

COMPENSATION REPORT FOR MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Business Year 2022/23
voestalpine AG

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

A. INTRODUCTION

This Compensation Report provides a comprehensive overview of the compensation paid or owed to the members of the Management Board and those of the Supervisory Board of voestalpine AG (also referred to as “voestalpine AG,” “voestalpine,” or the “company”) in the business year 2022/23; in doing so, the Report satisfies the requirements of Sections 78c and 98a Austrian Stock Corporation Act (*Aktiengesetz – AktG*).

The present Compensation Report was prepared by the Management Board and the Supervisory Board and will be submitted to the company’s 30th Annual General Meeting on July 5, 2023, for a vote.

B. BUSINESS PERFORMANCE 2022/23

- » voestalpine posted new all-time highs in the Group’s history for both revenue and operating results in the business year 2022/23, after having already achieved new records in the business year 2021/22
- » Year over year, revenue jumped 22.1% to EUR 18.2 billion, up from EUR 14.9 billion
- » The operating result (EBITDA) expanded to EUR 2.5 billion (2021/22: EUR 2.3 billion), with an EBITDA margin of 14.0%
- » The profit from operations (EBIT) climbed 11.7% to EUR 1.6 billion (2021/22: EUR 1.5 billion), with an EBIT margin of 8.9%
- » Profit before tax rose 7.8% to EUR 1.5 billion; profit after tax fell 11.4% to EUR 1.2 billion
- » Net financial debt dropped substantially yet again (-27.5%); at EUR 1.7 billion, it now is the lowest since the business year 2006/07
- » At EUR 7.8 billion, Group equity expanded to a new all-time high also; further reduction in gearing ratio to 21.4% (2021/22: 32.4%) as of March 31, 2023

In the business year 2022/23, the voestalpine Group underscored the success of its robust corporate strategy, which is based on both global alignment and sectoral diversification, yet again. voestalpine posted the best operating result in the Group's history despite the exceedingly turbulent environment—from the war in Ukraine, to high inflation and rising interest rates, all the way to supply chain problems and sharp increases in energy costs.

The energy sector did very well, and demand for voestalpine's solar industry products continued to grow also. The voestalpine Railway Systems business segment developed along a very satisfactory trajectory yet again too. As the leading provider worldwide for complete rail technology systems, it was contracted to design and deliver rails and turnout systems for Great Britain's new high-speed network ("High Speed 2"). Add to that orders for international rail infrastructure projects that will run for several years. During the business year 2022/23, the voestalpine Group also succeeded in securing several major orders for the coming years from renowned international aerospace manufacturers. Demand in this segment, which had already started to expand in the previous business year, continued rising in the reporting period. Growing demand for short and medium-haul planes (i.e., single-aisle aircraft) is key to this development. By contrast, the consumer goods and white goods industries, as well as the construction industry, had to contend with declining demand throughout the business year ended. As before, the European automotive industry faced ongoing supply chain bottlenecks throughout the reporting period. The economic environment outside of Europe benefited voestalpine's facilities. The storage system business segment profited in the business year 2022/23 as well from the e-commerce trend that continues unabated.

All-time highs characterized the performance of voestalpine in the business year 2022/23 with respect to both revenue and numerous key performance indicators (KPIs). Following the jump in the previous business year (EUR 14.9 billion), revenue soared by another 22.1% to EUR 18.2 billion. The operating result (EBITDA) expanded by 11.1% to EUR 2.5 billion (2021/22: EUR 2.3 billion) and the profit from operations (EBIT) by 11.7% to EUR 1.6 billion (2021/22: EUR 1.5 billion). Both positive and negative non-recurring effects had an impact on these KPIs. Two of the Group's divisions took impairment losses of EUR 205 million during the reporting period; this was offset, however, by positive effects of EUR 133 million from the sale of real property.

The profit before tax is EUR 1.5 billion (2021/22: EUR 1.4 billion); at EUR 1.2 billion, the profit after tax is down 11.4% from the previous business year (2021/22: EUR 1.3 billion).

The voestalpine Group continued to extinguish its liabilities in the business year 2022/23. At EUR 1.7 billion (2021/22: EUR 2.3 billion), net financial debt is the lowest since the business year 2006/07 and thus has been cut by more than half within a mere three years. The gearing ratio (net financial debt as a percentage of equity) fell significantly year over year to 21.4% (2021/22: 32.4%). At EUR 7.8 billion, the Group's equity is at a new all-time high.

