended. The smelting tests performed as part of the hot commissioning toward the end of the business year 2022/23 involved filling the electric arc furnace with scrap for the very first time and smelting it with the help of smelting electrodes. The process of certifying the range of products at the new facilities will be carried out in the business year 2023/24. Both the new and the old special steel plants in Kapfenberg will be operated simultaneously during the transition phase up to the completion of the certification process. Once the new plant is fully operational, it will not only set new technological standards on account of its high degree of digitalization but also require extremely well-trained personnel. These employees will acquire the qualifications they need with regard to robotics, sensor technology, or data analysis through an in-house competence center for digital transformation. The new special steel plant focuses not least on steelmaking that protects the environment and conserves resources. According to the plans, the heat from the smelters is to be released to the district heating system; the cooling will be achieved via a closed circuit; and the plant as a whole will be highly energy efficient. Furthermore, customers in the automotive, consumer goods, and aerospace industry, as well as in the oil and natural gas sector, will be supplied with even better steel grades in the future. The Value Added Services business segment continued to push the global expansion of its service activities in the reporting period. Its investments in this respect focused on expanding its heat treatment, processing, and coating capacities as well as on rolling out additive manufacturing (3D printing) of components.

The **Metal Engineering Division** raised its investment expenditure by 59.6% to EUR 195.2 million in the business year 2022/23, compared with EUR 122.3 million in the previous business year. The planned blast furnace repairs ("relining") at the Donawitz plant in Austria were carried out during the Northern summer of calendar year 2022. Following the roughly two-month relining phase, blast furnace 1 was restarted at the end of September 2022 together with a new hot-blast stove. A decisive setting of the agenda took place toward the end of the reporting period: The Supervisory Board of voestalpine AG approved the budget for the construction of an electric arc furnace in Donawitz. Work to clear the future construction site, and thus the initial preparatory steps for the decarbonization of steel production in Donawitz, was initiated during the business year just ended. The start-up of the EAF is planned for calendar year 2027; it will help to significantly reduce Austria's CO_2 emissions. The Tubulars business segment invested in a comprehensive overhaul of the rotary hearth furnace at the Kindberg plant in Austria, which heats the pre-material blocks to up to 1,400 degrees. This investment project will probably be completed in the current business year 2023/24.

The EUR 152.9 million investment expenditure of the **Metal Forming Division** in the business year 2022/23 surpassed the previous business year's level of EUR 125.6 million by 21.7%. The Automotive Components business segment pushed the ongoing expansion of its plant in Shenyang, China, during the reporting period. The construction of what is already the fifth phs facility for forming press-hardened steel in Shenyang will enable key customers to boost their international growth. The Tubes & Sections business segment also carried out a significant plant expansion in the business year just ended. Numerous new customer orders made it necessary to expand the segment's production capacities in Środa Śląska, Poland, so that it can manufacture tube components for the global automotive supplier industry. The Warehouse & Rack Solutions business segment invested in its first production facility in North America with the aim of pushing its growth strategy there. It decided to use the existing plant of the Metal Forming Division in Shelbyville, Kentucky, USA, as the site for building up its own storage system production facility; tubes and sections have been manufactured here for decades. The first phase of this work involved the purchase of three sectioning lines, which will likely be brought online before the first half of the current business year 2023/24 is out.

ACQUISITIONS & DIVESTMENTS

While modest in scope, the merger & acquisition (M&A) activity of the voestalpine Group in the business year 2022/23 was hugely important to its strategic alignment. In early July 2022, voestalpine Railway Systems and Egyptian National Railways (ENR) signed a joint venture agreement on the planned joint production of high-performance turnouts in ENR's existing turnout factory in Cairo, Egypt. This joint venture enables voestalpine to prepare the ground for supporting the ambitious plans for the construction of a high-speed rail line in Egypt. The partnership aims to expand ENR's existing production facility. Going forward, Egypt's national railways could be supplied with locally produced high-performance turnouts. As part of the joint venture, voestalpine will contribute its comprehensive rail technology expertise. This production plant, too, will focus on manufacturing turnout systems that satisfy the highest quality standards. The joint venture serves to support the Group's long-term strategy in the Railway Systems business segment that entails shifting to local turnout production. In voestalpine's view, Egypt is an important growth area in the high-speed railway segment. The country is generally considered the railway market in Africa that is growing the fastest.

The Railway Systems business segment took an important strategic step when it acquired a 50% equity stake in Plastwil sp. z.o.o. in the Northern summer of 2022. This Poland-based company is the local market leader in fastening systems. As such, it not only supplements the product portfolio of Railway Systems, but is also taking an important step toward becoming a systems provider. From now on, Railway Systems will be able to offer solutions related to fastening systems for local and mixed traffic customer segments as well as the railway freight transportation and high speed market. It will also be able to penetrate a market that offers great potential. The Polish company has some 300 employees and was renamed "voestalpine Fastening Systems"; it has been fully consolidated since August 1, 2022.

In the fourth quarter of the business year 2022/23, voestalpine High Performance Metals Schweiz AG acquired the Swiss company Metaltec AG—a specialist for highly refined bright steel products and services. Thanks to tightest tolerances and particularly high surface quality, this precision-drawn or polished special steel meets the demands of sectors such as the Swiss watch industry, medical technology, and the automotive supplier industry. Besides supplementing its portfolio of bright steel products, this acquisition also strengthened the market position of the High Performance Metals Division in Switzerland. In calendar year 2021, Metaltec generated revenue in excess of CHF 10 million and most recently had 37 employees at the company's headquarters in Pieterlen, Switzerland.

A significant divestment in the Steel Division was finalized at the end of June 2022 with the closing of the sale of 80% of the voestalpine Group's equity interest in voestalpine Texas to ArcelorMittal. voestalpine decided in the past business year to continue developing the business model of the direct reduction plant in Texas, USA, jointly with a partner. This was preceded by a detailed analysis that took all strategic alternatives into account. Over and above the remaining non-controlling interest of 20%, the voestalpine Group also secured for itself an annual delivery volume of 420,000 tons of the hot briquetted iron (HBI) produced at the plant. The closing of this long-term contract supports the implementation of the first step in the decarbonization of voestalpine's steel production in Linz and Donawitz (both in Austria). The voestalpine Texas Group was fully consolidated and shown in the item, "Income from discontinued operations," until the transaction was closed at the end of June 2022; the income thus was posted for the first quarter of the business year 2022/23. Following the closing at the end of the first business quarter, the earnings of the ArcelorMittal Texas HBI Group were shown from the business year's second quarter onwards in the item, "Income from entities consolidated at equity." The transaction yielded cash proceeds of EUR 735.8 million in the reporting period.

HUMAN RESOURCES

As of March 31, 2023 (the close of the business year 2022/23), the voestalpine Group had 48,231 employees excluding apprentices and leased personnel. Compared with March 31, 2022, this corresponds to an increase in the workforce by 1,293 employees or 2.8%. When 1,402 apprentices and 3,253 leased employees are included, the total full-time equivalent (FTE) rises to 51,202 person years, a year-over-year increase by 1.9% (+978 FTE). A total of 54.7% of the Group's employees (28,010 FTE) work at Group locations outside of Austria, and 45.3% (23,192 FTE) work in Austrian voestalpine companies. As of the close of the reporting period, the Group had 1,402 apprentices. Of these, 67.0% were being trained at facilities in Austria and 33.0% at facilities abroad. Overall, the number of apprentices rose year over year by 33 individuals or 2.4%.

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, Czechia, 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, 2023, a total of about 25,500 employees have a stake in voestalpine AG. They hold about 25.5 million shares which, due to the general bundling of voting rights, represent 14.3% of the company's share capital (previous year: 14.2%). In addition, former employees of voestalpine hold approximately 0.9 million "private shares" of voestalpine AG via the foundation, which equates to 0.5% 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, 2023, 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 as a legally independent non-profit foundation. 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 (CPD) are funded for this purpose. The foundation's services are funded by both employee contributions and administrative cost-sharing arrangements with all member entities. As of the March 31, 2023, reporting date, the Stahlstiftung was assisting 247 individuals, 184 of whom were former employees of the voestalpine Group. Overall there were 462 active Stahlstiftung participants in the business year 2022/23, i.e., 33.4% fewer than in the previous year (694 individuals). In the business year 2022/23, 86.0% of the participants looking for work were able to develop new professional prospects with the help of the Stahlstiftung. The fact that this number was about 6% higher than in the business year 2021/22 reflects the recovery of the labor market during the reporting period. The activities of 12 individuals related to 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. Additionally, individual consultations were provided in the business year 2022/23 to a total of 115 employees of the member companies of the Stahlstiftung to help ensure their employability.

APPRENTICES & YOUNG SKILLED WORKERS

voestalpine remains committed to its goal of offering young people solid training and continuing professional development. A total of 534 trainee slots will be available at the start of the training program in the Northern fall of 2023. The company invests about EUR 90,000 per apprentice in the comprehensive three or four-year training program. voestalpine AG has launched an advertising campaign geared specifically toward young people, as well as their parents and other relatives, which is designed to present apprenticeship opportunities in some 50 different skilled trades at the 37 voestalpine training facilities in Europe's German-speaking region (Germany, Austria, and Switzerland). The aim is to support the Group companies as effectively as possible in their search for the young skilled workers of the future. Geographically speaking, the campaign focuses on the areas where the given voestalpine sites are located, using the global platforms TikTok, Snapchat, YouTube, and Instagram—i.e., social media channels that are particularly popular among young people. A simultaneous campaign directed at parents is being broadcast both via Facebook and Google and in print media based on cooperation deals with the Upper and North Austrian issues of the daily "Kronen Zeitung" as well as with the "Kleine Zeitung" newspaper, but the focus in all of this is on the young people themselves. Both the imagery and the wording were developed in cooperation with voestalpine apprentices, who also played a major role in the visuals and testimonials. The campaign slogan, "I choose," stands for self-determination, but also embodies its youth-centered focus and serves as its lynchpin, creatively speaking. The campaign's website—www.voestalpine.com/ichoose—has the same look and feel as the numerous short videos and photographs that it features; it also serves as the starting point for submitting an apprenticeship application to voestalpine.

The voestalpine Group Apprentice Day celebrated its tenth anniversary. Altogether, the ten events to date have attracted some 4,000 apprentices and trainees. The Group Apprentice Day is a special experience for those on the apprenticeship scheme. In the final year of the program, all trainees and apprentices are invited to the Group's headquarters in Linz to spend an eventful day that includes a talk with Management Board members, a plant tour, team challenges, and plenty of fun and action. This day is often the first opportunity for the apprentices and trainees to meet the entire Management Board of the voestalpine Group or to tour the Linz plant. Each year's event features a different slogan to inspire the young target audience. Throughout, these slogans have also expressed voestalpine's pride in and respect for its young skilled workers, who form the backbone of the Group and its production plants. Some 450 voestalpine apprentices from 37 training facilities in Austria, Germany, and Switzerland participated in the 10th Group Apprentice Day on November 29, 2022. While the event was livestreamed from voestalpine Stahlwelt in Linz due to pandemic-related requirements, it was still designed to encourage as much interaction as possible, thus conveying a sense of commonality and connection. This included a live question-and-answer session with the Management Board, a selfie video of the participants, and a team challenge following the "escape the room" format with questions about voestalpine. Finally, the slogan for this year's Group Apprentice Day—"I choose voestalpine"—matches that of the current apprenticeship campaign.

The Group's excellent numbers with respect to completed apprenticeships create a solid base of skilled workers for the future: Fully 95.6% of all apprentices in Austria, Germany, and Switzerland who took the final apprenticeship exam in the business year 2022/23 passed it. Of the Austrian graduates, 63.3% even did so with good or excellent grades.

The large number of awards given to voestalpine's apprentices confirms the quality of their training. They garnered 16 awards at the "Apprentice Award 2022" in Upper Austria, for example, and won a medal for Excellence in Electrical Systems at the 46th WorldSkills Competition—also known as the "World Championships of Professions." A visit by the United States Secretary of Labor, Marty Walsh, to the Linz training center in January 2023 further underscored the excellent reputation of the Group's training. In light of the increasing lack of skilled labor, the U.S. and Austria are stepping up their cooperation and exchanges with respect to dual education. voestalpine's skilled worker training is considered the touchstone for Austria's industry.

DEVELOPMENT OF EXECUTIVES

In the business year 2022/23, the Group's tried-and-tested "value:program"—an international executive development program—took place subject to only to a few remaining pandemic-related social distancing requirements. The Group's approaches to pandemic control ensured that the program could be carried out safely for all participants. Given the positive experience gained, in the future the training and CPD programs tailored to target groups at all executive levels will be organized to incorporate both face-to-face and online courses, supplemented by external programs for postgraduates and business school students. What makes our approach so valuable over and above the comprehensive skills training imparted by international top experts is the intensive involvement of individual members of voestalpine's leadership team. In their capacity as speakers, project managers, or sparring partners, so to speak, they engage with participants in a wide-ranging exchange of experiences. This mixture of external and internal expertise, along with the Group's commitment to ensuring that employees possess advanced qualifications, makes the voestalpine leadership program a key element supporting the Group's claim to being "one step ahead." Every year, about 200 international employees participate in the multi-stage program. In the business year 2022/23, 215 employees from 19 countries took part in the program. The Group also succeeded in boosting the percentage of female participants in the program from about 16% prior to the pandemic to 23% at present.

OTHER EMPLOYEE DEVELOPMENT PROGRAMS

In order to foster and boost relevant employee capabilities and skills in a manner specific to both functions and regions, 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. Following the suspension of individual programs due to the pandemic, most of these programs as well as the value:program were carried out again in the business year 2022/23. Where possible and meaningful, some of them were also supplemented by new digital delivery 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 toward delivering executive training programs digitally. Most of the divisions' and business segments' comprehensive training and continuing professional development (CPD) programs were also restarted.

EMPLOYEE SURVEY

The most recent Group-wide voestalpine employee survey took place in the Northern fall of calendar year 2022. Of 48,421 employees invited, a total of 37,221 participated in the survey. This equates to a participation rate of 77% and underscores the consistently high response rate.

Employees' level of commitment, which describes the degree to which they identify with the company, is the key parameter. Compared with calendar year 2019, the level of commitment dropped by two percentage points to 54%. In addition to the level of employee commitment, ten additional topics were addressed, most of which largely elicited agreement. Employees' respect for and willingness to collaborate with each other is of particular importance: On this issue, the agreement value within voestalpine surpassed the global benchmark. As part of the review, aggregation, and analysis of the survey results, each Group company is required to report two key action steps to the Management Board by the end of June 2023. Group companies have the option to conduct interim surveys until the next global employee survey takes place in the Northern fall of 2024.

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 future personnel. This includes numerous collaborative training programs; sponsorship commitments aimed at kindling young people's interest in technical degrees; and participating in job fairs and career expos or the so-called #voestalpinetalks (a collaborative event with all student representatives) at the University of Mining and Metallurgy in Leoben, Austria.

MEASURES RELATED TO THE COVID-19 PANDEMIC

While the Coronavirus Task Force that was established at Group headquarters back in February 2020 continued its work during the first three quarters of the business year 2022/23 in close coordination with the Chairman of the Management Board and in cooperation with all divisional task forces, the regular meetings were suspended as of January 2023. This institutionalized framework was deactivated but can be reactivated at any time if required. The Group's wide-ranging COVID-19 control measures were 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 included pointers as to what to do in case of suspected infection and broad-based communication measures across the entire Group.

In connection with the incremental rollback of pandemic-related measures during the business year 2022/23, voestalpine's employees put their best foot forward yet again, just as they had previously when working to control the pandemic, demonstrating flexibility, judgment, and preparedness. In doing so, they proved once again that they are the key driver of the Group's resilience.

RAW MATERIALS

While the COVID-19 pandemic had a major influence on the production, logistics, and therefore prices of raw materials in calendar years 2020 and 2021, the Ukraine war had a massive impact on these areas, including energy prices, in calendar year 2022. The outbreak of the war in February 2022, in particular, triggered a price shock. Two major suppliers of iron ore, metallurgical coal, and alloys—Ukraine and Russia—are embroiled in the war. Access to Russian raw materials has been limited on account of sanctions and voluntary boycotts. On the Ukrainian side, supplies have been limited due to the occupation or partial destruction of storage facilities as well as increased difficulties navigating logistics routes. The shortages were not the only factor leading to the uptrend in raw materials prices. It also arose from the buildup of inventories, given the generally uncertain situation and the disintegration of transport logistics. Against this backdrop, the volatility in the market for raw materials indispensable to steelmaking continued unabated in the business year 2022/23. voestalpine's raw materials management was therefore tasked with ensuring the security of production. In part, this required developing alternative sources and transport routes as well as temporarily expanding inventories of iron ore, metallurgical coal, and alloys. The Ukraine war also caused massive distortions in terms of energy. Given Europe's heavy dependence on Russian energy supplies, the price of natural gas rose rapidly and dramatically across large parts of the continent. This region also saw an unprecedented upsurge in electricity prices as a result.

IRON ORE

Iron ore is the most important raw material in the production of crude steel using the blast furnace route. The price of iron ore soared to a record high of USD 220 per ton in the Northern summer of calendar year 2021 but dropped by almost 60% to about USD 90 per ton (62% Fe, cost and freight (CFR) China) in subsequent months. Early in calendar year 2022, the price rose yet again due to both inclement weather in Brazil and the outbreak of the Ukraine war. At the start of the business year 2022/23, iron ore was selling for about USD 150 per ton. However, global steel production and hence demand for iron ore trended downward in calendar year 2022, with the result that the price gradually fell to just over USD 80 per ton by early November. More optimistic forecasts for the global economy in the Northern fall of 2022 and, in particular, improved growth prospects for the Chinese steel industry turned out to be stabilizing factors. The price of iron ore then ranged between USD 90 and USD 130 per ton up to the end of the reporting period. As Ukraine is an established and significant source of iron ore pellets, voestalpine's raw materials procurement shifted its focus to greater diversification in sourcing and increasing the pool of suppliers. The unfavorable conditions in both mining and shipping notwithstanding, the Group managed to obtain Ukrainian iron ore throughout the business year just ended. Given the rising uncertainty and logistical challenges, voestalpine drastically increased its inventories of iron ore, especially in the initial phase of the war.

COKING COAL

Coking coal is another key primary raw material for the production of crude steel as part of the smelting process. It is the base material for the production of metallurgical coke, which is used not only as a source of energy in blast furnaces but also as a reducing agent because it extracts oxygen from the iron ore. While the price of coking coal already was very high in the months leading up to the outbreak of the Ukraine war, Russia's attack on Ukraine along with torrential rain on Australia's east coast sent the price of coking coal on the spot markets (HCC Premium, FOB Australia) to a record high of USD 660 per ton. However, the spot market price fell back to normal levels over the course of the business year 2022/23 and varied between USD 200 and USD 300 per ton from the second business quarter. This price decline reflected fears that the global economy might be heading for a recession. The price of coking coal did not rise again until the fourth business quarter, significantly exceeding the threshold of USD 300 per ton. This trend reversal was due to the growing optimism among market players who, by this time, were no longer assuming that the United States and Europe would plunge into a deep recession. China, in its capacity as the world's largest steel producer, does not play as decisive a role in the spot market pricing of coking coal as it does for iron ore. This is because the country largely relies on domestic sources or on imports from its neighbor, Mongolia. After the start of the war in Ukraine, voestalpine switched its imports of pulverized coal injection (PCI) coal from Russia to both existing and new suppliers and shored up its overall inventories of coking coal.

STEEL SCRAP

High-quality scrap is a valuable raw material, in that it is used in blast furnace-based steelmaking to supplement pig iron, and it is the main input material in electric arc furnace (EAF) steel production. A significant portion of the quantity of scrap required is generated during steel production itself and is fed back into the production process as recycled scrap. The processing of steel also generates large quantities of steel scrap, for example, in connection with stamping in the automotive industry. Known as "recycled scrap," this is a high-value raw material in steelmaking. The pricing of steel scrap at the outbreak of the Ukraine war was initially influenced by fears of supply shortages. Starting from a very high level of about USD 660 per ton (CFR Türkiye) early in the business year 2022/23, the price of steel scrap dropped by half within a single quarter. This occurred against the backdrop of adequate supplies, the prohibitively high cost of energy used in EAF-based steelmaking, and the dampening of economic sentiment. The price then stabilized at between USD 350 and USD 400 per ton up to the end of calendar year 2022. It rose slightly yet again in the fourth business quarter, selling for about USD 450 per ton at the end of the reporting period.

