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

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

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

In addition to the regular reports on the Group's current business and financial position, the meetings of the Supervisory Board dealt especially with matters related to sustainability and innovation as well as information technology and the digital transformation—all of which will determine the future. Hence possible future scenarios involving CO_2-reduced steel production at the company's plants in Linz and Donawitz (both Austria) were front and center. At its meeting in March 2022, the Supervisory Board took a first step toward decarbonizing the production of steel by making an important decision that will move the voestalpine Group from coal-based blast furnace technology to electric arc furnace technology powered by electricity from sustainable sources. As early as in the Northern summer of 2022, the Group will start to clear the future construction site required for this purpose and carry out infrastructure modification work at both aforementioned steelmaking facilities. The estimated investment costs for the project's first phase are in the low three-digit million euro range. During the current business year 2022/23, the Supervisory Board will have to make final decisions on investments in the electricity-based technology that will serve as a partial replacement for the blast furnace-based technology still in use at this time. The construction of the new facilities will begin in 2024. One electric arc furnace each is to be commissioned in Linz and Donawitz in early 2027. As of now, the estimated investment costs are about EUR 1 billion. Following this technological shift, the voestalpine Group will be able to cut its carbon dioxide emissions by some 30%—a significant first step. This represents a reduction of three to four million tons of CO_2 per year—roughly equivalent to 5% of Austria's total annual carbon emissions. In the long term, the company seeks to achieve carbon neutral steel production largely on the basis of green hydrogen; its relevant research on promising breakthrough technologies is already at an advanced stage.

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

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

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

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

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

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

Following the Audit Committee's prior review of the financials, on June 2, 2022, the Supervisory Board reviewed and approved the Annual Financial Statements as of March 31, 2022. The Annual Financial Statements are herewith deemed adopted pursuant to Section 96 (4) Austrian Stock Corporation Act *(Aktiengesetz – AktG)*. Furthermore, following the Audit Committee's prior review, the Supervisory Board reviewed and approved the Management Report as well as the Consolidated Financial Statements, which include the Consolidated Management Report, the Consolidated Corporate Governance Report, and the Corporate Responsibility Report for the business year 2021/22. The Supervisory Board's reviews did not raise any objections.

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

The Corporate Responsibility Report 2021/22 (CR Report) was audited by Deloitte Audit Wirtschaftsprüfungs-GmbH. These audit procedures did not bring to light any facts and circumstances either that would cause us to assume that the CR Report of voestalpine AG does not comply with material aspects of applicable legal requirements and the Global Reporting Initiative (GRI) standards.

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

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

The Supervisory Board

Dr. Wolfgang Eder
(Chairman)

Linz, June 2, 2022

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