C. COMPENSATION OF THE MANAGEMENT BOARD

1. PRINCIPLES AND AIMS OF THE COMPENSATION POLICY FOR THE MEMBERS OF THE MANAGEMENT BOARD

The currently applicable Compensation Policy for the members of the Management Board was resolved by the Supervisory Board on June 2, 2020, and submitted to the Annual General Meeting on July 1, 2020, for a vote. It was approved with 97.05% of the votes cast. The Policy is available at www.voestalpine.com » Investors » Annual Shareholder's Meeting » Annual General Meeting 2020.

The compensation system for the Management Board aims to compensate the Management Board's members in ways appropriate to the size and financial position of voestalpine AG and to offer them incentives for successfully managing and developing the company.

The compensation comprises non-performance-based, fixed elements and performance-based, variable elements.

OVERVIEW OF THE COMPONENTS OF COMPENSATION

Component	Summary
Performance-based, fixed compensation	
Base salary	Salary determinations consider market standards and competitiveness; as a rule, the base salary is the same for all members of the Management Board excepting the chairman.
Ancillary payments and bonuses	Include non-cash benefits, insurance premiums, long-service bonuses, sick pay, special payments in special cases (employee inventions, signing bonuses).
Pension plan	The current Compensation Policy provides for a pension contribution of up to 20% of the annual gross base salary to an industry-wide pension fund; different provisions under legacy contracts entail defined benefit obligations as well as higher contributions to the pension fund.
Performance-based, variable compensation	
Variable compensation	Achievement of particular quantitative and qualitative targets yields a maximum bonus of 250% for the chairman of the Management Board and of 200% for all other members of the Management Board; sustainable action is achieved by setting quantitative targets for three years in each case.

a. NON-PERFORMANCE-BASED, FIXED COMPENSATION

Every member of the Management Board is paid a base salary for carrying out their duties as such. This base salary is stipulated in the form of a monthly gross amount that is disbursed 14 times a year (“annual gross base salary”). In addition, ancillary and special payments (= company car, insurance, long-service bonuses, continued pay during sick leave and in case of accidents, employee inventions, and signing bonuses) as well as a pension contribution of up to 20% of the annual gross base salary to an industry-wide pension fund may be granted.

Two members of the Management Board are entitled to a defined benefit pension due to pension commitments under legacy contracts or activities within the Group that preceded their appointment to the Management Board. The amount of the contractual pension payable to these two Management Board members 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 may not exceed 40% of their most recent annual gross base salary.

A review of the adequacy of the claim to pension resulting from the contributions paid up to the time at which three members of the Management Board were reappointed to their positions was conducted in 2018, and an additional contribution to the existing defined contribution agreement was resolved (= 15% of the annual gross base salary). Disbursement of the additional defined contribution payment in five annual instalments started in the business year 2019/20.

b. PERFORMANCE-BASED, VARIABLE COMPENSATION

TARGET AGREEMENT

Variable compensation

Maximum bonus (200% or 250% of the annual gross base salary)



Variable compensation is contingent on the setting and achievement of financial (i.e., quantitative) and non-financial (i.e., qualitative) targets that must be stipulated annually with the General Committee of voestalpine’s Supervisory Board, but no later than at the start of a business year. The lion’s share of the variable compensation—i.e., about 75% or more—is based on quantitative targets.

In any event, the variable compensation must be limited as to the amount, even in case of potential target overachievement. This may be accomplished by stipulating an absolute maximum or a percentage of the fixed compensation ahead of time. The maximum payable bonus is limited to 200% of the fixed compensation (= annual gross base salary) paid to members of the Management Board and to 250% of the fixed compensation paid to the chairman of the Management Board; this maximum bonus can be achieved solely in case of quantitative target overachievement. If the agreed quantitative targets are achieved exactly, a total of up to 80% of the maximum bonus is owed for both the financial and the non-financial targets. Any overachievement of the quantitative targets is considered proportionately until the maximum bonus is reached.

Quantitative targets

The lion's share of the variable compensation—i.e., 75% or more—is based on quantitative targets. The target agreements applicable to the members of the Management Board provide for the following quantitative performance criteria:

- » ROCE (return on capital employed)
- » EBIT (earnings before interest and taxes)

Besides these two quantitative performance criteria, additional performance criteria promoting the company's business strategy may be established, especially those that reflect capital commitments and the creation of liquidity (for example, the ratio of working capital to revenue or free cash flow). In any weighting of the quantitative performance criteria, the ROCE must be considered more significant than EBIT, and EBIT more significant than other performance criteria.