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 onset of the war in Ukraine triggered sharp distortions in alloy prices as well. Dramatic price fluctuations had already occurred toward the end of the business year 2021/22, especially with respect to alloys that are largely sourced from Russia and Ukraine. This affected nickel, ferrovanadium, and ferrotitanium in particular. As far as nickel is concerned—the most important alloy for the High Performance Metals Division—fears of supply bottlenecks in early March 2022 led to all-time high closing prices of just under USD 43,000 per ton. The market then calmed down again fairly quickly, and the price of nickel fell at the start of the business year 2022/23 to under USD 33,000 per ton. By mid-July 2022, it had settled at the level prevailing prior to the outbreak of the Ukraine war. The nickel price was moderately volatile during the Northern summer of calendar year 2022, but jumped yet again to over USD 30,000 per ton in the fourth calendar quarter. The price started to drop again from early February 2023, finally settling at about USD 23,000 per ton at the end of the business year 2022/23. The fluctuations in the prices of ferrotitanium and ferrochromium due to the Ukraine war were even more pronounced than those of nickel. The fact that Ukraine is considered a significant global producer of ferrotitanium raised fears of a sharp tightening of supplies of this alloy, which is indispensable to special steel production. The price of ferrotitanium soared by more than 160% within a few weeks, remained at a very high level until early June 2022, and then dropped continually in the subsequent months. By about early December 2022, the price had fallen back to the level prevailing prior to the outbreak of the Ukraine war and remained at this fairly moderate level until the end of the business year 2022/23. When it comes to ferrochromium, Russia, in particular, possesses large deposits of this alloy. The erratic price fluctuations in the Northern spring of calendar year 2022 were also rooted in the fact that ferrochromium requires a lot of energy in production, so its price rose yet further in the wake of the massive increases in energy costs. The trend in the price of ferrochromium in the reporting period was similar to that of ferrotitanium, albeit with slightly fewer fluctuations. Ferromolybdenum pricing followed a completely different trajectory. After a fairly uneventful first half of the business year 2022/23, erratic fluctuations characterized the pricing curve in the second half of the year. As a result, the price of ferromolybdenum more than doubled in early February 2023 compared to its level in early November 2022. These significant price increases resulted from production shutdowns in copper mining in tandem with high demand; ferromolybdenum is a byproduct of copper mining.

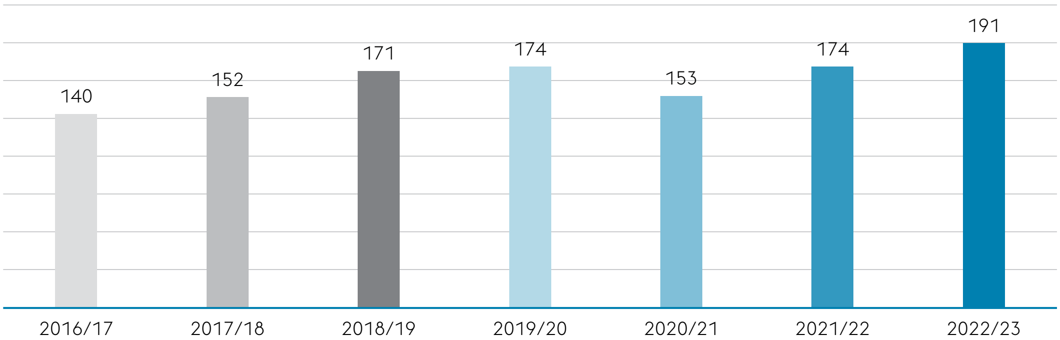
ENERGY

Natural gas and electricity are the most important sources of energy for voestalpine. Natural gas is required mainly for heat treatment and for the rolling mills in the steel plants. voestalpine's blast furnace-based steel plants in Austria are largely autonomous when it comes to electrical energy thanks to the in-house electrification of the steel mill gas generated in the production process. By contrast, the electric arc furnaces in the High Performance Metals Division that produce special steel require larger quantities of externally generated electricity. This is where the massive distortions in energy prices resulting from the Ukraine war made themselves felt. The price of natural gas in Europe climbed to historic highs shortly after the outbreak of the war, briefly breaching the threshold of EUR 200 per MWh (spot market THE Settlement, Germany). Fears of cutbacks in natural gas deliveries or even a complete suspension of supplies from Russia were distinct possibilities. Yet the situation eased at the start of the business year 2022/23, causing the natural gas price to fall temporarily to less than EUR 100 per MWh. From June 2023, however, the price of natural gas rose dramatically yet again, as Russia was continually curtailing natural gas deliveries to the European Union (EU). Fears that Russian deliveries could be suspended completely spread. At this point, the EU prepared contingency plans in case of natural gas shortfalls. In August 2022, the price of natural gas breached the threshold of EUR 300 per MWh for the very first time. By building liquefied natural gas (LNG) terminals and shifting to alternative suppliers, Europe was able to reduce its dependence on Russian natural gas. Natural gas storage facilities were filled for the winter, quickly and sufficiently. At the same time, consumers and industries alike curtailed their consumption of natural gas. The pronounced easing of the situation resulted in rapidly crumbling prices: In the Northern fall of calendar year 2022, the price of natural gas finally dropped to less than EUR 50 per MWh. It remained volatile thereafter and briefly climbed back to EUR 150 per MWh. In December 2022, it started to weaken incrementally—among other things due to the unusually mild temperatures at the height of the heating season—and settled at just under EUR 50 per MWh toward the end of the business year 2022/23. To ensure natural gas supplies (especially at its Austrian facilities), in May 2022 the voestalpine Group also contractually secured natural gas storage facilities for its own use. In an emergency involving the complete loss of external supplies, existing reserves of 1.5 TWh of natural gas would enable the Group to maintain full operations for a period of three months or limited operations for a longer period, depending on the production process. The Group has also been working with both existing and new suppliers on expanding its natural gas sources. Pursuant to the merit order principle, 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 on the spot market was just under EUR 200 per MWh (spot market EXAA AT Base) at the start of the business year 2022/23, it rose to all-time highs in the Northern summer of calendar year 2022 and reached a level of just under EUR 500 per MWh on average in August. It was only in subsequent months that a continuous easing set in. Toward the end of the business year 2022/23, prices were just above EUR 100 per MWh.

RESEARCH AND DEVELOPMENT

RESEARCH EXPENDITURE FOR THE voestalpine GROUP

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



The sustainability strategy of the voestalpine Group focuses on the reduction of CO_2 emissions, the conservation of resources, and the circular economy model—aiming, in particular, to bring about climate-neutral steel production by 2050. Steps taken at all levels serve to achieve the Group's goals regarding the efficient use of resources and a circular economy. This includes analyzing products and investments over their life cycle, the digital transformation, sustainable products as well as expanded material and energy cycles. Intensive research and development (R&D) work is the prerequisite for these aims and constitutes the core of voestalpine's corporate strategy, which is centered on its innovation, technology, and quality leadership. Continual increases in R&D expenditure to EUR 191.2 million in the business year 2022/23 and yet another record-setting research & development budget of EUR 219.1 million for the business year 2023/24 reflect R&D's pivotal role.

CLIMATE-NEUTRAL STEEL PRODUCTION: ON THE WAY

A key goal of voestalpine's decarbonization strategy is to avoid generating carbon dioxide from technical processes. The voestalpine Group thus conducts intensive research on new processes and procedures for achieving sustainable steel production. A new process route for the climate-friendly production of pig iron based on the so-called "Hyfor" technology is being evaluated in cooperation with Primetals Technologies. Hyfor comprises a hydrogen-based process for the direct reduction of fine ores that does not require any agglomeration steps such as sintering or pelleting. Numerous test runs have been successfully carried out in batch operations at the Group's pilot plant in Donawitz, Austria, since the process was launched at the end of calendar year 2021. The next step involves preparing the implementation of a pilot plant enabling continuous operations at the Group's Linz, Austria, facility, which will include the existing hydrogen electrolyzer facility.

As long as carbon is indispensable to the production of high-grade steel, research will also be working to develop solutions that prevent CO_2 emissions or utilize the carbon dioxide.

To achieve this goal, voestalpine Stahl GmbH is participating in the "Carbon Cycle Economy Demonstration" project of RAG Austria AG, which is being carried out in cooperation with energy producers and research institutes. Setting up an innovative carbon cycle is at the heart of this project, as follows: Carbon dioxide from waste gas generated in steelmaking is pumped into natural underground storage facilities together with green hydrogen generated by the Linz electrolyzer facility. The subsequent methanizing takes place in this storage facility. This sustainably produced methane gas can then be extracted as needed and returned to the processes. In so doing, the Carbon Cycle Economy Demonstration contributes to further reductions of environmentally hazardous emissions.

DIGITAL TRANSFORMATION: FOR OPTIMIZED PROCESSES

Algorithms, robots, model-based rules, and state-of-the-art sensor technology combined with artificial intelligence (AI) are already being used or implemented in the Group's production plants worldwide. Consistent digital transformation enables the selective recording and analysis of all relevant data. Ultimately, this results in fully integrated process routes that can be managed much more efficiently. Downtimes are reduced, operating personnel is supported, and product quality is stable at a high level or even improves yet further on a case-by-case basis.

CIRCULAR ECONOMY: THE BASIS OF SUSTAINABLE PRODUCTION

voestalpine has launched a Group-wide project pertaining to sustainable processes that serves to identify and harness existing potential. Roughly one half of the project volume is geared to a circular economy model. Numerous subprojects concern topics such as processing of the dust, sludge, and slag generated during steel production. The aim is to reclaim all recyclable material using all available technological means and to bring about the meaningful reuse of residual products; these processes also include other industries.

SUSTAINABILITY: INNOVATIVE PRODUCTS

A broad range of products helps to achieve the Group's sustainability targets as well as those of its customers. Group-wide research & development provides the basis for voestalpine products that can be recycled in ever more environmentally friendly, effective, long-lasting, safer, and unproblematic ways.

The trend toward **lightweight construction in automotive production** continues unabated. Ultra-high tensile steels needed for autobody components and wire applications are being continually refined to this end. Customers have successfully licensed our high-tensile, hot-rolled steels of the **"hot-rolled drive"** brand, which were developed for the automotive industry's individual component requirements. These steel grades are advantageous in that they make it possible to carry out even complex component geometries and forming processes in the subsequent cold forming process. **Cam units** are integral to state-of-the-art automotive production. They make it possible to efficiently transform forces during the production of complex components. A successful research & development project has increased their useful life yet further and has simplified any maintenance that may be required.

Electrical steel strip of the **isovac®** brand has been refined in response to customer requirements; as a result, it now possesses improved electromagnetic properties and is thinner.

Headcheck-free rails (i.e., maintenance-free rails) have turned out to be very successful. Following the completion of the material development stage, they have been incorporated into several test routes for observation purposes.

Enormous demands ranging from low weight to high temperature resistance are placed on **modern commercial aircraft engines.** Highest quality standards in both the materials and the forming process are essential. The use of simulation and modeling technologies in development work enables highly stable forging processes and accurate predictions of both the microstructure and the mechanical properties of the materials. Concurrently with the ongoing refinement of the forging process, voestalpine is also engaged in intensive research aimed at producing particular parts and components for the aerospace industry using metal additive manufacturing.

Tried and tested materials are adapted to the given requirements in connection with the **generation of energy from renewable sources** and developed into innovative components. This includes support structures for photovoltaic (PV) modules; high-tensile heavy plate for main tower sections; pre-materials for heavily used roller bearings and engines; as well as connecting elements for wind turbines both on land and at sea. As the welding systems must be adapted to these applications, new wire/powder combinations were developed and brought to market.

The **tool steels** of the High Performance Metals Division are continually refined so as to improve their wear resistance, temperature resistance, tensile strength, and corrosion resistance.

All divisions of the voestalpine Group conduct research on **"digital products,"** i.e., elements equipped with sensor technology that process information on their own condition and that of their environment and subsequently interact with each other. The "intelligent turnout" currently being used in test routes is emblematic of this work. Distributed sensors deliver data on the turnout's condition and functionality, and the AI then computes forecasts on this basis. The aim is to identify irregularities, imminent turnout failures, or required maintenance in due time and thus to minimize route closures.

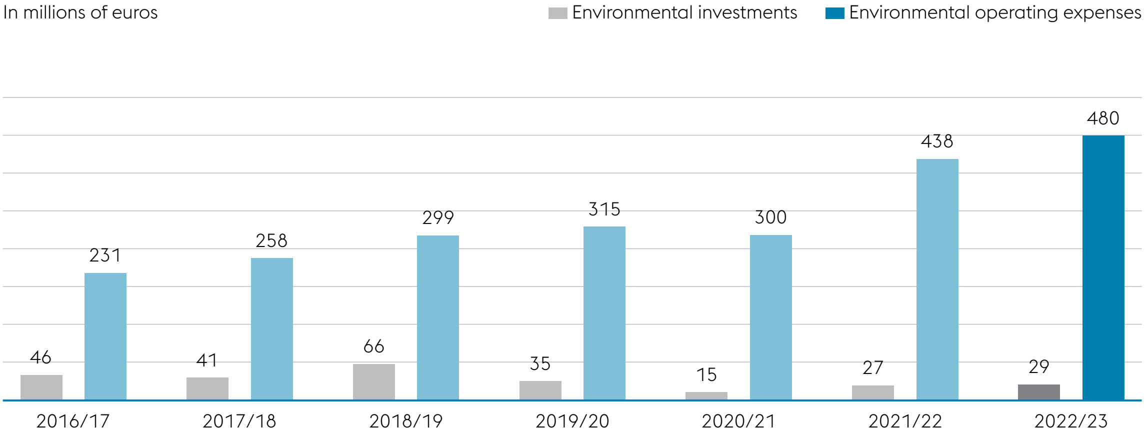
Tailormade functional steel (tfs) is hot-dip galvanized, organically coated steel that is equipped with conductive paths embedded in the varnish. This is how steel is turned into an "intelligent input." Additional functionalities can be integrated directly into the steel's surface, thus enabling new application options. Initial prototypes and small series of tfs possessing heat and load identification functionalities have already been successfully implemented in cooperation with customers, proving their utility.

The findings of several R&D projects were combined and then used to set up a so-called **multicell** that enables fully automated production of eight different components. These include intelligent object identification and bin picking as well as intelligent component identification and the fully automated welding process.

ENVIRONMENT

ENVIRONMENTAL EXPENDITURES

In millions of euros



ENVIRONMENTAL INVESTMENTS AND EXPENDITURES

At an increase of just under 10%, the environmental expenditures of the voestalpine Group in the business year 2022/23 reached yet another all-time high; investments were high throughout.

Current operating expenses relevant to the environment increased by 9.7%, going from EUR 437.5 million to EUR 479.9 million. This means that the voestalpine Group's environmental expenditures over the past ten business years have already reached EUR 3 billion.

Investments in environmentally relevant facilities rose to EUR 28.9 million (2021/22: EUR 26.7 million).

EU EMISSIONS TRADING/ CO_2 ALLOWANCES

Among other things, the increase in environmental expenditures reflects yet another rise in the costs associated with the EU Emissions Trading System (EU ETS).

In the business year 2022/23, the price of the allowances climbed 17.01% to EUR 89.24 (2021/22: EUR 76.27). Volatile price developments that have shown no signs of abating even caused the price to breach the EUR 100 threshold in February 2023, albeit briefly.

The voestalpine Group's need for additional allowances results from the total number of allowances required (scope of the emissions) less the no-cost allowances allocated to it. In keeping with the average of previous business years, the need for additional allowances in the reporting period equated to roughly one third of total CO_2 emissions.

In the business year 2022/23, a total of EUR 242.1 million was therefore spent on EU emissions trading (2021/22: EUR 235.0 million).

THE greentec steel CLIMATE ACTION PROGRAM

In March 2022, the Supervisory Board of voestalpine AG gave the green light to carry out the preliminary work for climate-friendly steel production at the Group's plants in Linz and Donawitz (both in Austria). Implementation of this work since then has been consistent.

In March 2023, the Supervisory Board gave its approval in principle to an investment volume of some EUR 1.5 billion for the construction of two facilities. This project involves installing two electric arc furnaces (EAFs) driven by green power, each replacing a coal-based blast furnace. Depending on the quality requirements, the EAF route requires a mixture of scrap, liquid pig iron, and hot briquetted iron (HBI). voestalpine sources the required HBI primarily from the direct reduction plant in Texas, USA. This plant has been majority-owned by a global steel manufacturer since 2022, with voestalpine holding a 20% stake as well as long-term procurement contracts.

Decisions as to the units and suppliers will be made before calendar year 2023 is out, with construction scheduled to start in 2024 and operations to begin in early 2027. Subsequently, voestalpine will be able to produce 2.5 million tons of CO_2-reduced steel annually. The emissions at both of the aforementioned facilities will drop by 30%, which equates to about 5% of Austria's total current CO_2 emissions, meaning that greentec steel offers Austria the most effective leverage by far in terms of climate action. The modalities of the first implementation step are still contingent on the clarification of open funding issues with the Austrian federal government and the upgrade of the power grid slated for the end of calendar year 2026 at the latest; in particular, this concerns a 220 kV transmission line in the country's core Upper Austria region.

The EU ETS target envisions net climate-neutral production by 2050 at the latest. voestalpine is pursuing a long-term approach to this end based on several modular technological steps and options. These are focused equally on generating the greatest possible CO_2 mitigation effect and on the project's feasibility against the backdrop of then applicable political and legal parameters and relevant supply availability, mainly concerning raw and other input materials, green energy, and the required infrastructure.

Below is an overview of the key elements and milestones of voestalpine's greentec steel program in Austria:

Reduction in CO_2 emissions by 30% from 2027

» Replacement of two coal-based blast furnaces in Linz and Donawitz with electric arc furnaces powered by renewable energy

Reduction in CO_2 emissions by 50% from 2030

» Replacement of other conventional pig iron production facilities at both plants

Net zero CO_2 emissions by no later than 2050

» Possible options include the use of fossil-free sources of energy—for example, green hydrogen and bioenergy—and the sequestration (i.e., carbon capture, utilization, and storage – CCUS) of CO_2. The aim is to achieve the greatest possible flexibility, taking the economic feasibility of the net zero strategy into account.
» The final decisions will therefore be made at a later date to coincide with investment cycles and in accordance with foreseeable requirements at the time.

CORPORATE ENVIRONMENTAL MEASURES

Back in the previous business year, voestalpine launched a Group-wide campaign to expand its own production of renewable energy. This includes the installation of PV units on technically suitable building roofs and open areas along with investments in both wind and hydropower facilities. In addition, the company continues to push the installation of electric charging stations.

Furthermore, there are various environmental projects underway in the Group's divisions that focus on energy savings. In the High Performance Metals Division, for example, all current projects are being implemented with the consistent aim of boosting energy efficiency. Concurrently, this division—like other Group divisions—is taking steps to lower the proportion of fossil sources of energy used. This is how the plant in Sweden substituted biogas for 30% of its natural gas usage, and equipment such as furnaces was converted from natural gas to electricity. By following this approach, voestalpine is consistently pursuing its ambitious goal to bring about an 80% reduction in CO_2 emissions at its Swedish plant by 2027/28.

At the Donawitz steel plant in the Metal Engineering Division, various steps have been taken to significantly boost the plant's capacity to generate renewable electricity from its own sources. For example, improved heat recovery will enable an increase by about 1,700 MWh annually. Optimized use of waste heat in the facility's captive power plant and the resulting improvement in efficiency will add another 2,000 MWh per annum.

A PV system with an output of 1.36 MWp has been installed in an external landfill and has been feeding green electricity into the plant's grid through a direct transmission line since October 2022. In the future, these 2,520 modules are expected to supply some 1.5 million kWh of solar electricity per year with the help of ten inverters for the production and processing companies at the Donawitz plant. In addition, a PV system with an installed total output of 8 MWp has been set up on the factory floor roof of the Metal Engineering Division's seamless tube rolling mill in Kindberg, Austria. There are plans for yet more units to be installed on the rooftops of other factory buildings too. As in other divisions, operational and/or process-related steps have been taken to replace natural gas with electricity.

In the Metal Forming Division, photovoltaic projects were installed at various production sites, in particular in Austria, Germany, and the Netherlands. In many cases, mountings from own production ("iFIX") were used.

The Steel Division is focusing on a number of additional goals over and above its preparations for the greentec steel program: energy efficiency aimed at reducing specific consumption; captive generation of renewable energy using expanded photovoltaics units; and, finally, continually increasing the share of e-mobility in both intra-plant vehicular traffic and in the charging infrastructure for voestalpine's employees.

The continued expansion of the division's CO_2-reduced product portfolio has been a particular focal point. As early as in calendar year 2021, voestalpine began offering all flat steel and heavy plate products manufactured at the Linz plant in a greentec steel edition too. The carbon footprint of these products has been reduced by some 10% through the optimization of operating modes (for example, when scrap and reducing agents are utilized) and the use of renewable energy. In addition to the automotive industry, greentec steel is also already being deployed by customers in fields such as facade construction, building technology, crane construction, or the heating and heat pump industry.

Austria's largest legacy pollution clean-up project—"Altlast O76, Linz Coking Plant"—which was started in calendar year 2012 was finally completed in the business year 2022/23.

PRODUCT SUSTAINABILITY

In addition to reducing direct greenhouse gas (GHG) emissions from production (Scope 1), voestalpine is also setting ambitious reduction targets with regard to its Scope 2 (energy purchases) and Scope 3 (e.g., raw materials, transportation) emissions. To this end, the Group has been involved in the independent Science Based Targets initiative (SBTi) since July 2022. This comprises the science-based evaluation, verification, and validation of corporate plans in terms of their alignment with the Paris Agreement.

voestalpine's determination of the sustainability of its products across the entire value and process chain is currently focusing on environmental factors. Analyses of products' carbon footprint and the decarbonization roadmap are front and center in this respect, as are life cycle assessments (LCAs) that also serve as a methodological tool. This requires developing uniform, workable, and globally comparable methods to contribute to a level playing field at the international level and hence to the promotion of sustainable economic growth.