In any event, the specific targets for the two performance criteria, ROCE and EBIT, are determined periodically, i.e., at the start of a given period for a total of three years at minimum. For one, this uncouples the variable compensation system from the annual business and corporate planning process and, for another, it ensures that long-term, strategic objectives are considered in the compensation of Management Board members.

In special circumstances, such as an economic crisis, the General Committee may use alternative or additional performance criteria such as free cash flow to replace and/or expand the financial performance criteria that it established for a three-year period. In these special cases, the weighting of the performance criteria specified in the Compensation Policy may be adjusted as well.

Identical quantitative targets are stipulated with all members of the Management Board.

Qualitative targets

The target agreement applicable to the members of the Management Board must establish non-financial performance criteria that account for up to no more than 25% of the variable compensation. When these performance criteria (which may change from year to year) are established, care must be taken to ensure that they promote the company's development in the long term and do not provide incentives for achieving merely short-term results.

c. CLAIMS UPON TERMINATION

Members of the Management Board are in any case subject to the corporate severance scheme under the Austrian Act on Severance and Retirement Funds for Salaried Employees and Self-Employed Persons (*Betriebliches Mitarbeiter- und Selbständigenvorsorgegesetz – BMSVG*). The company thus is obliged to make contributions to the corporate provision fund in the amount prescribed by law.

Members of the Management Board may be paid contractual severance upon termination of their director's contract by analogy to the Austrian White-Collar Employee Act (in the version that applied immediately prior to the effective date of the amended federal law as per Austrian Federal Gazette (BGBl I 2002/100), the so-called "Old Severance Payment Scheme"). In such cases, the gross severance pay from the corporate provision fund to which a Management Board member is entitled under the provisions of the BMSVG upon termination of their employment must be offset against the contractual gross severance pay.

2. COMPENSATION OF THE MEMBERS OF THE MANAGEMENT BOARD IN 2022/23

The compensation paid to the members of the Management Board as well as the total compensation paid to the Management Board for the business year 2022/23 is shown below.

For one, the compensation in 2022/23 comprises the non-performance-based, fixed compensation actually paid to the members of the Management Board in the business year 2022/23. For another, it comprises the claims the members of the Management Board acquired for the business year 2022/23 under the performance-based, variable compensation that is disbursed to them not all at once, but instead is paid out to them over the 12 months of calendar year 2023. Accordingly, a partial payment of the variable compensation for the last three months of the business year 2022/23 (= Q1 of calendar year 2023) through to May 2023, as determined based on forecasts for the business year 2022/23, was made to the members of the Management Board. The variable compensation to which the members of the Management Board are in fact entitled for the business year 2022/23 will be paid out to them starting in June 2023 through to December 2023 in equal amounts less the previously disbursed partial payment—i.e., from the date on which the General Committee determines whether the targets applicable to the variable compensation were achieved. This means that the compensation paid to the members of the Management Board of voestalpine AG solely constitutes so-called “owed compensation.”

In the business year 2022/23, the company's Management Board comprised the following six members:

- » Dipl.-Ing. Herbert Eibensteiner – Chairman of the Management Board
- » Dipl.-Ing. Dr. Franz Kainersdorfer – Head of the Metal Engineering Division
- » Mag. Dipl.-Ing. Robert Ottel, MBA – Chief Financial Officer
- » Dipl.-Ing. Franz Rotter – Head of the High Performance Metals Division
- » Dipl.-Ing. Dr. Peter Schwab, MBA – Head of the Metal Forming Division
- » Dipl.-Ing. Hubert Zajicek, MBA – Head of the Steel Division