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 in the declarations program of the German Institut Bauen und Umwelt e.V. (IBU), an association of building product manufacturers. This includes, for example, hot strip steel; hot-dip galvanized strip steel; hot-formed, pressed steel sections; prestressed concrete turnout sleepers; rails; and seamless tubes. EPDs for a number of other products are in preparation.

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 its success. Risk management requirements are rooted in a general policy that applies throughout the Group, and the risk management system is updated and refined on an ongoing basis. The **systematic risk management process** helps management to both identify risks early on and initiate appropriate precautionary measures in order to avert or prevent risks and thus achieve the company's aims as effectively as possible. Considered in terms of responsible corporate management that is oriented toward sustainability and shareholder value, risk management is an integral part of the decision-making and business processes at all hierarchy levels of all of the company's divisions. It also encompasses responsible approaches to resources and the environment as well as compliance with regulatory requirements. Risk management covers both the strategic and the operational levels and is therefore a major factor in the Group's sustainable success.

Strategic risk management serves to evaluate and safeguard the Group's strategic planning for the future. This 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 implemented several times a year uniformly across the entire Group; questions regarding its conformity with the given strategy are also addressed as part of this process.

» A supporting checklist is available for risk identification; it is regularly reviewed to ensure that it is up to date and adjusted as necessary.

» 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, market, procurement, technological, financial, human resource, compliance, IT, and environmental risks as well as other sustainability risks at both the strategic and the operational level.

» Taking both risk appetite and risk capacity into account, actions taken to control risk entail different 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 risk management process, including documentation and monitoring, is supported by a special web-based IT system.

The operating units appoint risk managers who, in coordination with the respective management, actively drive and are responsible for the decentralized risk management process in their units. Insights gained from the risk management process also are integral to regular controlling-related discussions at the divisional and Group level, during which material changes in the risk environment of the business units and the divisions are reported. Risk management reports are submitted to the Management Board of voestalpine AG on a semi-annual basis and ad hoc when necessary. **Overall responsibility** for risk management 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 the ICS 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, in turn, reviews and evaluates the design and suitability of the applicable **risk management process** once a year (Rule 83 of the Austrian Code of Corporate Governance). Risk management reports are also submitted to the Audit Committee semi-annually.

DESCRIPTION OF MATERIAL FIELDS OF RISK

The material fields of risk and associated preventive measures that were presented in the previous business year's Consolidated Management Report remain valid.

» UKRAINE WAR/GEOPOLITICAL CONFLICTS AND THEIR IMPACT

The company has been and is continuously monitoring the Ukraine war and geopolitical developments so that it can counteract any effects thereof on the voestalpine Group as effectively as possible in the future, too. For example, alternative suppliers and transport routes were identified and activated upon the outbreak of the Ukraine war to secure supplies of relevant raw materials (e.g., iron ore, iron ore pellets, pulverized coal injection (PCI) coal, alloys) to the Group's production plants (particularly its steelworks in Austria). Moreover, raw material stockpiles (especially of iron ore and coal) were put in place at short notice at the start of the war. To ensure natural gas supplies (especially at its Austrian facilities), in May 2022 the voestalpine Group also contractually secured natural gas storage facilities for its own use. In an emergency involving the complete loss of external supplies, existing reserves of 1.5 TWh of natural gas would enable the Group to maintain full operations for a period of three months or limited operations for a longer period, depending on the production process. The Group has also been working with both existing and new suppliers on expanding its natural gas sources. As a result, deliveries of natural gas are already being transported from overseas through Italy (using LNG terminals) to Austria; these supplies are being used to maintain current operations. In addition, a potential natural gas bottleneck would trigger existing emergency plans, whereby production could be incrementally adjusted to the energy supplies actually available. The Group would be able to offset production bottlenecks to some extent, not least thanks to its international orientation, which means it can rely on 500 companies and facilities worldwide —including numerous sites outside of Europe that would not be affected. Rapid adjustments to the supply and logistics processes in light of the new challenges presented made it possible to avoid bottlenecks. Developments regarding supplies of energy (particularly natural gas) and raw materials are monitored on an ongoing basis and evaluated in regular exchanges between experts and the Management Board.

» COVID-19 PANDEMIC

In the business year just ended, the Group-wide crisis management comprising crisis teams at three decision-making levels (Group, divisions, companies) again took steps to counteract the COVID-19 pandemic and its ramifications as effectively as possible. The maintenance or situational adjustment of the precautionary measures that were already put in place at the onset of the pandemic (e.g., hygiene and protective measures, remote working) and 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 supply chain constraints, liquidity safeguards) also helped to ensure the organization's stability as far as possible. Given ensuing developments worldwide and the incremental reversal of the legislative measures that various countries had put in place, the Group's crisis management was put on hold at the end of January 2023. We continue to monitor developments related to the pandemic so that we will be able to reactivate the Group-wide crisis management process if required. Emergency and crisis plans that were implemented, along with previously established measures, were evaluated at regular intervals and adjusted and/or expanded as necessary in light of new information.

» AVAILABILITY OF RAW MATERIALS AND ENERGY SUPPLIES

To ensure the supply of raw materials and energy in the required quality and quantities over the long term, the voestalpine Group has already been pursuing a diversified procurement strategy appropriate to the heightened political and economic risks of this globalized market for some years. This approach is being intensified in response to the current Ukraine conflict, geopolitical developments, and various decarbonization activities. 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 Consolidated Management Report).

As far as energy supplies are concerned, the Group is continually researching and pushing the development of alternative energy resources. This is motivated not only by the Ukraine war and our associated activities aimed at strengthening the Group's resilience, but also by the changes in our energy needs arising from our decarbonization activities. Over and above the consistent expansion of our own renewables capacity, our focus in this respect is on numerous research and demonstration projects related to hydrogen, biogas, and biomass along with projects pertaining to alternative iron and steel manufacturing technologies such as the H2FUTURE hydrogen pilot plant in Linz, Austria, the Hydrogen-Based Fine Ore Reduction ("Hyfor") project, and the Sustainable Steelmaking ("SuSteel") project in Donawitz, Austria.

» 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 material price risks. Based thereon and taking into account individual specificities of the respective Group company's business model, prices are hedged by means of short-term delivery contracts containing fixed price agreements or by means of derivative financial instruments. Depending on the business model of the Group company in question, changes in the prices of energy and raw materials may be passed on to customers to some extent and/or after some time. In this case, risk management aims to secure the previously determined contribution margins under the sales contracts. Iron ore, coke, coking coal, zinc, nickel, CO_2, 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).

» DISRUPTIONS IN LOGISTICS AND SUPPLY CHAINS

Generally, global supply chains may be undermined, or even interrupted, by events such as a pandemic and, in particular, geopolitical conflicts such as the current Ukraine war. This may trigger restrictions that arise from suppliers, from customers, from disrupted transportation routes, and from potential sanctions and/or embargoes. Our simultaneous focus on less vulnerable supply chains and on expanding logistical options has substantially boosted reliability (e.g., of raw materials deliveries), both in the past and during current crises.

» FAILURE OF PRODUCTION FACILITIES

Targeted and comprehensive investments serving to optimize sensitive units technologically have been and are being carried out to minimize the risk of critical facilities breaking down. Necessary investments in modernization and replacements are also planned for the long term. Additional supplementary measures include consistent, systematic, and preventive maintenance; risk-oriented storage of critical spare parts; and appropriate employee training.

Emergency generators are available to protect critical facilities and processes at key plants in case of sudden, unplanned power interruptions (i.e., blackouts). These generators can be used to power limited partial operations, emergency operations and, in extreme cases, controlled plant shutdowns. Furthermore, the Linz facility, for example, has a captive power plant with black start capacity and special internal grids (i.e., self-contained, segregated areas). Regular run-throughs of a range of scenarios are carried out (e.g., tests of the emergency generators and the emergency and communications plans) to ensure that the facilities are ideally prepared for adverse events.

» IT, FAILURE OF IT SYSTEMS

At most of the Group's plants, business and production processes that are largely based on complex information technology (IT) systems are serviced by wholly-owned subsidiaries of voestalpine AG specialized in IT—specifically, voestalpine group-IT GmbH in Austria along with its four sister entities in Germany, Sweden, Brazil, and China. 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 incidents. Additional periodic penetration tests are carried out to further reduce the risk of unauthorized access to IT systems and applications. Broad online campaigns aimed at making the Group's employees aware of security issues—especially potential risks in connection with remote working—and increasing this awareness were carried out yet again in the business year just ended. Evidence of cyber fraud attacks (e.g., social engineering, CEO fraud, man-in-the-middle attacks related to payments and deliveries, phishing) is compiled by an internal working group, preventive measures are developed, and existing 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) are conducted as previously on these issues, too. Employees also regularly complete special e-learning modules that help to raise their awareness of the issues concerned.

» **KNOWLEDGE MANAGEMENT/ PROJECT MANAGEMENT**

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

A highly diverse range of project management tools and suitable project monitoring are used to counteract any project risks arising, for example, from major projects, 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. In-person training focused on particular topics is part and parcel of this system, along with e-learning programs.

» **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. Topic-focused e-learning is offered as a supplementary measure.

» **RISKS FROM NATURAL DISASTERS**

Suitable proactive measures to deal with risks, if any, from natural disasters such as fires, floods, low or fluctuating water levels, heavy snowfall, droughts, storms, or temperature fluctuations are in place. These include construction measures, fire alarms, sprinkler systems, flood protection, and/or adjustments to logistics in the event of low water levels, for example. As part of regular run-throughs, tests of existing emergency plans, and physical inspections and risk surveys conducted in cooperation with insurance companies, existing preventive measures are not only evaluated to ensure that they are up to date and/or complete, but are also adjusted or expanded as necessary in light of changed circumstances. 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 such as climate action and environmental protection (particularly CO_2-related topics such as decarbonization), social and personnel issues, respect for human rights, and the fight against corruption are considered in terms of their impact at all levels, in compliance with the Group's sustainability strategy.

» For more information on the impact of the climate and energy policies on the voestalpine Group, including its decarbonization strategy, please see the explanations under item B "Summary of Accounting Policies" in the Notes.

» Sustainability issues—chief among them climate action and risk management—are also addressed in a separate, annually published Sustainability Report. This Corporate Responsibility Report is prepared in accordance with the international standards of the Global Reporting Initiative (GRI). In addition, the "Environment" chapter of the Group Management Report contains greater detail on the CO_2 issue.

The Group has also launched activities required under the Austrian Supply Chain Due Diligence Act, the development of which is continually being monitored and evaluated.

» 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. The intention is 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. Particular attention was and still is paid 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 minimized as far as possible 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. To date, neither the COVID-19 pandemic nor the current Ukraine war have caused loan insurers to significantly tighten credit limits in individual customer segments, nor have these events led to greater receivable charge-offs. Counterparty credit risk in financial contracts is managed through daily monitoring of the counterparties' credit 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 respect, hedges are implemented centrally by Group Treasury based on derivative hedging instruments. voestalpine AG hedges the budgeted (net) foreign currency payment streams for up to 12 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 particular, 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, 2023, reporting date, any increase in the interest rate by one percentage point would increase the net interest expense associated with bank loans and capital market indebtedness in the subsequent business year by EUR 2.6 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. At this time, however, such a scenario is rather unlikely, given the development of the pandemic worldwide and the gradual reversal of related measures that were put in place by law in various countries. However, the aforementioned adverse effects may also result from additional sanctions and/or embargoes imposed in connection with the Ukraine war as well as geopolitical conflicts. This may lead to additional restrictions across the entire European Economic Area (EEA) and/or in the global economy and, in turn, trigger yet more ramifications that are hard 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—especially from the COVID-19 pandemic and the Ukraine war as well as the development of inflation and interest rates—additional steps primarily of a corporate nature have been and are being taken to mitigate the Group's risk exposure. These measures are consistently applied and followed up on in order to achieve the objectives below, in particular:

» Minimize the negative effects that even a recessionary economic trend would have on the company through relevant scenario planning;
» Maintain high product quality along with concurrent continual efficiency gains and ongoing cost optimization;
» Ensure the security of supply chains as far as possible;
» Counteract any price volatilities—especially in connection with energy and raw materials—by means of suitable tools and measures and also pass them on to customers;
» Have sufficient financial liquidity available even in the event of constricted financial markets;
» 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) conflicts is monitored on a continual basis. Further developments in the Ukraine war and the actions taken by individual countries 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.

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 *(Aktiengesetz – 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, in particular, signing authorizations for payments that apply only collectively and are limited to only a few individuals (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 built into the reporting and consolidation system, along with numerous manual reviews, 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, upon 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

The Annual General Meeting on July 7, 2021, authorized the Management Board for a period of 30 months to buy back treasury shares representing up to 10% of the respective share capital. The buyback price may, at most, be 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 exercised this authorization on November 3, 2022, and resolved a buyback program involving up to 10,000,000 ordinary shares (= about 5.6% of the share capital) starting on November 10, 2022, and likely ending on July 10, 2023. As of March 31, 2023, voestalpine AG has bought back 5,869,673 ordinary shares under this stock buyback program.

	Treasury shares in thousands of shares	Percentage of share capital in %	Percentage of share capital in thousands of euros
As of 03/31/2022	**28.5**	**0.0**	**51.9**
Additions in 2022/23	5,869.7	3.3	10,664.1
Disposals in 2022/23	0.0	0.0	0.0
As of 03/31/2023	**5,898.2**	**3.3**	**10,716.0**

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

As of March 31, 2023, the share capital of voestalpine AG is EUR 324,391,840.99 (March 31, 2022: EUR 324,391,840.99) and is divided into 178,549,163 ordinary no-par value shares (March 31, 2022: 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 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, Austria, each hold more than 10% (and less than 15%) of the company's share capital. Oberbank AG, Linz, Austria, 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 that participate in the employee shareholding scheme. However, the way in which 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 each representing the employees and 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 powers of the Management Board 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 2022/23.

The EUR 500 million fixed-interest bonds 2017–2024; the EUR 500 million fixed-interest bonds 2019–2026; the EUR 250 million convertible bonds 2023–2028 issued in April 2023; the EUR 50 million privately floated fixed-interest bond 2019–2031; a total of EUR 321 million and USD 100 million, respectively, in promissory note loans; as well as the EUR 1,000 million syndicated loan obtained in 2019 (revolving credit facility, undrawn); and bilateral loans for a total of EUR 379.9 million and USD 206.4 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. With the exception of the terms of the EUR 250 million convertible bonds 2023–2028, 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)*. In the case of the EUR 250 million convertible bonds 2023–2028, the terms governing a change of control are defined in Section 11 (d) of the convertible bond terms and conditions (see www.voestalpine.com » Investors » Debt Investor Relations » Outstanding bonds). In addition to a bondholder's right to demand redemption of their convertible bonds in the event of a change of control, the latter also lowers the conversion price.

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

After weathering an interim, very subdued phase following the Northern summer, the business year 2022/23 ended on a positive note that continues to defy forecasts of an economic decline.

The fact that the COVID-19 pandemic has largely been overcome, the significant easing of international supply chain pressures, and, not least, the reduction in Europe's dependence on Russian sources of energy in record time contribute to the still prevailing positive economic sentiment.

One cannot ignore the fact, however, that the war in Ukraine rages on and that overall geopolitical tensions worldwide are on the rise. Inflation in both Europe and North America has also turned out to be more persistent than expected. This means that the central banks on either side of the Atlantic are not expected to reverse their interest rate hiking cycle even though its fallout is already negatively affecting the banking sector.

Given that the central banks have accorded highest priority to the fight against inflation and are working to achieve it by slowing the momentum in both prices and demand, this policy is generally expected to put a damper on the economy after some time.

Yet expectations as to the development of different economic regions and individual market segments have differed widely so far.

The coming months will show whether China's abandonment of its strict zero-COVID policy and subsequent reopening will substantially boost economic growth in the business year 2023/24 compared with the reporting period. As interest rates continue to rise in North America, just as in Europe, we expect demand for voestalpine's products to slow down during this phase in these two economic regions. Despite the sharp drop in inflation, demand in Brazil is expected to slow slightly due to uncertainties arising from the change in government as well as declining exports in a globally cooling economy.

As far as individual market segments are concerned, we expect the consumer goods and white goods industries to continue along a fairly subdued trajectory. The construction industry is expected to continue weakening over the course of the business year 2023/24. The automotive industry, by contrast, should follow a largely stable trajectory at the current level thanks to still existing orders on hand and the improvement in international supply chains. While demand from the conventional energy sector (oil and natural gas) is expected to remain good in the business year 2023/24, it will no longer reach the record highs seen during the business year ended.

The upward trends in both the renewable energy sector and the aerospace industry should continue unabated in the current business year.

Good demand from the traditionally stable railway infrastructure market segment is expected for the business year 2023/24 and beyond. For one, there is a large need for investment in some European countries in this area; for another, the worldwide trend toward climate action will continue to buttress this market segment in the long term.

Assuming that the global economy will not be hit by massive economic distortions on account of the central banks' interest rate polices and that there will be no further escalation scenarios in the Ukraine war or additional geopolitical tensions, the Management Board of voestalpine AG expects the Group to generate EBITDA of between EUR 1.7 billion and EUR 1.9 billion in the business year 2023/24.

Linz, May 26, 2023

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.

voestalpine AG

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31, 2023

ASSETS

	Notes	03/31/2022	03/31/2023
A. Non-current assets			
Property, plant and equipment	9	5,635.9	5,664.8
Goodwill	10	1,448.6	1,331.3
Other intangible assets	10	289.9	297.7
Investments in entities consolidated according to the equity method	12	162.7	270.0
Other financial assets and other equity investments	12	70.2	72.7
Deferred tax assets	13	279.3	178.3
		7,886.6	**7,814.8**
B. Current assets			
Inventories	14	4,935.1	5,724.6
Trade and other receivables	15	2,293.1	2,156.3
Other financial assets	24	145.6	341.3
Cash and cash equivalents	16	842.8	1,055.8
Current assets excl. IFRS 5 assets		**8,216.6**	**9,278.0**
Assets from discontinued operations	C.	921.5	0.0
Current assets incl. IFRS 5 assets		**9,138.1**	**9,278.0**
Total assets		**17,024.7**	**17,092.8**

In millions of euros

EQUITY AND LIABILITIES

	Notes	03/31/2022	03/31/2023
A. Equity			
Share capital		324.3	324.3
Capital reserves		664.9	664.8
Treasury shares		−1.5	−177.3
Other reserves		−26.2	−160.6
Retained earnings		5,953.2	6,877.7
Equity attributable to equity holders of the parent		**6,914.7**	**7,528.9**
Non-controlling interests		154.6	240.5
	17	**7,069.3**	**7,769.4**
B. Non-current liabilities			
Pensions and other employee obligations	18	1,082.4	938.9
Provisions	19	117.3	93.6
Deferred tax liabilities	13	74.9	86.2
Financial liabilities	20	2,646.2	2,242.2
		3,920.8	**3,360.9**
C. Current liabilities			
Provisions	19	1,035.9	1,055.1
Tax liabilities		263.9	238.3
Financial liabilities	20	623.9	836.6
Trade and other payables	21	2,862.4	2,797.3
Trade payables from bills of exchange and trade payables from reverse factoring agreements	22	1,153.4	1,023.1
Current liabilities		**5,939.5**	**5,950.4**
Liabilities from discontinued operations	C.	95.1	12.1
Current liabilities incl. liabilities from discontinued operations		**6,034.6**	**5,962.5**
Total equity and liabilities		**17,024.7**	**17,092.8**

In millions of euros

voestalpine AG

CONSOLIDATED STATEMENT OF CASH FLOWS 2022/23

	Notes	2021/22	2022/23
Operating activities			
Profit after tax		1,330.3	1,178.7
Non-cash expenses and income, deposits and disbursements not recognized in income statement	25	512.0	791.5
Change in inventories		−1,548.7	−810.9
Change in receivables and liabilities		397.0	−189.6
Change in provisions		552.3	−13.5
Changes in working capital		**−599.4**	**−1,014.0**
Cash flows from operating activities[1]		**1,242.9**	**956.2**
Thereof from discontinued operations		28.5	47.6
Investing activities			
Additions to other intangible assets, property, plant and equipment		−654.0	−752.1
Income from disposals of assets		20.3	166.3
Cash flows from the acquisition of control of subsidiaries	25	0.0	−8.1
Cash flows from the loss of control of subsidiaries	25	0.0	735.8
Additions to/divestments of other financial assets		3.9	−189.0
Cash flows from investing activities		**−629.8**	**−47.1**
Thereof from discontinued operations		−52.6	731.4
Financing activities			
Dividends paid		−89.3	−214.2
Dividends paid, non-controlling interests		−19.2	−23.7
Capital increase, non-controlling interests		3.5	0.0
Acquisition of non-controlling interests		−1.8	0.0
Acquisitions/disposals of treasury shares		0.0	−175.8
Increase in non-current financial liabilities	25	3.7	7.9
Repayment of non-current financial liabilities	25	−767.4	−301.1
Repayment of lease liabilities	25	−44.9	−49.4
Change in current financial liabilities and other financial liabilities	25	−32.9	70.4
Cash flows from financing activities		**−948.3**	**−685.9**
Thereof from discontinued operations		0.0	0.0
Net decrease/increase in cash and cash equivalents		**−335.2**	**223.2**
Cash and cash equivalents, beginning of year		1,159.7	842.8
Net exchange differences		18.3	−10.2
Cash and cash equivalents, end of year	16	**842.8**	**1,055.8**

[1] Cash flows from operating activities include		
interest received of	3.6	11.4
interest paid of	81.1	130.5
taxes paid of	84.6	345.3
and dividend income of	12.0	18.2
in continuing operations.		

In millions of euros

voestalpine AG

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 2022/23

CONSOLIDATED INCOME STATEMENT

	Notes	2021/22	2022/23
Revenue	1, 2	**14,923.2**	**18,225.1**
Cost of sales		–11,561.0	–14,589.4
Gross profit		**3,362.2**	**3,635.7**
Other operating income	3	445.9	778.9
Distribution costs		–1,174.8	–1,335.8
Administrative expenses		–706.9	–781.8
Other operating expenses	4	–502.6	–664.9
Share of profit of entities consolidated according to the equity method	5	30.5	–7.9
EBIT		**1,454.3**	**1,624.2**
Finance income	6	35.7	49.1
Finance costs	7	–107.5	–182.5
Profit before tax		**1,382.5**	**1,490.8**
Tax expense	8	–310.1	–405.5
Profit after tax from continuing operations		**1,072.4**	**1,085.3**
Profit after tax from discontinued operations	C.	257.9	93.4
Profit after tax		**1,330.3**	**1,178.7**
Attributable to:			
Equity holders of the parent		1,299.6	1,066.0
Non-controlling interests		30.7	112.7
Diluted and basic earnings per share (euros) from continuing operations	31	**5.84**	**5.48**
Diluted and basic earnings per share (euros) from discontinued operations	31	**1.44**	**0.53**
Diluted and basic earnings per share (euros)	31	**7.28**	**6.01**

CONSOLIDATED OTHER COMPREHENSIVE INCOME

	2021/22	2022/23
Profit after tax	**1,330.3**	**1,178.7**
Items of other comprehensive income that will be reclassified subsequently to profit or loss		
Cash flow hedges	32.5	–44.8
Currency translation	60.0	–87.0
Share of result of entities consolidated according to the equity method	3.1	–4.9
Subtotal of items of other comprehensive income that will be reclassified subsequently to profit or loss	**95.6**	**–136.7**
Items of other comprehensive income that will not be reclassified subsequently to profit or loss		
Actuarial gains/losses	91.3	88.1
Actuarial gains/losses of entities consolidated according to the equity method	0.2	0.1
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	**91.5**	**88.2**
Other comprehensive income for the period, net of income tax	**187.1**	**–48.5**
Total comprehensive income for the period	**1,517.4**	**1,130.2**
Attributable to:		
Equity holders of the parent	1,483.5	1,019.4
Non-controlling interests	33.9	110.8
Total comprehensive income for the period	**1,517.4**	**1,130.2**

In millions of euros

voestalpine AG

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2022/23

	Share capital	Capital reserves	Treasury share reserve
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	–	–	–
Actuarial gains/losses of entities consolidated according to the equity method	–	–	–
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	–	0.0	–
	–	**3.7**	**–**
Balance as of March 31, 2022 = Balance as of April 1, 2022	**324.3**	**664.9**	**–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	–	–	–
Actuarial gains/losses of entities consolidated according to the equity method	–	–	–
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	–	–	–
Treasury share reserve	–	–	–175.8
Share-based payment	–	–0.1	–
Acquisition of control of subsidiaries	–	–	–
Other changes	–	–	–
	–	**–0.1**	**–175.8**
Balance as of March 31, 2023	**324.3**	**664.8**	**–177.3**

	Other reserves					
	Translation reserve	Cash flow hedge reserve	Retained earnings	Total attributable to equity holders of the parent	Non-controlling interests	Total equity
	–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**
	–	–	91.2	91.2	0.1	91.3
	–	–	0.2	0.2	–	0.2
	–	**–**	**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	0.0	–4.1	–7.8	8.2	0.4
	–3.7	**0.0**	**–93.4**	**–93.4**	**–4.6**	**–98.0**
	–65.4	**39.2**	**5,953.2**	**6,914.7**	**154.6**	**7,069.3**
	–	**–**	**1,066.0**	**1,066.0**	**112.7**	**1,178.7**
	–	–44.8	–	–44.8	–	–44.8
	–84.7	–	–	–84.7	–2.3	–87.0
	–4.9	–	–	–4.9	–	–4.9
	–89.6	**–44.8**	**–**	**–134.4**	**–2.3**	**–136.7**
	–	–	87.7	87.7	0.4	88.1
	–	–	0.1	0.1	–	0.1
	–	**–**	**87.8**	**87.8**	**0.4**	**88.2**
	–89.6	**–44.8**	**87.8**	**–46.6**	**–1.9**	**–48.5**
	–89.6	**–44.8**	**1,153.8**	**1,019.4**	**110.8**	**1,130.2**
	–	–	–214.2	–214.2	–23.4	–237.6
	–	–	–	–175.8	–	–175.8
	–	–	–	–0.1	0.1	0.0
	–	–	–	–	0.7	0.7
	–	–	–15.1	–15.1	–2.3	–17.4
	–	**–**	**–229.3**	**–405.2**	**–24.9**	**–430.1**
	–155.0	**–5.6**	**6,877.7**	**7,528.9**	**240.5**	**7,769.4**

In millions of euros

voestalpine AG

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2022/23

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, 2023 (including comparative figures for the year ended March 31, 2022) 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 2022.

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 26, 2023, 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 2022/23:

Standard	Content	Effective date[1]
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

[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 2022/23 or they have not yet been adopted by the European Union:

Standard	Content	Effective date according to IASB[1]
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
IFRS 17, amendments	Initial Application of IFRS 17 and IFRS 9 – Comparative Information	January 1, 2023
IFRS 16, amendments	Lease Liability in a Sale and Leaseback	January 1, 2024
IAS 1, amendments	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	January 1, 2024

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

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. With the exception of a few companies, the relevant national currency is the functional currency because—in financial, economic, and organizational terms—these entities 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							
03/31/2022	1.1101	0.8460	5.3009	10.3370	1.5028	7.0403	4.6531
03/31/2023	1.0875	0.8792	5.5158	11.2805	1.4464	7.4763	4.6700
Average annual rate							
2021/22	1.1623	0.8504	6.1985	10.2354	1.5673	7.4592	4.5842
2022/23	1.0411	0.8645	5.3674	10.8110	1.4296	7.1346	4.7073

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 company has been and is continuously monitoring the Ukraine war and geopolitical developments so that it can counteract any effects thereof on the voestalpine Group as effectively as possible in the future, too. For example, alternative suppliers and transport routes were identified and activated upon the outbreak of the Ukraine war to secure supplies of relevant raw materials (e.g., iron ore, iron ore pellets, pulverized coal injection (PCI) coal, alloys) to the Group's production plants (particularly its steelworks in Austria). Moreover, raw material stockpiles (especially of iron ore and coal) were put in place at short notice at the start of the war. To ensure natural gas supplies (especially at its Austrian facilities), in May 2022 the voestalpine Group also contractually secured natural gas storage facilities for its own use. In an emergency involving the complete loss of external supplies, existing reserves of 1.5 TWh of natural gas would enable the Group to maintain full operations for a period of three months or limited operations for a longer period, depending on the production process. The Group has also been working with both existing and new suppliers on expanding its natural gas sources. As a result, deliveries of natural gas are already being transported from overseas through Italy (using LNG terminals) to Austria; these supplies are being used to maintain current operations. In addition, a potential natural gas bottleneck would trigger existing emergency plans, whereby production could be incrementally adjusted to the energy supplies actually available. The Group would be able to offset production bottlenecks to some extent, not least thanks to its international orientation, which means it can rely on 500 companies and facilities worldwide—including numerous sites outside of Europe that would not be affected. Rapid adjustments to the supply and logistics processes in light of the new challenges presented made it possible to avoid bottlenecks. Developments regarding supplies of energy (particularly natural gas) and raw materials are monitored on an ongoing basis and evaluated in regular exchanges between experts and the Management Board.

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. In addition, uncertain assumptions—regarding the development of CO_2 allowance prices as well as their impact on sales prices—flowed into the determination of the recoverable amounts for the cash generating units affected by decarbonization and associated technology transfers. See the item, Effects of climate and energy policies—decarbonization strategy; 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. 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. voestalpine joined the Science Based Targets initiative (SBTi) in the reporting period to evidence the compatibility of greentec steel with global climate targets scientifically.

greentec steel entails the electrification of steelmaking starting in calendar year 2027—i.e., the incremental replacement of the fossil fuel-based blast furnace route with green electricity-based electric furnaces. In March 2023, the Supervisory Board of voestalpine AG gave its approval in principle to an investment volume of about EUR 1.5 billion to fund the next stage. The work both to clear the necessary construction sites and to modify the infrastructure has already progressed very far. The construction of the two furnaces is slated to begin in calendar year 2024.

voestalpine aims to achieve CO_2-neutral steel production by 2050. The decarbonization activities also change the company's energy needs. Over and above the consistent expansion of our own renewables capacity, our focus in this respect is on numerous research and demonstration projects related to hydrogen, biogas, and biomass along with projects pertaining to alternative iron and steel manufacturing technologies such as the H2FUTURE hydrogen pilot plant in Linz, Austria; the Hydrogen-Based Fine Ore Reduction ("Hyfor") project; and the Sustainable Steelmaking ("SuSteel") project in Donawitz, Austria. Research regarding the sequestration and utilization of CO_2 supplement the overall approach.

Companies such as voestalpine whose activities comprise energy-intensive processes rely 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 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 action requirements are less rigid.

Because the steel industry is considered a sector subject to high carbon leakage risks, the EU Emissions Trading System Directive (EU ETS) initially 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 currently purchase about one third of its total emission allowances.

As part of both the revision of the EU ETS and the simultaneous plan for a Carbon Border Adjustment Mechanism (CBAM), the EU Commission's plans to achieve a 55% reduction in all CO_2 emissions by calendar year 2030—which it combined in its Fit for 55 legislative package—provide for a paradigm shift in the steel industry, for example. Among other things, this will entail a reduction in the total number of allowances as well as the gradual elimination up to calendar year 2034 of no-cost allowance allocations, thus substantially increasing the EU steel industry's need to purchase allowances.

The budgetary accounting for the plants affected by the technological shift (chiefly, Linz and Donawitz (both in Austria)) take the resulting consequences into consideration, to the extent that they can be estimated at this time. These assumptions are subject to material uncertainties in accounting estimates. The planning is based, for one, on investments of about EUR 1.5 billion and CO_2 allowance price increases as well as on the incremental reduction in and elimination of the no-cost allowances by calendar year 2034 and, for another, on a price premium for greentec steel. As far as the CO_2 price increases are concerned—which were derived from the forecasts of the emission volumes and allowance prices prepared by internal experts and external analysts as well as from estimates of consequences prepared by the EU Commission—our planning accounts for an incremental increase by up to approximately 2.5 times the current price, which is already very high. A price premium on greentec steel is to be expected at the start of the marketing phase; it can already be derived from market developments at this time. The assumptions regarding the development of the sales prices are also based on the assumption that mitigating actions (e.g., CBAM) will be introduced to offset the elimination of no-cost allowances.

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.

There was no need to recognize impairment losses in the business year 2022/23 on account of climate-related risks. The assumptions in this connection were considered in both the medium-term business plan and a rough planning stage 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 48.0 million (2021/22: EUR 34.5 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 2022/23, expenses for research and development were EUR 191.2 million (2021/22: EUR 173.9 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. Natural gas stockpiles are held as an emergency reserve for production. 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 CO_2 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 +3.5% or –3.1% 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:

	2021/22	2022/23
Interest rate (%)	1.90	3.80
Salary/wage increases (%)[1]	3.50	4.00
Pension benefit increases (%)[1]	2.00	2.50
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 agreements 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, 2021/22, and 2022/23, 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, 2021, and 2022, 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 2022/23, a total of 93 companies in these 11 countries participated in the international employee shareholding scheme.

As of March 31, 2023, the voestalpine Mitarbeiterbeteiligung Privatstiftung held approximately 14.3% (March 31, 2022: 14.2%) of voestalpine AG's shares for employees. In addition, active and former employees of voestalpine hold approximately 0.5% (March 31, 2022: 0.6%) of the shares of voestalpine AG, the voting rights of which are exercised by the foundation. On the whole, therefore, as of March 31, 2023, the voting rights of approximately 14.8% (March 31, 2022: 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, 2022	**283**	**12**
Additions from acquisitions	2	1
Change in the consolidation method and incorporation		
Additions	4	
Disposals		
Reorganizations	–2	
Divestments or disposals	–4	
As of March 31, 2023	**283**	**13**
Of which foreign companies	223	5

The following fully consolidated entities were merged during the business year 2022/23:[1]

Name of entity	Date of deconsolidation
Full consolidation in the business year 2021/22	
voestalpine Texas LLC	June 30, 2022
voestalpine Texas Holding LLC	June 30, 2022
voestalpine Rotec LLC	December 31, 2022
voestalpine Tubulars Al Bassam Company Limited in Liquidation	July 6, 2022
Reorganizations	
voestalpine High Performance Metals VerwaltungsAG	April 1, 2022
voestalpine Automotive Components Schmölln GmbH	April 1, 2022

[1] See also the item "Discontinued operations."

Due to liquidation, voestalpine Rotec LLC was deconsolidated as of December 31, 2022, and voestalpine Tubulars Al Bassam Company Limited as of the close of the business year.

DISCONTINUED OPERATIONS

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

In addition, an agreement was made to secure 420,000 tons annually of the HBI produced in the Corpus Christi, Texas, USA, plant for voestalpine. This provides the basis for further decarbonizing the Group's steel production activities in Linz and Donawitz (both in Austria) as part of the "greentec steel" project. The HBI plant has an annual production capacity of about two million tons.

The criteria regarding the classification of the assets as held for sale were satisfied in the fourth quarter of the business year 2021/22. Management classified the Texas CGU as discontinued operations because it constitutes a separate significant business unit. The transaction was closed on June 30, 2022. voestalpine received the purchase price as of the closing date. The discontinued operations have produced the following results:

	2021/22	**2022/23**
Revenue	589.4	225.9
Expenses incl. other expenses	–589.2	–146.7
Other operating income	1.8	0.8
Financial results	–0.7	–0.2
Profit before tax and valuation result at fair value less costs to sell	**1.3**	**79.8**
Tax expense according to IAS 12.81 h (ii)	0.0	0.0
Valuation result at fair value less costs to sell	256.6	0.0
Tax expense according to IAS 12.81 h (i)	0.0	0.0
Profit after tax	**257.9**	**79.8**
Thereof attributable to equity holders of the parent	257.9	79.8
Profit after tax	**257.9**	**79.8**
Profit from the disposal	0.0	13.6
Profit after tax from discontinued operations	**257.9**	**93.4**
Diluted and basic earnings per share (euros) from discontinued operations	1.44	0.53
Weighted average number of outstanding ordinary shares	178,520,616	177,280,772

In millions of euros

The main groups of assets and liabilities related to the discontinued operations at the time of disposal are shown in the following table. In addition, the table shows both the income from the disposal and the net cash inflow.

	2022/23
Non-current assets	745.2
Current assets	254.8
Total assets (total disposed assets)	**1,000.0**
Non-current liabilities	32.3
Current liabilities	48.7
Total equity and liabilities (total disposed liabilities)	**81.0**
Net assets sold	**919.0**
Consideration for 100%[1]	**872.5**
Recycled cumulative OCI	73.2
Transaction costs, obligations assumed, and other effects	–13.1
Profit from the disposal	13.6
[1] Of which cash and cash equivalents received (for 80%)	747.0
Cash and cash equivalents disposed of	–11.2
Net cash inflow	**735.8**

In millions of euros

The purchase price estimate as of March 31, 2022, considered uncertainties regarding the assumption of obligations, the share in profit or loss, and the assumption of debt. These uncertainties were largely substantiated as of March 31, 2023, and are reflected in the disposal result.

The taxable gain on the disposal is offset against existing loss carryforwards.

Transitional consolidation due to the change in the controlling interest
The voestalpine Group no longer controls the subsidiaries of the voestalpine Texas Group. The gain on deconsolidation is recognized in income. It is determined based on the difference between

- » the total fair value of the consideration received and the fair value of the remaining equity interest of 20%, for one, and
- » the disposed net assets of the discontinued operations including any reclassified (“recycled”) items in other comprehensive income (OCI), for another.

The total of EUR 73.2 million shown in OCI in connection with the voestalpine Texas Group is recognized in the same way an asset sale would be. However, the present case concerns a reclassification of differences from currency translation to the Consolidated Income Statement.

As the voestalpine Group is retaining 20% of its equity interest in the former voestalpine Texas Group, this stake is recognized at the fair value of EUR 134.4 million as determined at the time control was relinquished. This value represents the cost of the equity interest, which is subsequently valued using the equity method in accordance with the rules applicable to associates.

The fair value of the 20% stake was derived from the purchase price for the 80% equity interest and represents a Level 3 fair value. Given the Group’s limited control and co-determination rights under its 20% equity interest, a deduction that was determined on the basis of transaction data was taken.

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 2022/23:

Name of entity	Equity interest in %	Date of initial consolidation
Full consolidation		
BÖHLER Immobilien GmbH & Co KG	100.000%	April 1, 2022
voestalpine Fastening Systems Sp. z o.o.	50.000%	August 1, 2022
voestalpine BÖHLER Bleche GmbH	100.000%	August 3, 2022
voestalpine HPM Deutschland Beteiligungs SE	100.000%	December 9, 2022
BÖHLER Management & Service GmbH	100.000%	January 6, 2023
Metaltec AG	100.000%	January 9, 2023
At-equity consolidation[1]		
ArcelorMittal Texas HBI Holdings LLC	20.000%	June 30, 2022

[1] See also the items "Discontinued operations" and F. Investments in associates and joint ventures.

The additions of fully consolidated entities to the scope of consolidation include two acquisitions, three newly established entities, and the consolidation of one entity not previously included in the Consolidated Financial Statements.

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.

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, 2023, are EUR 11.1 million (March 31, 2022: EUR 8.8 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.

On August 1, 2022, voestalpine Railway Systems GmbH, Austria, acquired 50% of the shares of Plastwil Sp. z o.o., a company based in Poland. The acquisition serves to enable voestalpine Railway Systems to further strengthen its position in the Polish market and to provide customized solutions for fastening systems. The acquired company now operates under the name voestalpine Fastening Systems Sp. z o.o.

On January 9, 2023, voestalpine High Performance Metals GmbH, Austria, acquired Metaltec AG, Switzerland, a specialist for bright steels used in high-tech niche segments. Metaltec AG primarily supplies sectors with highly sophisticated demands, such as the automotive, medical, and watchmaking industries. The acquisition will further strengthen the company's already very good position in the Swiss market.

These acquisitions have the following impact on the Consolidated Financial Statements:

	Recognized values
Non-current assets	16.0
Current assets	10.1
Non-current liabilities	–5.4
Current liabilities	–12.2
Net assets	**8.5**
Addition of non-controlling interests	–0.7
Goodwill	4.2
Acquisition costs	**12.0**
Cash and cash equivalents acquired	–1.5
Purchase price not yet paid	–2.4
Net cash outflow	**8.1**

In millions of euros

The above table contains goodwill of EUR 4.2 million, specifically, EUR 3.0 million from the voestalpine Fastening Systems Sp. z o.o., Poland, transaction and EUR 1.2 million from the acquisition of Metaltec AG, Switzerland. Both differences arise from the company's earnings potential which, according to IFRS rules, may not be allocated to items that can be capitalized individually. The goodwill of voestalpine Fastening Systems Sp. z o.o. is allocated to the goodwill-carrying Railway Systems business unit and the goodwill of Metaltec AG to the goodwill-carrying Value Added Services unit. It is not expected that portions of the recognized goodwill will be deductible for corporate tax purposes.

Since their initial consolidation, the acquisitions have contributed revenue of EUR 20.9 million to consolidated revenue. Their share in the Group's profit after tax for the same period was EUR –2.8 million. The reported consolidated revenue would have been EUR 17.4 million higher and the reported Group's profit after tax would have been EUR 1.1 million lower if the acquisitions had been consolidated as of April 1, 2022.

As part of the first-time full consolidation of voestalpine Fastening Systems Sp. z o.o. and voestalpine Metaltec AG, fair values for trade receivables of EUR 2.8 million (gross carrying amount: EUR 2.8 million) and for other receivables of EUR 1.9 million (gross carrying amount: EUR 1.9 million) were taken over. Receivables that are probably uncollectible are considered immaterial.

E. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Name of the subsidiary	Domicile	03/31/2022	03/31/2023
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 240.5 million (March 31, 2022: EUR 154.6 million), of which EUR 142.9 million (March 31, 2022: EUR 44.7 million) is attributable to voestalpine Tubulars GmbH & Co KG and EUR 30.9 million (March 31, 2022: EUR 39.9 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.	
	03/31/2022	03/31/2023	03/31/2022	03/31/2023
Non-current assets	103.5	107.1	16.2	13.6
Current assets	179.6	322.4	104.1	82.4
Non-current liabilities	24.6	28.8	2.0	1.1
Current liabilities	183.3	120.8	38.6	33.1
Net assets (100%)	**75.2**	**279.9**	**79.7**	**61.8**

In millions of euros

SUMMARIZED INCOME STATEMENT

	voestalpine Tubulars GmbH & Co KG		CNTT Chinese New Turnout Technologies Co., Ltd.	
	2021/22	2022/23	2021/22	2022/23
Revenue	466.5	828.5	73.6	51.2
EBIT	20.5	204.6	27.7	15.2
Profit after tax	17.5	198.4	23.8	13.4
Attributable to:				
Equity holders of the parent	8.7	99.0	11.9	6.7
Non-controlling interests	8.8	99.4	11.9	6.7
Dividends paid to non-controlling interests	0.0	0.0	2.7	13.7

In millions of euros

SUMMARIZED STATEMENT OF CASH FLOWS

	voestalpine Tubulars GmbH & Co KG		CNTT Chinese New Turnout Technologies Co., Ltd.	
	2021/22	2022/23	2021/22	2022/23
Cash flows from operating activities	–10.8	177.3	27.9	12.9
Cash flows from investing activities	–8.7	–78.4	–0.4	–0.2
Thereof additions to/divestments of other financial assets	0.0	–63.3	0.0	0.0
Cash flows from financing activities	19.4	–98.9	–18.4	–26.3
Net decrease/increase in cash and cash equivalents	**–0.1**	**–0.0**	**9.1**	**–13.6**

In millions of euros

F. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

SHARES IN MATERIAL ASSOCIATES

Following the sale of 80% of its equity interest in the ArcelorMittal Texas HBI Group (formerly the voestalpine Texas Group) domiciled in the State of Delaware, USA, voestalpine now holds a 20% share and exercises substantial influence over this group of companies. This share is accounted for at equity. The voestalpine Group retains insignificant contingent liabilities in connection with the sale of the 80% share package.

The deal was closed on June 30, 2022. Control was transferred to the buyer as of said date. This was followed by the deconsolidation of the subsidiary and its initial recognition as an associate. The gain on the sale of the equity interest is recognized in the income from discontinued operations (see C. Scope of consolidation – Discontinued operations). The ArcelorMittal Texas HBI Group operates a direct reduction plant and also supplies hot briquetted iron (HBI) to the voestalpine Group. The company is not a listed entity.

The following tables contain the financial data on the ArcelorMittal Texas HBI Group. The disclosures for the business year shown comprise the earnings of the ArcelorMittal Texas HBI Group for the period from July 1, 2022 (closing date: June 30, 2022) through March 31, 2023.

SUMMARIZED STATEMENT OF FINANCIAL POSITION

	ArcelorMittal Texas HBI Group 03/31/2023
Non-current assets	461.8
Current assets	302.0
Non-current liabilities	44.1
Current liabilities	88.4
Net assets (100%)	**631.3**

In millions of euros

SUMMARIZED INCOME STATEMENT

	ArcelorMittal Texas HBI Group 07/01 – 03/31/2023
Revenue	642.5
Profit after tax	–13.0
Profit after tax (20%)	**–2.6**
Impairment as of 03/31/2023	–31.6
Other comprehensive income	–2.8
Elimination of intra-Group profits incl. deferred taxes	1.6
Comprehensive income (20%)	**–35.4**
Proportional dividends received	–1.1

In millions of euros

RECONCILIATION OF CARRYING AMOUNTS

	ArcelorMittal Texas HBI Group 03/31/2023
Net assets, closing balance	**631.3**
20% Group share of net assets	126.3
Goodwill and other adjustments incl. net exchange differences	3.1
Impairment as of 03/31/2023	–31.6
Carrying amount of the Group's equity interest	**97.8**

In millions of euros

Given the losses at the ArcelorMittal Texas HBI Group, an impairment test was conducted based on the net present value of the expected future operating cash flows as of March 31, 2023. This resulted in an impairment loss of EUR 31.6 million and a recoverable amount of EUR 97.8 million. The impairment loss stems from the reduction in both earnings and margins compared with June 30, 2022.

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:

	2021/22	2022/23
Group share of		
Profit after tax	–0.3	0.0
Other comprehensive income	0.4	–0.2
Comprehensive income	**0.1**	**–0.2**
Carrying amount, immaterial joint ventures	**4.4**	**4.2**

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:

	2021/22	2022/23
Group share of		
Profit after tax	30.8	24.7
Other comprehensive income	2.9	–1.9
Comprehensive income	**33.7**	**22.8**
Carrying amount, immaterial associates	**158.3**	**168.0**

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.

The table below contains information on the breakdown of the external revenue of the voestalpine Group by region and industry for the business years 2022/23 and 2021/22:

REVENUE BY REGION

	Steel Division		High Performance Metals Division	
	2021/22	2022/23	2021/22	2022/23
European Union (excluding Austria)	3,619.5	4,278.3	1,275.9	1,566.8
Austria	684.0	732.5	160.1	181.2
USMCA	293.1	313.3	408.0	590.4
Asia	85.5	87.3	558.0	576.8
South America	49.6	182.5	265.5	391.9
Rest of World	409.8	471.9	330.8	410.1
Total revenue by region	**5,141.5**	**6,065.8**	**2,998.3**	**3,717.2**

REVENUE BY INDUSTRY

	Steel Division		High Performance Metals Division	
	2021/22	2022/23	2021/22	2022/23
Automotive	1,658.4	2,302.4	794.9	947.7
Energy	728.0	933.1	501.9	702.4
Railway systems	7.0	9.9	16.4	15.5
Construction	667.9	602.4	105.2	132.3
Mechanical engineering	362.5	429.5	667.5	774.9
White goods/Consumer goods	204.3	183.3	394.6	419.9
Aerospace	0.0	0.0	247.8	380.8
Other	1,513.4	1,605.2	270.0	343.7
Total revenue by industry	**5,141.5**	**6,065.8**	**2,998.3**	**3,717.2**

In keeping with IFRS 15.121, no disclosures are made with respect to the remaining performance obligations as of March 31, 2023, because all performance obligations have an expected initial term of one year or less.

	Metal Engineering Division		Metal Forming Division		Other		Total Group	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
	1,546.1	1,937.9	1,826.6	2,105.3	13.7	53.3	8,281.8	9,941.6
	271.4	306.5	126.8	138.6	1.7	2.6	1,244.0	1,361.4
	630.4	1,047.8	840.8	840.2	0.0	337.7	2,172.3	3,129.4
	362.1	381.5	173.2	212.0	0.5	0.6	1,179.3	1,258.2
	70.2	94.2	150.2	169.4	0.0	0.0	535.5	838.0
	454.6	468.0	315.1	346.5	0.0	0.0	1,510.3	1,696.5
	3,334.8	**4,235.9**	**3,432.7**	**3,812.0**	**15.9**	**394.2**	**14,923.2**	**18,225.1**

In millions of euros

	Metal Engineering Division		Metal Forming Division		Other		Total Group	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
	540.2	599.4	1,616.9	1,910.2	0.0	0.0	4,610.4	5,759.7
	653.3	1,073.6	64.6	94.3	0.0	0.0	1,947.8	2,803.4
	1,530.4	1,851.0	1.3	2.0	0.0	0.0	1,555.1	1,878.4
	101.3	119.0	1,014.6	987.2	0.0	0.0	1,889.0	1,840.9
	162.3	189.8	328.2	419.5	0.0	0.0	1,520.5	1,813.7
	45.1	73.6	123.7	129.7	0.0	0.0	767.7	806.5
	0.0	0.1	7.7	11.2	0.0	0.0	255.5	392.1
	302.2	329.4	275.7	257.9	15.9	394.2	2,377.2	2,930.4
	3,334.8	**4,235.9**	**3,432.7**	**3,812.0**	**15.9**	**394.2**	**14,923.2**	**18,225.1**

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	
	2021/22	2022/23	2021/22	2022/23
Segment revenue	5,701.8	6,650.3	3,052.2	3,789.6
Of which revenue with third parties	5,141.5	6,065.8	2,998.3	3,717.2
Of which revenue with other segments	560.3	584.5	53.9	72.4
EBITDA	1,150.9	1,120.4	399.4	561.5
Depreciation and amortization of property, plant and equipment and intangible assets	261.7	257.9	172.5	322.4
Of which impairment	0.0	0.0	16.5	174.1
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	24.5	–9.1	0.0	0.0
EBIT	889.1	862.5	226.9	239.2
EBIT margin	15.6%	13.0%	7.4%	6.3%
Interest and similar income and income from other securities and loans	0.5	5.7	9.9	24.5
Interest and similar expenses	20.7	48.8	46.2	86.4
Income tax expense	–194.9	–191.1	–39.0	–55.5
Profit after tax from continuing operations	681.7	633.3	151.7	121.4
Segment assets	5,808.5[1]	5,264.6	4,702.1	4,953.1
Of which investments in entities consolidated according to the equity method	127.3	234.4	0.0	0.0
Net financial debt	903.8[1]	770.0	1,415.1	1,631.5
Investments in property, plant and equipment and intangible assets	240.8[1]	310.0	207.0	245.6
Employees (full-time equivalent)	10,703[2]	10,636	13,291	13,654

[1] Including values from discontinued operations.
[2] Including employees (full-time equivalent) from discontinued operations.

	Metal Engineering Division		Metal Forming Division		Other		Reconciliation		Total Group	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
	3,376.2	4,289.2	3,474.4	3,860.7	1,815.8	1,810.3	−2,497.2	−2,175.0	14,923.2	18,225.1
	3,334.8	4,235.9	3,432.7	3,812.0	15.9	394.2	0.0	0.0	14,923.2	18,225.1
	41.4	53.3	41.7	48.7	1,799.9	1,416.1	−2,497.2	−2,175.0	0.0	0.0
	405.8	585.9	433.1	375.3	−85.6	−113.5	−12.3	15.0	2,291.3	2,544.6
	177.9	181.9	212.3	145.3	12.6	12.9	0.0	0.0	837.0	920.4
	0.0	3.8	63.7	1.0	0.0	0.0	0.0	0.0	80.2	178.9
	0.0	0.2	11.8	2.1	0.0	0.0	0.0	0.0	11.8	2.3
	0.3	0.2	0.0	0.0	0.0	0.0	5.7	1.0	30.5	−7.9
	227.9	404.0	220.8	230.0	−98.1	−126.5	−12.3	15.0	1,454.3	1,624.2
	6.8%	9.4%	6.4%	6.0%					9.7%	8.9%
	2.2	6.8	6.5	7.0	247.8	313.2	−246.4	−323.0	20.5	34.2
	33.0	49.6	27.5	41.2	220.6	275.5	−240.7	−320.0	107.3	181.5
	−44.7	−61.8	−62.4	−21.8	28.0	−70.0	2.9	−5.3	−310.1	−405.5
	152.6	299.4	137.4	173.8	1,489.8	1,135.4	−1,540.8	−1,278.0	1,072.4	1,085.3
	3,744.3	3,969.3	2,904.7	2,815.6	11,262.4	11,658.2	−11,397.3	−11,568.0	17,024.7[1]	17,092.8
	5.4	5.1	0.0	0.0	0.0	0.0	30.0	30.5	162.7	270.0
	999.4	903.4	782.3	733.3	−1,809.1	−2,377.0	−0.3	−0.2	2,291.2[1]	1,661.0
	122.3	195.2	125.6	152.9	12.7	18.3	0.0	0.0	708.4[1]	922.0
	13,528	14,053	11,766	11,853	937	1,006	0	0	50,225[2]	51,202

In millions of euros

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

EBITDA

	2021/22	2022/23
Net exchange differences and result from valuation of derivatives	–4.0	–3.5
Consolidation	–8.3	18.5
EBITDA – Total reconciliation	**–12.3**	**15.0**

In millions of euros

EBIT

	2021/22	2022/23
Net exchange differences and result from valuation of derivatives	–4.0	–3.5
Consolidation	–8.3	18.5
EBIT – Total reconciliation	**–12.3**	**15.0**

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	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
External revenue	1,244.0	1,361.4	8,281.8	9,941.6	5,397.4	6,922.1
Non-current assets	5,178.4	5,166.3	1,530.2	1,467.5	828.2	929.8
Investments in property, plant and equipment and intangible assets	430.7	586.2	128.2	191.8	149.5	144.0

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

	2021/22	2022/23
Gains on disposal and revaluation of intangible assets, property, plant and equipment	16.0	138.5
Income from the reversal of provisions	36.4	67.8
Currency gains	133.6	142.7
Income from the valuation of derivatives	20.0	66.9
Gains from deconsolidation	0.0	2.2
Other operating income	239.9	360.8
	445.9	**778.9**

In millions of euros

In the business year 2022/23, operating income of EUR 194.6 million (2021/22: EUR 118.7 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 17.1 million (2021/22: EUR 15.5 million) in income from short-time work grants and other government grants for personnel expenses. In addition to EUR 2.3 million (2021/22: EUR 11.8 million) in reversals of impairment losses, the gains on the disposal and revaluation of intangible assets, property, plant and equipment in the business year 2022/23 include proceeds of EUR 132.6 million from the sale of real property in Düsseldorf, Germany. For further information, see Chapter 9. Property, plant and equipment.

4. OTHER OPERATING EXPENSES

	2021/22	2022/23
Taxes other than income taxes	15.4	15.1
Losses on the disposal of property, plant and equipment	5.4	5.8
Currency losses	110.4	184.2
Expenses from the valuation of derivatives	38.5	47.9
Losses from deconsolidation	0.0	0.0
Other operating expenses	332.9	411.9
	502.6	**664.9**

In millions of euros

Other operating expenses for the business year 2022/23 contain EUR 178.9 million (2021/22: EUR 80.2 million) in impairment losses on property, plant and equipment, other intangible assets, and goodwill. They also contain EUR 212.3 million (2021/22: EUR 149.6 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

	2021/22	2022/23
Income from associates	33.0	26.7
Expenses from associates	–2.2	–34.7
Income from joint ventures	0.0	0.1
Expenses from joint ventures	–0.3	0.0
	30.5	**–7.9**

In millions of euros

Income from associates is primarily attributable to METALSERVICE S.P.A., Kocel Steel Foundry Co., Ltd., Industrie-Logistik-Linz GmbH, and Scholz Austria GmbH. Expenses from associates include EUR 31.6 million in impairment losses for ArcelorMittal Texas HBI Holdings LLC. For further information, please see chapter F. Investments in associates and joint ventures. All current income from entities consolidated according to the equity method concerns the prorated annual profit.

6. FINANCE INCOME

	2021/22	2022/23
Income from equity investments	8.7	5.9
Income from other securities and loans	2.8	2.3
Other interest and similar income	17.7	31.9
Income from the disposal and revaluation of financial assets and securities classified as current assets	6.5	9.0
	35.7	**49.1**

In millions of euros

7. FINANCE COSTS

	2021/22	2022/23
Expenses from the disposal and valuation of securities	0.2	1.0
Other expenses	0.0	0.0
Other interest and similar expenses	107.3	181.5
	107.5	**182.5**

In millions of euros

Other interest and similar expenses include negative interest income of EUR 0.3 million (2021/22: EUR 1.8 million).

8. INCOME TAXES

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

	2021/22	2022/23
Current tax expense	**304.2**	**310.0**
Effective tax expense	300.9	286.7
Adjustments of taxes from previous periods	3.6	23.4
Recognition of tax losses from previous periods	–0.3	–0.1
Deferred tax expense	**5.9**	**95.5**
Origination/reversal of temporary differences	17.3	112.3
Adjustments of taxes from previous periods	1.0	–2.1
Impact of changes in tax rates	2.7	–0.2
Recognition of tax losses from previous periods	–15.1	–14.5
	310.1	**405.5**

In millions of euros

The following reconciliation shows the difference between the Austrian corporate tax rate of 24.75% and the effective Group tax rate:

	2021/22		2022/23	
Profit before tax		**1,382.5**		**1,490.8**
Income tax expense (+)/benefit (–) using the Austrian corporate tax rate	25.0%	345.6	24.8%	369.0
Difference to foreign tax rates	–0.4%	–5.3	0.0%	0.3
Non-taxable income	–2.9%	–40.2	–1.5%	–23.0
Non-taxable income from equity investments	–0.6%	–8.6	–0.5%	–7.3
Effects of depreciation of equity investments and utilization of previously unincluded loss carryforwards and non-recognition of loss carryforwards	–1.0%	–13.5	–0.2%	–3.0
Taxes from previous periods	0.3%	4.6	1.4%	21.3
Non-tax-effective impairment	0.0%	0.0	2.5%	37.3
Non-deductible expenses and other differences	2.0%	27.5	0.7%	10.9
Effective Group tax rate (%)/ income tax expense (+)/income tax benefit (–)	**22.4%**	**310.1**	**27.2%**	**405.5**

In millions of euros

The eco-social tax reform adopted in Austria as of February 14, 2022, provides for a reduction of 25% in the corporate income tax rate, to be applied to the first three quarters of the business year, as well as a reduction of 24% to be applied to the last quarter of the business year. This results in a corporate tax rate of 24.75%.

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	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 April 1, 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**
Gross carrying amount	3,983.9	12,564.9	1,562.1	1,032.7	19,143.6
Accumulated depreciation and impairment	–2,168.1	–10,107.4	–1,197.8	–5.5	–13,478.8
Carrying amount as of March 31, 2023	**1,815.8**	**2,457.5**	**364.3**	**1,027.2**	**5,664.8**

In millions of euros

The reconciliation of the carrying amounts of property, plant and equipment for the periods presented in the Consolidated Financial Statements as of March 31, 2023, 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, 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**
Changes in the scope of consolidation	6.5	4.5	1.0	0.2	12.2
Additions	98.2	176.9	102.4	487.7	865.2
Transfers	18.2	187.9	23.2	–238.2	–8.9
Disposals	–26.7	–5.6	–6.7	–4.5	–43.5
Depreciation	–115.0	–486.8	–103.4	–0.7	–705.9
Impairment losses	–5.3	–40.9	–12.2	–0.6	–59.0
Reversal of impairment losses	0.6	1.5	0.2	0.0	2.3
Net exchange differences	–8.5	–19.3	–2.8	–2.9	–33.5
Carrying amount as of March 31, 2023	**1,815.8**	**2,457.5**	**364.3**	**1,027.2**	**5,664.8**

In millions of euros

As of March 31, 2023, restrictions on the disposal of property, plant and equipment were EUR 0.0 million (March 31, 2022: EUR 0.5 million). Furthermore, as of March 31, 2023, commitments for the purchase of property, plant and equipment were EUR 421.6 million (March 31, 2022: EUR 263.9 million).

Borrowing costs related to qualifying assets in the amount of EUR 10.0 million (2021/22: EUR 3.6 million) were capitalized in the reporting period. The calculation was based on an average borrowing rate of 1.9% (2021/22: 1.3%).

In the business year 2022/23, the Management Board resolved and the Supervisory Board approved the sale of a property in Düsseldorf, Germany, which was largely not required for operating purposes and had a carrying amount of EUR 23.4 million. This led to negotiations with several interested parties. The sale is in line with the strategy of selling assets not required for operating purposes. The proceeds from the sale of this property in the business year just ended came to EUR 156.0 million. A lease agreement was concluded for those portions of the property that are required for operating purposes. The property was allocable to the High Performance Metals Division.

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, 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**
Changes in the scope of consolidation	0.8	0.2	0.0	1.0
Additions	51.8	6.0	12.5	70.3
Transfers	–4.7	0.0	0.0	–4.7
Disposals	–7.1	–0.1	–0.9	–8.1
Depreciation	–33.8	–3.1	–10.3	–47.2
Impairment	–0.4	0.0	0.0	–0.4
Reclassification of discontinued operations	–1.2	–0.1	0.0	–1.3
Carrying amount as of March 31, 2023	**290.8**	**13.9**	**37.7**	**342.4**

In millions of euros

Lease expenses in the Consolidated Income Statement

	2021/22	2022/23
Interest expenses for lease liabilities (non-cash)	6.8	8.3
Expenses for short-term leases	8.9	8.8
Expenses for small-ticket leases	6.7	7.7
Expenses for variable lease payments	3.4	4.0

In millions of euros

The total cash outflows for leases are EUR 70.0 million (2021/22: EUR 63.9 million). In addition to repayments, this also includes cash outflows from short-term leases, low-value asset leases, and variable lease payments.

Based on the contracts concluded as of the reporting date, the variable lease rates will not increase significantly in the coming years.

As of March 31, 2023, 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

	2021/22	2022/23
Cost of sales	649.0	632.9
Distribution costs	41.0	41.9
Administrative expenses	44.3	44.3
Other operating expenses	102.7	201.3
	837.0	**920.4**

In millions of euros

Other operating expenses for the business year 2022/23 contain EUR 178.9 million (2021/22: EUR 80.2 million) in impairment losses on property, plant and equipment, other intangible assets, and goodwill.

10. GOODWILL AND OTHER INTANGIBLE ASSETS

GOODWILL

	03/31/2021	03/31/2022	03/31/2023
Gross carrying amount	1,563.0	1,564.8	1,546.9
Impairment losses	–93.8	–93.8	–213.1
Reclassification of discontinued operations	0.0	–22.4	–2.5
Carrying amount	**1,469.2**	**1,448.6**	**1,331.3**

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, 2023:

	Goodwill
Carrying amount as of April 1, 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**
Additions	4.2
Impairment losses	–119.3
Net exchange differences	0.3
Reclassification of discontinued operations	–2.5
Carrying amount as of March 31, 2023	**1,331.3**

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	1,436.3	5.1	1,669.0
Accumulated amortization and impairment	–53.7	–1,308.1	0.0	–1,361.8
Carrying amount as of April 1, 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**
Gross carrying amount	227.6	1,458.7	29.8	1,716.1
Accumulated amortization and impairment	–57.0	–1,361.3	–0.1	–1,418.4
Carrying amount as of March 31, 2023	**170.6**	**97.4**	**29.7**	**297.7**

In millions of euros

The “Trademarks” column contains trademarks with an indefinite useful life in the amount of EUR 170.6 million (2021/22: 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:

	2021/22	2022/23
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, 2023:

	Trademarks	Other	Advance payments or payments in progress	Total
Carrying amount as of April 1, 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**
Changes in the scope of consolidation	0.0	6.7	0.0	6.7
Additions	0.0	12.9	15.5	28.4
Transfers	0.0	11.4	–2.0	9.4
Disposals	0.0	0.0	0.0	0.0
Amortization	0.0	–35.6	0.0	–35.6
Impairment losses	0.0	–0.6	0.0	–0.6
Reclassification of discontinued operations	0.0	–0.5	0.0	–0.5
Carrying amount as of March 31, 2023	**170.6**	**97.4**	**29.7**	**297.7**

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, 2023, commitments for the acquisition of intangible assets were EUR 0.0 million (March 31, 2022: EUR 0.1 million). As of March 31, 2023, other intangible assets (column "Other") 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 29.7 million (March 31, 2022: EUR 44.5 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 (CGUs) and groups of CGUs 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. This medium-term business plan is based on historical data as well as on assumptions regarding the expected future market performance. The Group's planning assumptions are expanded by sectoral planning assumptions in this connection. Intra-Group evaluations are supplemented by external market studies.

The medium-term business plan was expanded by a rough planning stage (14 years) modeled on the appraisal and approval of the investment associated with greentec steel by the Supervisory Board in March 2023 for the CGUs affected by the technological transformation—particularly two key units: the Steel Division and Railway Systems. This extended planning period ensures that the determination of the perpetual annuity is based on a steady state. As regards the underlying assumptions, see the chapter, Uncertainties in accounting estimates and assumptions – Effects of climate and energy policies – Decarbonization strategy.

The determination of the perpetual annuity is based on country-specific growth figures derived from external sources. The capital costs are calculated as the weighted average cost of equity and borrowings using the capital asset pricing model (weighted average cost of capital (WACC)). The parameters used in connection with the determination of WACC are established on an objective basis. To date, a five-year mean value analysis of the forecast inflation has been used to determine both expected inflation in connection with the determination of the WACC and the growth rate of the cash flows in the perpetual annuity. This approach was no longer deemed appropriate given the enormous increase in the expected inflation over the short and the medium term—subject to consistent forecasts of long-term inflation expectations. As of September 30, 2022, therefore, the procedure was shifted to both forecast inflation and the long-term inflation expectation in the fifth year.

Impairment tests of CGUs or groups of CGUs containing goodwill
Goodwill is allocated to the following CGUs or groups of CGUs:

	2021/22	2022/23
Total Steel Division	**137.7**	**135.2**
HPM Production	378.8	259.5
Value Added Services	314.1	315.5
Total High Performance Metals Division	**692.9**	**575.0**
Wire Technology	12.2	12.2
Railway Systems	175.0	178.1
Tubulars	28.5	28.5
Welding	133.3	133.3
Total Metal Engineering Division	**349.0**	**352.1**
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	**1,448.6**	**1,331.3**

In millions of euros

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 United States, China, and Mexico (based on the World Economic Outlook of the International Monetary Fund (IMF)[1]) and, for another, taking into account expected steel consumption.[2] The production plan reflects the sales forecasts. The CRU Index was considered in the revenue planning for the flat products. Additionally, minor positive, quality-related adjustments were made in individual customer segments. As regards procurement, the planning was based on assumptions concerning raw materials derived from global market forecasts (on the basis of Platts price assessments,[3] among others). Given both these assumptions and the extremely success-

[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
[3] S&P Global Platts

ful business year 2022/23, 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 five-year medium-term business plan was supplemented by a rough planning stage. The latter includes the investments toward greentec steel—i.e., the substitution of two of the three blast furnaces by electric arc furnaces (EAFs) to be commissioned from calendar year 2027—as well as expected increases in emissions allowance prices and the incremental reduction in the number of no-cost allowances pursuant to European Union measures aimed at lowering CO_2 up until the elimination of the no-cost allowances in calendar year 2034.

The final plan year was used to determine the perpetual annuity based on an expected growth rate of 1.33% (2021/22: 1.40%). The after-tax WACC is 8.02% (2021/22: 6.71%); the pre-tax WACC is 9.96% (2021/22: 8.48%).

The five-year, medium-term business plan for the **High Performance Metals Division** and its two units to which goodwill has been allocated—i.e., High Performance Metals (HPM) Production and Value Added Services—was based on the general economic environment of the relevant industry segments (particularly the automotive, oil and natural gas, and aerospace industries) as well as on the growth forecasts[1] for the regional sales markets of its core markets, especially the eurozone, the United States, China, and Brazil.

Seven production facilities around the world are combined in the **HPM Production** unit. Its manufacturing 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 and forging, hot-rolled and cold-rolled strips) all the way to heat treatment and processing as well as 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 respect to the business that targets sophisticated metallurgical applications in the aerospace, oil and natural gas as well as automotive industries—rely on external sources of information and are consistent with them. The automotive segment expects motor vehicle production to grow in all regions, but the level prevailing prior to COVID-19 is not expected to be reached until calendar year 2026. The regions' respective market shares are expected to remain stable.[2] Electric mobility offers additional opportunities for growth. Demand in the oil and natural gas/CPI segment is expected to remain high in the long term. The decline in the demand for crude oil in the mobility segment (combustion engines) will be offset by greater demand for petrochemicals (CPI).[3] The rebound in the aviation market continues unabated in the aerospace industry.[4] Overall, this will lead to higher revenue and a positive gross margin trend in the planning period, not least due to the efficiency gains obtained through the new special steel plant in Kapfenberg, Austria, and the fixed cost digression.

[1] Deutsche Bundesbank, National Statistical Offices, German Council of Economic Experts
[2] LMC Automotive Q4/2022
[3] ExxonMobile Energy Outlook 2022
[4] IATA 2022

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. The perpetual annuity is determined based on a growth rate of 1.62% (2021/22: 1.65%). The after-tax WACC is 8.35% (2021/22: 7.52%); the pre-tax WACC is 10.80% (2021/22: 9.64%).

In the **Value Added Services** business segment, the continued systematic expansion of services in the planning period will lead to both greater customer loyalty and deeper value creation. 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 one of the division's core competences. 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 1.47% (2021/22: 1.61%). The after-tax WACC is 8.37% (2021/22: 7.88%); the pre-tax WACC is 10.83% (2021/22: 10.14%).

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 forecasts[1] and project planning for railway infrastructure, taking into consideration the business segment's strategic focus and the ongoing digital transformation of 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 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. Likewise, the investments toward greentec steel are included in both the five-year, medium-term business plan and the rough planning stage for one electric arc furnace in the pre-production stage, as are expected increases in emissions allowance prices and the incremental reduction in the number of no-cost allowances pursuant to European Union measures aimed at lowering CO_2 up until the elimination of the no-cost allowances in calendar year 2034.

The last plan year was used to determine the perpetual annuity based on an expected growth rate of 1.44% (2021/22: 1.53%). The after-tax WACC is 8.31% (2021/22: 7.54%); the pre-tax WACC is 9.94% (2021/22: 8.99%).

[1] UNIFE Annual Report
[2] World Economic Outlook, International Monetary Fund (IMF)

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 trends[1] in each region as well as the projected developments in the relevant industry segments. The market shares relative to the competition in the given regions and the relative current market appeal of the Welding business unit were also taken into account. The expected price trends for raw materials, particularly alloys, were derived from current quoted market prices as well as available forecasts. Both volume growth and a largely constant gross margin are anticipated for the planning period, given 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 also. The positive effects from the unit's development into a full welding solution provider were also taken into consideration. The fifth plan year was used to calculate the perpetual annuity based on an expected growth rate of 1.41% (2021/22: 1.38%). The after-tax WACC is 8.38% (2021/22: 7.41%); the pre-tax WACC is 10.92% (2021/22: 9.52%).

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,[2] 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 (especially based on a few larger ramp-ups and the ongoing improvement overall in the automotive industry) 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 1.33% (2021/22: 1.24%). The after-tax WACC is 9.20% (2021/22: 7.84%); the pre-tax WACC is 11.99% (2021/22: 10.31%).

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 industry segments that are key to 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)[3] that were supplemented by industry-specific experience in the relevant markets for the respective

[1] World Economic Outlook, International Monetary Fund (IMF)
[2] LMCA GAPF Data
[3] World Economic Outlook, International Monetary Fund (IMF)

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 1.32% (2021/22: 1.41%). The after-tax WACC is 9.02% (2021/22: 7.76%); the pre-tax WACC is 11.35% (2021/22: 9.88%).

Impairment losses of CGUs or groups of CGUs containing goodwill

	Impairment
03/31/2023	
HPM Production	119.3

In millions of euros

In the first half of the business year 2022/23, impairment of goodwill in the amount of EUR 119.3 million was recognized in the High Performance Metals Division at the **HPM Production** unit, to which the goodwill is allocated and which produces sophisticated stainless steels. The impairment loss was recorded in other operating expenses as of September 30, 2022. The impairment loss resulted from a planning update due to the significant increase in the discount rate (WACC), which was used as the basis for the impairment test. The recoverable amount (value in use) of this unit was EUR 2,228.2 million as of September 30, 2022. The fifth plan year was used to calculate the perpetual annuity. As of September 30, 2022, the perpetual annuity was expected to grow at a rate of 1.63% (2021/22: 1.65%). The after-tax WACC was 8.54% (2021/22: 7.52%); the pre-tax WACC was 11.06% (2021/22: 9.64%).

The impairment tests confirmed the carrying amount of all goodwill as of March 31, 2023. A sensitivity analysis of the aforementioned units to which goodwill has been allocated shows that the carrying amounts of the goodwill-bearing units—Steel Division, Value Added Services, and Precision Strip—would still be covered if the discount 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%, the carrying amounts of the Steel Division, Value Added Services, and Precision Strip would also still be covered. 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 and Value Added Services) would still be 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); it also shows the reduction in the carrying amount resulting from 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%
03/31/2023						
HPM Production	217.7	0.7	–8.9	–104.1	–28.1	–273.9
Railway Systems	108.2	0.6	–9.2	–69.0	–9.6	–127.4
Welding	11.8	0.2	–2.7	–47.0	–32.7	–77.1
Automotive Components	18.2	0.2	–2.2	–69.4	–63.6	–145.4
Precision Strip	55.1	1.3	–14.3	0.0	0.0	–22.0

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%	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

Sensitivity regarding decarbonization and technological transformation
The impairment tests of the cash generating units affected by the technological transformation—particularly the key units, Steel Division and Railway Systems—were carried out pursuant to a baseline scenario regarding the price premium (see explanations in the foregoing), where the price premium melts away up to the final plan year; the numbers used for determining the perpetual annuity thus do not include a price premium. An alternative scenario that does not include an assumed price premium for greentec steel was developed for each unit over and above the aforementioned general sensitivity analysis. In this scenario, too, the carrying amount of the Steel Division unit would still substantially exceed the recoverable amount; however, it would remain marginal in the case of the Railway Systems unit.

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

	Impairment
03/31/2023	
Buderus Edelstahl ohne Schmiede	54.1

In millions of euros

In the first half of the business year 2022/23, impairment losses of EUR 54.1 million were recognized in other operating expenses in the High Performance Metals Division at the cash generating unit **Buderus Edelstahl ohne Schmiede** (consisting of the steel mill, rolling lines, and drop forge subdivisions), which is devoted to the production of drop-forged parts, semi-finished products, and hot-rolled and cold-rolled steel. The impairment loss resulted primarily from the increase in the discount rate (WACC) as well as from high energy costs. Due to the products' low competitive differentiation, these increases can be passed on to the market only to a limited extent, thus leading to the loss of market share. The recoverable amount (value in use) for this unit as of September 30, 2022, was EUR 148.5 million. The after-tax discount rate that was applied as of September 30, 2022, was 7.91% (2021/22: 6.90%); the pre-tax WACC was 10.85% (2021/22: 9.44%).

As the lower limit for any further impairment is the fair value less costs to sell (individual sale proceeds), adjustments if any of the key forward-looking assumptions such as discount rates and cash flows would not lead to any further material impairment.

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

In the business year 2021/22, 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 for this unit, as determined on the basis of its value in use, was 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 comprised 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.

In the business year 2021/22, 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 was EUR 160.4 million. An after-tax discount rate of 7.50% was applied; the pre-tax WACC was 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. The impairment losses stemmed from increases in energy costs which, in this product segment, can be passed on to customers only in part. The recoverable amount (value in use) for this unit was EUR 141.1 million. An after-tax discount rate of 6.90% was applied; the pre-tax WACC was 9.44%.

An additional impairment loss of EUR 5.5 million (2021/22: EUR 1.2 million) was taken on individual facilities due to a lack of adaptive reuse.

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	23.8	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 April 1, 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**
Gross carrying amount	18.7	296.6	4.2	48.0	14.1	3.1	0.1	384.8
Accumulated depreciation/ revaluation	−9.7	−30.8	0.0	0.0	−1.0	−0.6	0.0	−42.1
Carrying amount as of March 31, 2023	**9.0**	**265.8**	**4.2**	**48.0**	**13.1**	**2.5**	**0.1**	**342.7**

In millions of euros

In the business year 2022/23, investments in associates rose substantially due to the initial at-equity consolidation of the ArcelorMittal Texas HBI Group. For further information, see F. Investments in associates and joint ventures.

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, 2023:

	Investments in affiliates	Investments in associates	Investments in joint ventures	Other investments	Securities	Loans	Advance payments	Total
Carrying amount as of April 1, 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**
Changes in the scope of consolidation	0.0	134.4	0.0	0.0	0.0	0.0	0.0	134.4
Additions	0.0	27.6	0.0	0.0	0.2	0.7	0.0	28.5
Transfers	–0.3	0.0	0.0	0.0	0.6	0.0	0.0	0.3
Disposals	–0.3	–19.7	0.0	–0.1	0.0	–0.1	0.0	–20.2
Depreciation/ impairment	0.0	–31.6	0.0	0.0	–1.1	0.0	0.0	–32.7
Revaluation	0.0	1.5	0.0	2.8	0.0	0.0	0.0	4.3
Net exchange differences	0.0	–4.7	–0.2	0.0	0.0	0.0	0.0	–4.9
Carrying amount as of March 31, 2023	**9.0**	**265.8**	**4.2**	**48.0**	**13.1**	**2.5**	**0.1**	**342.7**

In millions of euros

Loans granted comprise the following items:

	03/31/2021	03/31/2022	03/31/2023
Loans to affiliates	0.0	0.0	0.0
Other loans	1.8	1.8	1.9
Other receivables from financing	0.1	0.1	0.6
	1.9	**1.9**	**2.5**

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	
	03/31/2022	03/31/2023	03/31/2022	03/31/2023
Non-current assets	181.4	170.3	342.1	230.1
Current assets	96.8	89.3	193.4	193.2
Non-current liabilities	257.1	225.3	41.1	51.2
Current liabilities	89.0	82.0	32.5	26.3
Losses carried forward	193.0	53.3	0.0	0.0
	817.3	**620.2**	**609.1**	**500.8**
Intercompany profit elimination (netted)	38.1	29.2	0.0	0.0
Hidden reserves (netted)	0.0	0.0	65.8	64.1
Other	28.8	15.3	4.9	7.7
Netting of deferred taxes owed to the same tax authority	–604.9	–486.4	–604.9	–486.4
Net deferred taxes	**279.3**	**178.3**	**74.9**	**86.2**

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 23.38% was applied pursuant to the legally enacted reduction in the corporate income tax rate. The difference relative to the applicable corporate tax rate of 24.75% arises from a further reduction in the corporate tax rate to 23% with effect from calendar year 2024.

Deferred tax assets on losses carried forward in the amount of EUR 53.3 million (March 31, 2022: EUR 193.0 million) were recognized. As of March 31, 2023, unused tax losses of approximately EUR 1,227.1 million (corporate income tax) (March 31, 2022: approximately EUR 1,022.9 million), for which no deferred tax asset has been recognized, are available. Approximately EUR 396.1 million (March 31, 2022: approximately EUR 273.6 million) in tax loss carryforwards (corporate income tax) can only be used for a limited time.

Deferred tax assets of EUR 74.8 million (previous year: EUR 181.3 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 2,256.1 million (March 31, 2022: EUR 2,470.5 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 –112.4 million (March 31, 2022: EUR –47.7 million). This basically corresponds to the deferred tax expense of EUR –95.5 million (March 31, 2022: deferred tax expense of EUR –5.9 million); to the change in deferred tax assets recognized in other comprehensive income in the amount of EUR –17.0 million (March 31, 2022: EUR –50.2 million); and to the change in deferred taxes due to differences from foreign currency translation in the amount of EUR 1.4 million (March 31, 2022: EUR 8.4 million). The change in deferred taxes from first-time consolidations and deconsolidations in the business year is EUR –1.4 million (March 31, 2022: EUR 0.0 million).

Additional disclosures pursuant to IAS 12.81 (ab):

	Change 2021/22	03/31/2022	Change 2022/23	03/31/2023
Deferred taxes on actuarial gains/losses	–40.2	147.7	–30.9	116.8
Deferred taxes on cash flow hedges	–10.0	–12.2	13.9	1.7
Total of deferred taxes recognized in other comprehensive income	**–50.2**	**135.5**	**–17.0**	**118.5**

In millions of euros

14. INVENTORIES

	03/31/2022	03/31/2023
Raw materials and supplies	1,899.9	2,250.7
Work in progress	1,356.3	1,566.1
Finished goods	1,474.6	1,676.1
Merchandise	142.2	177.7
As yet unbillable services	10.4	14.1
Advance payments	51.7	39.9
	4,935.1	**5,724.6**

In millions of euros

The Consolidated Financial Statements contain write-downs to the lower net realizable value in the amount of EUR 225.8 million (March 31, 2022: EUR 198.5 million). The carrying amount of the inventories that have been written down to the lower net realizable value is EUR 641.9 million (March 31, 2022: EUR 507.9 million). As in the previous business year, no inventories are pledged as security for liabilities as of March 31, 2023. An amount of EUR 11,345.2 million (March 31, 2022: EUR 8,774.5 million) has been recognized as cost of materials.

15. TRADE AND OTHER RECEIVABLES

	03/31/2022	Of which with a remaining term of more than 1 year	03/31/2023	Of which with a remaining term of more than 1 year
Trade receivables	1,215.5	3.7	1,135.3	1.6
Contract assets	255.2	4.6	264.0	11.6
Other receivables and other assets	822.4	24.1	757.0	24.3
Of which receivables from income taxes	22.4	0.0	23.9	0.0
Of which other tax assets	254.9	2.0	215.0	1.8
Of which purchased emissions allowances	214.0	0.0	263.2	0.0
	2,293.1	**32.4**	**2,156.3**	**37.5**

In millions of euros

Note 1. Revenue contains further information on the contract assets and liabilities.

16. CASH AND CASH EQUIVALENTS

	03/31/2022	03/31/2023
Cash on hand, cash at banks, checks	**842.8**	**1,055.8**

In millions of euros

17. EQUITY

Share capital (incl. disclosures in accordance with Section 241 Austrian Commercial Code *(Unternehmensgesetzbuch – UGB))*

As of March 31, 2023, the share capital is EUR 324,391,840.99 (March 31, 2022: EUR 324,391,840.99) and is divided into 178,549,163 (March 31, 2022: 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., if shares are issued for the purpose of acquiring companies, operations, or partial operations, or if 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 exercised this authorization on November 3, 2022, and resolved a buyback program involving up to 10,000,000 ordinary shares (= about 5.6% of the share capital) starting on November 10, 2022, and likely ending on July 10, 2023. As of March 31, 2023, voestalpine AG has bought back 5,869,673 ordinary shares for a total price of EUR 175.8 million under this buyback program.

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, 2023, has changed as follows:

	Number of no-par value shares	Number of treasury shares	Number of shares outstanding
Balance as of April 1, 2021	**178,549,163**	**28,547**	**178,520,616**
Balance as of March 31, 2022	**178,549,163**	**28,547**	**178,520,616**
Treasury share buybacks		5,869,673	–5,869,673
Balance as of March 31, 2023	**178,549,163**	**5,898,220**	**172,650,943**

Share-based compensation

As part of the practice of granting employees voestalpine shares in connection with the annual performance bonus, 157.0 thousand shares with a fair value of EUR 4.7 million (2021/22: EUR 1.1 million) were removed from equity for this purpose, and 140.1 thousand shares with a value of EUR 4.6 million (2021/22: EUR 4.8 million) were added to equity.

18. PENSIONS AND OTHER EMPLOYEE OBLIGATIONS

	03/31/2022	03/31/2023
Provisions for severance payments	522.2	469.9
Provisions for pensions	409.9	329.6
Provisions for long-service bonuses	150.3	139.4
	1,082.4	**938.9**

In millions of euros

PROVISIONS FOR SEVERANCE PAYMENTS

	2021/22	2022/23
Present value of the defined benefit obligations (DBO) as of April 1	**569.4**	**522.2**
Service costs for the period	10.1	8.7
Past service costs	0.0	0.0
Interest costs for the period	4.5	9.6
Gains (–)/losses (+) on plan settlements	0.0	0.0
Changes in the scope of consolidation	0.0	0.0
Severance payments	–33.0	–32.1
Actuarial gains (–)/losses (+) due to changes in financial assumptions	–33.7	–65.0
Actuarial gains (–)/losses (+) due to changes in demographic assumptions	0.0	0.0
Actuarial gains (–)/losses (+) due to experience-based adjustments	4.6	26.7
Plan settlements	0.0	0.0
Other	0.3	–0.2
Present value of the defined benefit obligations (DBO) as of March 31	**522.2**	**469.9**

In millions of euros

EUR 16.0 million (2021/22: EUR 14.0 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, 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
Income (-)/loss (+) 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

PROVISIONS FOR PENSIONS

	Present value of the DBO	Plan assets	Provisions for pensions
Balance as of April 1, 2022	**709.4**	**–299.5**	**409.9**
Service costs for the period	7.1	0.0	7.1
Past service costs	0.3	0.0	0.3
Net interest for the period	15.0	–6.2	8.8
Income (-)/loss (+) on plan assets (excluding amounts included in net interest)	0.0	26.3	26.3
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	–36.4	20.2	–16.2
Net exchange differences	–5.5	1.9	–3.6
Employer contributions/repayments	0.0	–1.5	–1.5
Employee contributions	0.0	–1.0	–1.0
Actuarial gains (–)/losses (+) due to changes in financial assumptions	–118.1	0.0	–118.1
Actuarial gains (–)/losses (+) due to changes in demographic assumptions	0.0	0.0	0.0
Actuarial gains (–)/losses (+) due to experience-based adjustments	11.8	0.0	11.8
Plan settlements	0.0	0.0	0.0
Other	0.3	5.4	5.7
Balance as of March 31, 2023	**584.0**	**–254.4**	**329.6**

In millions of euros

The major plan asset categories for the periods presented in the Consolidated Financial Statements as of March 31, 2023, are as follows:

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%**

2022/23

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	38.4%	0.0%	38.4%
Equity instruments	30.6%	0.0%	30.6%
Property	0.0%	4.5%	4.5%
Cash and cash equivalents	4.2%	0.0%	4.2%
Insurance contracts	0.0%	8.8%	8.8%
Other assets	13.4%	0.1%	13.5%
Total	**86.6%**	**13.4%**	**100.0%**

The plan assets include treasury shares with a fair value of EUR 0.8 million (March 31, 2022: EUR 0.8 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 2.1% on plan assets. The actual interest rate was –6.7% (2021/22: 1.0%).

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, 10% private equity, 40% global bonds, 5% cash, 5% alternatives, and 10% 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 52.8 million (2021/22: EUR 46.5 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	–10.6%	+13.0%	+0.5%	–0.4%	+2.4%	–2.3%
Severance payments	–8.4%	+9.7%	+4.6%	–4.3%	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 2023/24, the expected contributions to the defined benefit plans are EUR 29.5 million.

The average interest-weighted term of pension plans is 12.0 years, and 9.3 years for severance payments.

PROVISIONS FOR LONG-SERVICE BONUSES

	2021/22	2022/23
Present value of the long-service bonus obligations (DBO) as of April 1	**156.3**	**150.3**
Service costs for the period	9.7	9.2
Interest costs for the period	1.2	2.8
Changes in the scope of consolidation	0.0	0.0
Long-service bonus payments	–7.2	–8.0
Actuarial gains (–)/losses (+) due to changes in assumptions	–11.5	–22.1
Actuarial gains (–)/losses (+) due to experience-based adjustments	1.6	7.2
Other	0.2	0.0
Present value of the long-service bonus obligations (DBO) as of March 31	**150.3**	**139.4**

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:

	2021/22	2022/23
Service costs for the period and past service costs	28.7	25.3
Net interest for the period	11.3	21.2
Gains (–)/losses (+) on plan settlements/curtailments	0.0	0.1
Actuarial gains (–)/losses (+) from long-service bonus obligations	–9.9	–14.9
Expenses/revenue recognized in the income statement	**30.1**	**31.7**

In millions of euros

Net interest for the period is recognized in finance costs.

19. PROVISIONS

	Balance as of 04/01/2022	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 03/31/2023
Non-current provisions									
Other personnel expenses	10.3	0.0	0.0	–2.2	0.0	0.0	2.2	0.0	10.3
Warranties and other risks	3.1	0.0	0.0	–0.8	–0.1	–0.1	2.2	0.0	4.3
Other non-current provisions	103.9	0.0	–0.8	–19.1	–1.6	–12.3	10.8	–1.9	79.0
	117.3	**0.0**	**–0.8**	**–22.1**	**–1.7**	**–12.4**	**15.2**	**–1.9**	**93.6**
Current provisions									
Unused vacation entitlements	149.6	0.2	–1.5	–81.6	–0.6	0.1	93.2	–0.4	159.0
Other personnel expenses	277.1	0.1	–1.3	–211.9	–13.5	0.0	250.2	0.3	301.0
Warranties and other risks	73.2	0.0	–1.0	–14.6	–15.0	0.8	31.7	0.0	75.1
Onerous contracts	80.9	0.0	–0.1	–63.0	–5.0	0.0	23.3	0.0	36.1
Other current provisions	455.1	0.3	–0.3	–334.8	–27.6	7.4	377.6	6.2	483.9
	1,035.9	**0.6**	**–4.2**	**–705.9**	**–61.7**	**8.3**	**776.0**	**6.1**	**1,055.1**
	1,153.2	**0.6**	**–5.0**	**–728.0**	**–63.4**	**–4.1**	**791.2**	**4.2**	**1,148.7**

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 293.7 million (2021/22: EUR 265.9 million), which relate almost exclusively to CO_2 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 1.7 million (2021/22: EUR 0.8 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	
	03/31/2022	**03/31/2023**	**03/31/2022**	**03/31/2023**
Bonds and liabilities to banks	526.1	735.9	2,319.9	1,908.2
Liabilities from leases	51.1	51.2	290.0	298.0
Liabilities to affiliates	8.5	7.2	0.0	0.0
Other financial liabilities	38.2	42.3	36.3	36.0
	623.9	**836.6**	**2,646.2**	**2,242.2**

In millions of euros

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%.

21. TRADE AND OTHER PAYABLES

	03/31/2022	03/31/2023
Trade payables	2,027.1	1,944.5
Contract liabilities	237.2	267.8
Other liabilities from taxes	130.6	125.5
Other liabilities related to social security	70.3	73.0
Other liabilities	397.2	386.5
	2,862.4	**2,797.3**

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

	03/31/2022	03/31/2023
Trade payables from bills of exchange accepted and drawn	1,105.8	968.9
Trade payables with reverse factoring agreements	47.6	54.2
	1,153.4	**1,023.1**

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 20.1 million (2021/22: EUR 7.4 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

	03/31/2022	03/31/2023
Liabilities from the issue and transfer of bills of exchange	0.0	0.0
Surety bonds and guarantees	0.7	0.5
	0.7	**0.5**

In millions of euros

In addition, there are long-term purchase commitments in connection with the Group's raw material and energy supply, which are controlled by procurement management. As of the balance sheet date, there are long-term supply contracts for raw materials (in particular HBI, coke, and coal) resulting in other financial obligations with a nominal value of EUR 3,416.5 million, the majority of which are based on variable price formulas and can therefore be assumed to be transferable in the market. In addition, there are other financial obligations with a nominal value of EUR 558.4 million from long-term energy purchase agreements. The remaining terms are mainly 2–9 years.

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:

	03/31/2022	03/31/2023
Gearing ratio in %	32.4%	21.4%
Net financial debt to EBITDA ratio	1.0	0.7

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 (2021/22: EUR 1,000.0 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, 2023, freely disposable securities were EUR 341.3 million (March 31, 2022: EUR 145.6 million). These encompass repo transactions entailing CO_2 repos (purchases of CO_2 allowances subject to simultaneous repurchase agreements) in the amount of EUR 266.3 million (March 31, 2022: EUR 78.8 million). Furthermore, cash and cash equivalents in the amount of EUR 1,055.8 million (March 31, 2022: EUR 842.8 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 2,055.8 million (previous year: EUR 1,842.8 million). As far as the payable bills of exchange are concerned, the largest of the twelve creditors accounts for a mere EUR 217.4 million (March 31, 2022: EUR 304.5 million), i.e., 10.6% (March 31, 2022: 16.5%), 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 2022/23 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	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Bonds	95.4	131.0	997.3	998.2	49.9	49.9
Bank loans	430.8	604.9	1,210.7	798.1	62.0	62.0
Trade payables	2,026.7	1,944.0	0.4	0.5	0.0	0.0
Trade payables from bills of exchange and trade payables from reverse factoring agreements	1,153.4	1,023.1	0.0	0.0	0.0	0.0
Liabilities from leases	51.1	51.2	134.6	143.9	155.4	154.1
Liabilities from foreign currency hedges and commodity hedges	19.8	27.7	6.0	8.3	0.0	0.0
Thereof designated as hedge accounting	6.6	16.5	5.7	8.3	0.0	0.0
Liabilities from interest hedges (incl. cross currency swaps)	23.5	0.9	0.0	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	46.6	49.5	36.1	36.0	0.2	0.0
Other liabilities	120.3	127.8	27.2	24.3	0.0	0.0
Total liabilities	**3,967.6**	**3,960.1**	**2,412.3**	**2,009.3**	**267.5**	**266.0**

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	
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23
Interest on bonds	16.5	16.9	52.4	36.8	4.5	3.6
Interest on bank loans	18.2	43.6	25.2	34.0	2.5	1.3
Interest on liabilities from leases	6.2	10.2	16.8	26.6	18.6	26.2
Interest on interest hedges (incl. cross currency swaps)	14.4	11.3	0.0	0.0	0.0	0.0
Interest on other financial liabilities	1.0	0.8	1.6	0.9	0.0	0.0
Total interest expense	**56.3**	**82.8**	**96.0**	**98.3**	**25.6**	**31.1**

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	199.0	271.0	0.0	0.0
Derivatives[1]	0.0	20.1	18.0	0.0	0.3

[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:

	2021/22	2022/23
Gross carrying amount of trade receivables and contract assets	1,506.2	1,431.8
Less gross carrying amount of trade receivables and contract assets that are credit-impaired	–48.0	–45.4
Gross carrying amount of trade receivables and contract assets that are not credit-impaired	**1,458.2**	**1,386.4**
Less portfolio value adjustments	–0.5	–0.5
Net carrying amount of trade receivables and contract assets that are not credit-impaired	**1,457.7**	**1,385.9**

In millions of euros

TRADE RECEIVABLES AND CONTRACT ASSETS THAT ARE PAST DUE BUT NOT CREDIT-IMPAIRED

	2021/22	2022/23
Up to 30 days past due	151.4	146.5
31 to 60 days past due	40.9	31.6
61 to 90 days past due	11.2	16.1
91 to 120 days past due	5.1	5.8
More than 120 days past due	31.3	24.1
Total	**239.9**	**224.1**

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)

	2021/22	2022/23
Opening balance as of April 1	**32.8**	**34.9**
Additions	5.7	8.6
Net exchange differences	0.9	–0.4
Changes in the scope of consolidation	0.0	0.0
Reversal	–3.1	–8.9
Use	–1.4	–2.2
Closing balance as of March 31	**34.9**	**32.0**

In millions of euros

In the business year 2022/23, the portfolio value adjustments were not affected by any significant individual loss allowances.

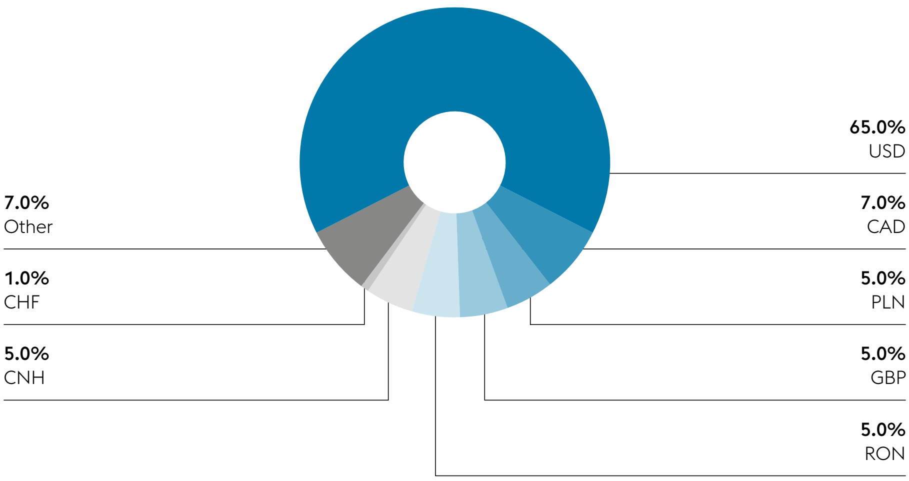
Currency risk

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 2022/23, the net need for US dollars in the voestalpine Group was USD 1,458.8 million. In particular, the increase compared with the previous business year (USD 1,126.0 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 2022/23



Based on the sensitivity analysis, as of March 31, 2023, the risks of all open positions relative to the Group currency for the upcoming business year are as follows:

FOREIGN CURRENCY PORTFOLIO 2022/23

	Planned position	Rate 03/31/2023	Planned position (EUR)	Planned position (EUR) +10%	Delta (EUR) +10%	Planned position (EUR) −10%	Delta (EUR) −10%
USD	−657.4	1.0875	−604.5	−549.6	55.0	−671.7	−67.2
GBP	118.4	0.8792	134.7	122.4	−12.2	149.6	15.0
CAD	157.5	1.4737	106.9	97.2	−9.7	118.8	11.9
PLN	479.0	4.6700	102.6	93.2	−9.3	114.0	11.4
RON	463.6	4.9490	93.7	85.2	−8.5	104.1	10.4
CNH	413.2	7.4763	55.3	50.2	−5.0	61.4	6.1
CHF	24.3	0.9968	24.4	22.2	−2.2	27.1	2.7
Other			66.3	60.3	−6.0	73.7	7.4
Total					**2.1**		**−2.3**

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 2.6 million (2021/22: EUR 5.5 million). A decrease in the interest rate by one-percentage-point decreases the net interest expense by EUR –2.6 million (2021/22: EUR –4.1 million).

The weighted average interest rate for asset positions is 2.63% (2021/22: –0.15%) with a duration of 0.00 years (2021/22: 0.00 years)—including money market investments—and 2.85% (2021/22: 1.11%) for liability positions with a duration of 1.71 years (2021/22: 1.72 years).

	Position[1]	Weighted average interest rate	Duration (years)[2]	Average capital commitment (years)[2]	Cash flow risk +1% point[1]	Cash flow risk –1% point[1]
Assets	1,067.6	2.63%	0.00	0.00	–10.7	10.7
Liabilities	2,722.5	2.85%	1.71	1.83	13.3	–13.3
Net	–1,654.9				2.6	–2.6

[1] In millions of euros.
[2] Excluding revolving export loans of EUR 150.0 million.

Derivative financial instruments

In the business year 2022/23, 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			
			Assets		Liabilities	
	03/31/ 2022	03/31/ 2023	03/31/ 2022	03/31/ 2023	03/31/ 2022	03/31/ 2023
Cash flow hedge						
Foreign currency hedges	542.3	519.2	6.6	4.9	11.9	14.0
Commodity hedges	218.0	266.7	57.1	12.5	0.4	10.7
Total	**760.3**	**785.9**	**63.7**	**17.4**	**12.3**	**24.7**

[1] A total of EUR 564.9 million (2021/22: EUR 565.4 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 (2021/22: 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	
	2021/22	2022/23	2021/22	2022/23
Trade and other receivables (assets), Trade and other payables (liabilities)	–5.2	–9.1	0.0	0.0
Trade and other receivables (assets), Trade and other payables (liabilities)	56.6	1.8	0.0	0.0
	51.4	**–7.3**	**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	
	03/31/2022	03/31/2023	03/31/2022	03/31/2023
Cash flow hedge				
Foreign currency hedges				
USD	386.6	410.9	1.1769	1.1227

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	
	03/31/2022	03/31/2023	03/31/2022	03/31/2023
Cash flow hedge				
Currency risk (future purchase and sale transactions)	5.2	9.1	–5.2	–9.1
Commodity price risk (future purchase and sale transactions)	–56.6	–1.8	56.6	1.8
Total	**–51.4**	**7.3**	**51.4**	**–7.3**

In millions of euros

The cash flow hedge reserve developed as follows:

CASH FLOW HEDGE

	2021/22	2022/23
Opening balance as of April 1	**6.7**	**39.2**
Hedging gains and losses recognized in other comprehensive income	51.9	–4.3
Foreign currency hedges	–5.0	–5.8
Commodity hedges	56.9	1.5
Reclassification from other comprehensive income to profit or loss (revenue)	0.5	3.7
Foreign currency hedges	0.5	3.7
Reclassification from other comprehensive income to non-financial assets	–9.9	–58.1
Foreign currency hedges	–6.5	–1.8
Commodity hedges	–3.4	–56.3
Deferred taxes on changes in the cash flow hedge reserve	–10.0	13.9
Closing balance as of March 31	**39.2**	**–5.6**

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			
			Assets		Liabilities	
	03/31/2022	03/31/2023	03/31/2022	03/31/2023	03/31/2022	03/31/2023
Foreign currency hedges	1,258.2	1,322.1	16.3	16.6	13.9	10.7
Cross currency swaps	133.6	163.1	0.2	4.1	23.7	0.9
Commodity hedges	30.0	10.1	11.6	0.2	0.0	0.6
Total	**1,421.8**	**1,495.3**	**28.1**	**20.9**	**37.6**	**12.2**

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/ 2022	03/31/ 2023	03/31/ 2022	03/31/ 2023	03/31/ 2022	03/31/ 2023	03/31/ 2022	03/31/ 2023
Foreign currency hedges								
Assets	6.6	4.9	6.5	3.1	0.1	1.0	0.0	0.8
Liabilities	−11.8	−14.0	−6.1	−5.8	−5.7	−8.2	0.0	0.0
	−5.2	**−9.1**	**0.4**	**−2.7**	**−5.6**	**−7.2**	**0.0**	**0.8**
Commodity hedges								
Assets	57.1	12.6	56.8	12.1	0.3	0.5	0.0	0.0
Liabilities	−0.5	−10.8	−0.5	−10.7	0.0	−0.1	0.0	0.0
	56.6	**1.8**	**56.3**	**1.4**	**0.3**	**0.4**	**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/ 2022	03/31/ 2023	03/31/ 2022	03/31/ 2023	03/31/ 2022	03/31/ 2023	03/31/ 2022	03/31/ 2023
Foreign currency hedges								
Assets	203.7	239.0	203.1	125.9	0.6	50.4	0.0	62.7
Liabilities	338.6	280.2	146.8	175.0	191.8	105.2	0.0	0.0
	542.3	**519.2**	**349.9**	**300.9**	**192.4**	**155.6**	**0.0**	**62.7**
Commodity hedges								
Assets	201.5	115.5	199.1	113.4	2.4	2.1	0.0	0.0
Liabilities	16.5	151.2	16.5	150.6	0.0	0.6	0.0	0.0
	218.0	**266.7**	**215.6**	**264.0**	**2.4**	**2.7**	**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 03/31/2022				
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 assets measured at AC[1]	Hedge accounting	Financial assets measured at FVTPL	Total
Assets 03/31/2023				
Other financial assets, non-current	2.6	0.0	57.1	59.7
Trade and other receivables	1,087.5	17.4	214.7	1,319.6
Other financial assets, current	266.3	0.0	75.0	341.3
Cash and cash equivalents	1,055.8	0.0	0.0	1,055.8
Carrying amount	**2,412.2**	**17.4**	**346.8**	**2,776.4**

[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 03/31/2022						
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

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 03/31/2023						
Financial liabilities, non-current	2,242.2	2,177.7	0.0	0.0	2,242.2	2,177.7
Financial liabilities, current	836.6	834.7	0.0	0.0	836.6	834.7
Trade and other payables[1]	2,096.6	2,096.6	24.7	12.2	2,133.5	2,133.5
Trade payables from bills of exchange and trade payables from reverse factoring agreements[1]	1,023.1	1,023.1	0.0	0.0	1,023.1	1,023.1
Total	**6,198.5**	**6,132.1**	**24.7**	**12.2**	**6,235.4**	**6,169.0**

[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
03/31/2022				
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**
03/31/2023				
Financial assets				
Other financial assets, non-current	13.1	0.0	44.0	57.1
Receivables from derivatives – hedge accounting	0.0	17.4	0.0	17.4
Trade and other receivables	0.0	20.9	193.8	214.7
Other financial assets, current	75.0	0.0	0.0	75.0
	88.1	**38.3**	**237.8**	**364.2**
Financial liabilities				
Liabilities from derivatives – hedge accounting	0.0	24.7	0.0	24.7
Trade and other payables	0.0	12.2	0.0	12.2
	0.0	**36.9**	**0.0**	**36.9**

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 2021/22 or 2022/23.

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

	2021/22	2022/23
Opening balance	**36.4**	**41.3**
Total of gains/losses recognized in the income statement:		
Finance costs/Finance income	4.9	2.7
Closing balance	**41.3**	**44.0**

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)

	2021/22	2022/23
Opening balance as of April 1	**192.4**	**260.2**
Reclassification of discontinued operations	–19.1	0.0
Disposals	–173.3	–260.2
Additions	260.2	193.8
Closing balance as of March 31	**260.2**	**193.8**

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:

	2021/22	2022/23
Financial assets at AC	8.0	21.2
Financial liabilities at AC	–71.5	–95.5
Financial assets at FVTPL	13.9	12.9
Derivatives at FVTPL	–27.9	–4.9

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:

	2021/22	2022/23
Total interest income	12.2	23.7
Total interest expense	–73.3	–95.8

In millions of euros

The impairment loss on financial instruments measured at AC is EUR 9.3 million (2021/22: EUR 6.1 million), and the reversals of loss allowances are EUR 8.9 million (2021/22: EUR 3.1 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

	2021/22	2022/23
Depreciation, amortization, impairment / reversal	598.2	937.6
Thereof from discontinued operations	–215.9	0.0
Result from the sale of assets	1.1	–130.5
Changes in pensions and other employee obligations, non-current provisions, and deferred taxes	–47.8	45.8
Other non-cash expenses and income, deposits and disbursements not recognized in income statement	–39.5	–61.4
Thereof from discontinued operations	0.0	–26.8
	512.0	**791.5**
Thereof from discontinued operations	**–215.9**	**–26.8**

In millions of euros

Cash flows from investing activities include inflows of cash and cash equivalents from acquisitions in the amount of EUR 1.5 million (2021/22: EUR 0.0 million) and outflows of acquisition costs in the amount of EUR 9.6 million (2021/22: EUR 0.0 million). The disposal of subsidiaries resulted in an outflow of cash and cash equivalents from cash flows from investing activities of EUR 11.2 million (2021/22: EUR 0.0 million) and in a cash inflow in the amount of EUR 747.0 million (2021/22: EUR 0.0 million). (For details see chapter C. Scope of consolidation – Discontinued operations.)

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 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**
Financial liabilities 2022/23				
Non-current financial liabilities	2,356.2	7.9	–214.0	0.0
Current financial liabilities	572.8	0.0	–87.1	0.0
Non-current lease liabilities	290.0	0.0	0.0	–1.2
Current lease liabilities	51.1	0.0	0.0	–48.2
Total financial liabilities	**3,270.1**	**7.9**	**–301.1**	**–49.4**

The additions to assets due to finance lease activities contain non-cash investments in the amount of EUR 70.3 million (2021/22: EUR 28.9 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	
	1.5	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**
	–1.2	2.9	22.5	–230.5	0.0	0.4	1,944.2
	77.0	2.6	–10.4	230.5	0.0	0.0	785.4
	–4.1	0.6	–1.4	–47.4	0.0	61.5	298.0
	–1.3	0.4	–0.3	47.4	0.0	2.1	51.2
	70.4	**6.5**	**10.4**	**0.0**	**0.0**	**64.0**	**3,078.8**

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:

	2021/22		2022/23	
	With joint ventures	With associates and non-consolidated subsidiaries	With joint ventures	With associates and non-consolidated subsidiaries
Revenue	0.0	335.4	0.0	652.0
Cost of materials	2.3	294.0	2.1	462.0
Other operating income	0.3	8.5	0.2	12.1
Other operating expenses	0.0	23.1	0.0	31.0
	03/31/2022		03/31/2023	
Trade and other receivables	0.0	122.8	0.0	94.4
Financial liabilities/ trade and other payables	0.1	84.7	0.2	87.7

In millions of euros

The substantial increase in both revenue and the cost of materials on transactions with associates and non-consolidated subsidiaries in the business year 2022/23 arises from the initial at-equity consolidation of ArcelorMittal Texas HBI Holdings LLC (ArcelorMittal Texas HBI Group).

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:

	03/31/2022	03/31/2023
Cash and cash equivalents	8.8	40.1
Financial liabilities/trade and other payables	81.7	81.6
Trade payables from bills of exchange and trade payables from reverse factoring agreements	85.1	0.0
Guarantees received	2.0	2.0

In millions of euros

Interest expense of EUR 1.5 million (2021/22: EUR 1.4 million) was recognized in connection with the aforementioned financial liabilities as well as trade and other payables.

There are no trade payables from bills of exchange and trade payables from reverse factoring agreements with core shareholders as of the reporting date.

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, 2023, these receivables were recognized at a total of EUR 230.7 million (2021/22: EUR 327.0 million). Interest expense of EUR 2.8 million (2021/22: EUR 1.2 million) was recognized for the business year 2022/23 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); and "operating working capital as a percentage of revenue." 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 as a percentage of revenue is determined specifically for a given business year. 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 for the business year 2022/23 were as follows: (1) development of scenarios for securing the long-term supply of raw materials and energy to the voestalpine Group up to calendar year 2030 and beyond, specifically taking new decarbonization technologies into account; and (2) development of a comprehensive circular economy strategy for the voestalpine Group aimed at establishing expanded material cycles and pushing associated measures subject to considerations of economic viability.

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 2022/23 comprises the following:

	Current compensation fixed	Current compensation variable	Total
Dipl.-Ing. Herbert Eibensteiner	1.31	3.25	4.56
Dipl.-Ing. Dr. Franz Kainersdorfer	1.05	2.09	3.14
Mag. Dipl.-Ing. Robert Ottel, MBA	1.06	2.09	3.15
Dipl.-Ing. Franz Rotter	1.06	2.09	3.15
Dipl.-Ing. Dr. Peter Schwab, MBA	1.06	2.09	3.15
Dipl.-Ing. Hubert Zajicek, MBA	1.06	2.09	3.15
2022/23	**6.60**	**13.70**	**20.30**
2021/22	5.99	12.45	18.44

In millions of euros

In addition to the compensation contained in the above table, 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 0.41 million (2021/22: EUR 0.52 million) and Dipl.-Ing. Herbert Eibensteiner: EUR 0.18 million (2021/22: EUR 0.61 million). In the business year 2022/23, 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 0.62 million (2021/22: EUR 0.61 million); Dipl.-Ing. Dr. Franz Kainersdorfer: EUR 0.55 million (2021/22: EUR 0.53 million); Dipl.-Ing. Dr. Peter Schwab, MBA: EUR 0.72 million (2021/22: EUR 0.71 million); and Dipl.-Ing. Hubert Zajicek, MBA: EUR 0.16 million (2021/22: EUR 0.14 million). Pension payments in the amount of EUR 1.61 million (2021/22: EUR 1.56 million) were paid by the pension fund for former members of the Management Board with defined benefit pension agreements. In the business year 2022/23, payments to a pension fund totaling EUR 0.20 million (2021/22: EUR 0.12 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 12.00 million (2021/22: EUR 10.90 million). No advances or loans were granted to the members of the Management Board of voestalpine AG.

Supervisory Board

Pursuant to Article 15 of the AoA of voestalpine AG, 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—is 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 5, 2023:

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 5, 2023, the total compensation payable to the Supervisory Board (including attendance fees) for the business year 2022/23 is EUR 0.51 million (2021/22: EUR 0.53 million).

The compensation of the Supervisory Board for the business year 2022/23 will be paid at the latest 14 days after the Annual General Meeting on July 5, 2023.

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	
	03/31/2022	**03/31/2023**	**2021/22**	**2022/23**
Waged employees	28,761	29,451	28,366	28,988
Salaried employees	18,177	18,780	18,074	18,485
Apprentices	1,369	1,402	1,469	1,478
	48,307	**49,633**	**47,909**	**48,951**
Thereof employees from discontinued operations	307	0	294	78

The personnel expenses included in these Consolidated Financial Statements are EUR 3,446.6 million (2021/22: EUR 3,175.1 million).

28. EXPENSES FOR THE GROUP AUDITOR

Expenses for the Group auditor in the business year 2022/23 are structured as follows:

	2021/22	2022/23
Expenses for the audit of the Consolidated Financial Statements and the separate financial statements of voestalpine AG	0.25	0.28
Expenses for the audit of the subsidiaries of voestalpine AG	0.95	1.00
Expenses for other certifications	0.06	0.13
Expenses for tax consulting services	0.00	0.00
Expenses for other services	0.03	0.07
	1.29	**1.48**

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 1,267.3 million (March 31, 2022: EUR 1,086.7 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 114.1 million (March 31, 2022: EUR 97.8 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 0.0 million (March 31, 2022: EUR 0.2 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 363.5 million (March 31, 2022: EUR 318.9 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 125.9 million (March 31, 2022: EUR 132.5 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 2.0 million (March 31, 2022: EUR 2.1 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 1.3 million (March 31, 2022: EUR 1.2 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 32.9 million (March 31, 2022: EUR 38.3 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, 2022: 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, 2023, a total service fee of 0.15% of the sold receivables of EUR 2.7 million (March 31, 2022: EUR 2.4 million) was recognized in other provisions. The carrying amount corresponds to the fair value of the ongoing commitment.

30. EVENTS AFTER THE REPORTING PERIOD

On April 28, 2023, voestalpine AG issued senior unsecured convertible bonds in the amount of EUR 250 million with a term of five years in order to further optimize its financing structure. The convertible bonds, denominated in EUR 100,000 and with a maturity of five years, were issued at 100% of their nominal value and could initially be converted into approximately 6.1 million new and/or existing no-par bearer shares of voestalpine AG. The offering is being made by way of an accelerated book-building process and is exclusively targeted at institutional investors in defined countries.

31. EARNINGS PER SHARE

In accordance with IAS 33, the diluted and basic earnings per share are calculated as follows:

	2021/22	2022/23
Profit attributable to equity holders of the parent (in millions of euros)	**1,299.6**	**1,066.0**
Issued ordinary shares (average)	178,549,163	178,549,163
Effect of treasury shares held (average)	–28,547	–1,268,391
Weighted average number of outstanding ordinary shares	**178,520,616**	**177,280,772**
Diluted and basic earnings per share (euros) from continuing operations	**5.84**	**5.48**
Diluted and basic earnings per share (euros) from discontinued operations	**1.44**	**0.53**
Diluted and basic earnings per share (euros)	**7.28**	**6.01**

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, 2023. They show net retained profits of EUR 268.0 million. The Management Board proposes a dividend of EUR 1.50 per share (2021/22: EUR 1.20).

Linz, May 26, 2023

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, 2023, 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, 2023, 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.

Valuation of goodwill, other intangible assets, property plant and equipment and investments in associates

» Description and Issue

Goodwill, other intangible assets, property plant and equipment and investments in associates are presented in the amounts EUR 1,331.3 million, EUR 297.7 million, EUR 5,664.8 million and EUR 270,0 million in the consolidated financial statements of voestalpine AG and represent a significant part of the assets of the group. Impairment losses of EUR 210.5 million were recognized within the business year 2022/23.

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” “11. Impairment losses and reversal of impairment losses” and “12. Investments in entities consolidated according to the equity method, other financial assets and other equity investments”, 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. The determination of the discount rate is complex and depends to a high degree on management’s estimates. Small changes of the assumptions applied can significantly influence the recoverable amount. Due to these facts and also given the significance of these assets and 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 approved five-year mid-term planning. 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 and mathematical correctness of the valuation model by involvement of internal experts. We assessed the applied discount rates by determining a range for plausible discount rates.

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 6, 2022 and commissioned by the supervisory board on September 21, 2022 to audit the consolidated financial statements. 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 26, 2023

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Marieluise Krimmel
Certified Public Accountant (Austria)

ppa. 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 26, 2023

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.

voestalpine AG

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 21, 2023.

STEEL DIVISION

		03/31/2023		03/31/2022	
	Domicile of the company	Interest held	Type of consol-idation	Interest held	Type of consol-idation
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	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	100.000%	KV
voestalpine Texas Holding LLC	USA			100.000%	KV
voestalpine Texas LLC	USA			100.000%	KV
ArcelorMittal Texas HBI Holdings LLC	USA	20.000%	KEA		
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	48.100%	KEA	80.204%	KEA

[1] For companies consolidated according to the equity method marked[1], the reporting date of December 31 applies.

STEEL DIVISION

	Domicile of the company	03/31/2023 Interest held	Type of consol-idation	03/31/2022 Interest held	Type of consol-idation
Jiaxing NYC Industrial Co., Ltd[1]	CHN	51.000%	KEG	51.000%	KEG
Energie AG Oberösterreich	AUT	2.061%	KO	2.061%	KO
K1-MET GmbH	AUT	35.000%	KO	35.000%	KO
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	AUT	33.333%	KO	33.333%	KO
vivo Mitarbeiter-Service GmbH	AUT	100.000%	KO	100.000%	KO
voestalpine Belgium NV/SA	BEL	100.000%	KO	100.000%	KO
voestalpine Camtec Corp.	CAN	100.000%	KO	100.000%	KO
voestalpine CR, s.r.o.	CZE	100.000%	KO	100.000%	KO
voestalpine d.o.o.	HRV	100.000%	KO	100.000%	KO
voestalpine d.o.o.	SRB	100.000%	KO	100.000%	KO
voestalpine d.o.o.	SVN	100.000%	KO	100.000%	KO
voestalpine Deutschland GmbH	DEU	100.000%	KO	100.000%	KO
voestalpine France SAS	FRA	100.000%	KO	100.000%	KO
voestalpine Hungaria Kft.	HUN	99.000%	KO	99.000%	KO
voestalpine Iberia S.L.	ESP	100.000%	KO	100.000%	KO
voestalpine Italia S.r.l.	ITA	100.000%	KO	100.000%	KO
voestalpine Nederland B.V.	NLD	100.000%	KO	100.000%	KO
voestalpine Polska Sp. z o. o.	POL	100.000%	KO	100.000%	KO
voestalpine Scandinavia AB	SWE	100.000%	KO	100.000%	KO
voestalpine Schweiz GmbH	CHE	100.000%	KO	100.000%	KO
voestalpine Slovakia, s.r.o.	SVK	100.000%	KO	100.000%	KO
voestalpine Stahlwelt GmbH	AUT	100.000%	KO	100.000%	KO
voestalpine Turkey Celik Limited Sirketi	TUR	100.000%	KO	100.000%	KO
voestalpine UK Ltd.	GBR	100.000%	KO	100.000%	KO
voestalpine USA LLC	USA	100.000%	KO	100.000%	KO
Werksgärtnerei Gesellschaft m.b.H.	AUT	100.000%	KO	100.000%	KO

[1] For the company consolidated according to the equity method marked[1], the reporting date of December 31 applies.

HIGH PERFORMANCE METALS DIVISION

		03/31/2023		03/31/2022	
	Domicile of the company	Interest held	Type of consol-idation	Interest held	Type of consol-idation
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
BÖHLER Immobilien GmbH & Co KG	AUT	100.000%	KV	100.000%	K0
BÖHLER Management & Service GmbH	AUT	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
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
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
Metaltec AG	CHE	100.000%	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

[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	03/31/2023 Interest held	03/31/2023 Type of consolidation	03/31/2022 Interest held	03/31/2022 Type of consolidation
Villares Metals International B.V.	NLD	100.000%	KV	100.000%	KV
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		
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 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	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	03/31/2023 Interest held	03/31/2023 Type of consolidation	03/31/2022 Interest held	03/31/2022 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	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	100.000%	KV
voestalpine High Performance Metals SCM GmbH & Co KG	AUT	100.000%	KV	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 High Performance Metals VerwaltungsAG	AUT			100.000%	KV
voestalpine HPM Denmark A/S	DNK	100.000%	KV	100.000%	KV
voestalpine HPM Deutschland Beteiligungs SE	DEU	100.000%	KV		
voestalpine Specialty Metals (Shanghai) Co. Ltd.	CHN	100.000%	KV	100.000%	KV
voestalpine Specialty Metals Europe GmbH	DEU	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 UKRAINE LLC in Liquidation	UKR	100.000%	KO	100.000%	KO
EDRO Limited	CHN			100.000%	KO
Eschmann Beteiligungsgesellschaft mbH	DEU	100.000%	KO	100.000%	KO
Grundstück-Verwaltungsgesellschaft Gewerbehof Sendling mbH & Co. KG in Liquidation	DEU	62.916%	KO	62.916%	KO
HOTEL BÖHLERSTERN Gesellschaft m.b.H.	AUT			100.000%	KO
voestalpine HPM Zagreb d.o.o.	HRV	100.000%	KO	100.000%	KO

METAL ENGINEERING DIVISION

	Domicile of the company	03/31/2023 Interest held	Type of consol-idation	03/31/2022 Interest held	Type of consol-idation
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
voestalpine Böhler Welding Spain, S.A.	ESP	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	03/31/2023 Interest held	Type of consol-idation	03/31/2022 Interest held	Type of consol-idation
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 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 Fastening Systems Sp. z o.o.	POL	50.000%	KV		
voestalpine Forschungsservicegesellschaft Donawitz GmbH	AUT	93.986%	KV	93.986%	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 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 Asia 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 S.A.	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
voestalpine Signaling Poland Sp. z o.o.	POL	100.000%	KV	100.000%	KV

METAL ENGINEERING DIVISION

		03/31/2023		03/31/2022	
	Domicile of the company	Interest held	Type of consol-idation	Interest held	Type of consol-idation
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
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	49.000%	KV	50.000%	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
WS Service GmbH[1]	AUT	49.000%	KEA	49.000%	KEA
voestalpine Digital Track Management GmbH	AUT	50.000%	KEG	50.000%	KEG
Burbiola S.A.	ESP	50.000%	KO	50.000%	KO
Casedo GmbH	AUT	100.000%	KO	100.000%	KO
KW PenzVAEE GmbH	AUT	49.000%	KO	49.000%	KO
Liegenschaftsverwaltungs GmbH	AUT	100.000%	KO	100.000%	KO
Parkwood Way Holdings Ltd.	CAN	40.000%	KO	40.000%	KO
Royal Fortune Holding Limited	HKG	25.000%	KO	25.000%	KO
Sistemas Ferroviarios Argentinos S.R.L.	ARG	40.000%	KO	40.000%	KO
Virtual Vehicle Research GmbH	AUT	8.000%	KO	8.000%	KO

[1] For the company consolidated according to the equity method marked[1], the reporting date of December 31 applies.

METAL FORMING DIVISION

	Domicile of the company	03/31/2023 Interest held	03/31/2023 Type of consol-idation	03/31/2022 Interest held	03/31/2022 Type of consol-idation
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 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
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 Automotive Components Tianjin Co., Ltd.	CHN	100.000%	KV	100.000%	KV
voestalpine HTI Beteiligungs GmbH	AUT	100.000%	KV	100.000%	KV
voestalpine Krems Finaltechnik 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

		03/31/2023		03/31/2022	
	Domicile of the company	Interest held	Type of consol-idation	Interest held	Type of consol-idation
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 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 Profilafroid	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
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 Sadef nv	BEL	100.000%	KV	100.000%	KV
voestalpine Stamptec Holding GmbH in Liqu.	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%	KO	100.000%	KO
EURACIER	FRA	20.000%	KO	20.000%	KO
Hinckley Precision Tubes Limited	GBR	100.000%	KO	100.000%	KO
Metal Sections Limited	GBR	100.000%	KO	100.000%	KO
Munkfors Energi AB	SWE	40.000%	KO	40.000%	KO
SADEF FRANCE S.A.R.L.	FRA	100.000%	KO	100.000%	KO
voestalpine Automotive Components Dettingen Verwaltungs GmbH	DEU	100.000%	KO	100.000%	KO
voestalpine Automotive Components Dettingen Verwaltungs GmbH	AUT	100.000%	KO		
voestalpine Automotive Components Linz Verwaltung GmbH	AUT	100.000%	KO	100.000%	KO
voestalpine Beteiligungsgesellschaft Schwäbisch Gmünd mbH	DEU	100.000%	KO	100.000%	KO
voestalpine Stamptec Beteiligungs GmbH	DEU	100.000%	KO	100.000%	KO

[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	03/31/2023 Interest held	Type of consol-idation	03/31/2022 Interest held	Type of consol-idation
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 HR 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	100.000%	KV
voestalpine US Holding LLC	USA	100.000%	KV	100.000%	KV
APK Pensionskasse AG[1]	AUT	32.084%	KEA	32.084%	KEA
VA Erzberg GmbH	AUT	0.000%	KEA	0.000%	KEA
AC styria Mobilitätscluster GmbH	AUT	12.333%	KO	12.333%	KO
Danube Equity GmbH	AUT	100.000%	KO	100.000%	KO
Donauländische Baugesellschaft m.b.H.	AUT	100.000%	KO	100.000%	KO
voestalpine Dienstleistungs- und Finanzierungs GmbH in Liquidation	DEU			100.000%	KO
voestalpine group-IT (Suzhou) Co., Ltd.	CHN	100.000%	KO	100.000%	KO
voestalpine HR Services GmbH in Liquidation	DEU	100.000%	KO	100.000%	KO
voestalpine Insurance Services GmbH	AUT	100.000%	KO	100.000%	KO

[1] For the company consolidated according to the equity method marked[1], 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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& IMPRINT

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All quantities expressed as tons in this Annual Report
are metric tons (= 1,000 kg/ton).

Imprint
Owner and media proprietor: voestalpine AG, voestalpine-Strasse 1,
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