a. NON-PERFORMANCE-BASED, FIXED COMPENSATION

The non-performance-based, fixed compensation of the members of the Management Board for the business year 2022/23 comprises the annual gross base salary as well as ancillary and special payments (i.e., the noncash compensation, which includes a company car that may be used not only for business purposes but also for private purposes) and group accident insurance. Moreover, the compensation paid to Dipl.-Ing. Dr. Franz Kainersdorfer; Dipl.-Ing. Franz Rotter; Dipl.-Ing. Dr. Peter Schwab, MBA; and Dipl.-Ing. Hubert Zajicek, MBA, includes a contribution to an industry-wide pension fund that equates to 15% of their respective annual gross base salary. A review of the adequacy of the claim to pension resulting from the contributions paid up to the time at which Dipl.-Ing. Dr. Franz Kainersdorfer, Dipl.-Ing. Franz Rotter, and Dipl.-Ing. Dr. Peter Schwab, MBA, were reappointed to their positions in 2018 was conducted at that time; an additional contribution to the existing defined contribution agreement (= 15% of the annual gross base salary) was resolved. Disbursement of the additional defined contribution payment in five annual instalments started in the business year 2019/20. Dipl.-Ing. Herbert Eibensteiner and Mag. Dipl.-Ing. Robert Ottel, MBA, are entitled to a defined benefit pension due to pension commitments under legacy contracts or activities within the Group that preceded their appointment to the Management Board (see item C.1.a).

FIXED COMPENSATION

	Herbert Eibensteiner	Franz Kainersdorfer	Robert Ottel	Franz Rotter	Peter Schwab	Hubert Zajicek
Annual gross base salary	1,300,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000
Noncash compensation (especially passenger car, accident insurance)	9,371	9,341	12,251	12,351	12,251	12,221
Long-service bonus						
Current pension contribution		156,750		156,750	156,750	156,750
Additional amount (2018 Agreement)		388,606		465,752	564,769	
Total fixed compensation	1,309,371	1,599,697	1,057,251	1,679,853	1,778,770	1,213,971

In euros

In addition to the pension and insurance contributions mentioned in the foregoing, just as other directors and officers of the voestalpine Group, all members of the Management Board are covered by D&O insurance as well as criminal defense insurance providing adequate coverage, both of which the company has purchased for the entire Group. The cost of these insurance policies benefiting the Management Board members are borne by the company.

b. PERFORMANCE-BASED, VARIABLE COMPENSATION

The performance-based, variable compensation of the members of the Management Board for the business year 2022/23 is based on a performance target agreement, which the Management Board and the General Committee of the Supervisory Board entered into prior to the start of the business year 2022/23.

The quantitative performance criteria as per the Target Agreement 2022/23 were: return on capital employed (ROCE), earnings before interest and taxes (EBIT) as well as the ratio of working capital to revenue. In March 2022, the targets for both ROCE and EBIT were fixed at different rates for each of the next three business years—and thus also for the business year 2022/23. For one, this three-year plan uncouples the variable compensation system from the annual business and corporate planning process and, for another, it ensures that long-term, strategic objectives are considered in the compensation of the Management Board members. The target for the ratio of working capital to revenue was determined in March 2022 for the subsequent business year 2022/23. Neither the performance criteria nor the corresponding targets were adjusted during the business year.

The qualitative targets defined for all members of the Management Board for the business year 2022/23 were: (i) preparation of scenarios for securing the supply of both raw materials and energy in the long term for the voestalpine Group beyond 2030, particularly taking into account new decarbonization technologies as well as (ii) development of a holistic Circular Economy approach for the voestalpine Group in view of establishing expanded material cycles and scaling up suitable measures, taking the issue of economic viability into account.

The General Committee determined whether targets had been achieved on June 6, 2023, among other things on the basis of the company's audited consolidated financial statements. Pursuant to the target achievement thus determined, the variable compensation of the members of the Management Board is as follows:

VARIABLE COMPENSATION

	Chairman of the Management Board	Members of the Management Board
	Herbert Eibensteiner	Franz Kainersorfer, Robert Ottel, Franz Rotter, Peter Schwab, Hubert Zajicek
Annual gross base salary	1,300,000	1,045,000
Maximum bonus in % of the annual gross salary	250	200
Quantitative targets (60% of the maximum bonus)	60	60
Degree of target achievement	140.93	140.93
Target achievement in % of the maximum bonus ¹	80.00	80.00
Target achievement in % of the annual gross base salary	200.00	160.00
Variable compensation	2,600,000	1,672,000
Qualitative targets (20% of the maximum bonus)	20	20
Degree of target achievement	100.00	100.00
Target achievement in % of the maximum bonus	20.00	20.00
Target achievement in % of the annual gross base salary	50.00	40.00
Variable compensation	650,000	418,000
Total		
Target achievement in % of the maximum bonus	100.00	100.00
Target achievement in % of the annual gross base salary	250.00	200.00
Variable compensation	3,250,000	2,090,000

¹ The 80% threshold is a maximum that cannot be surpassed, not even in case of overachievement of the quantitative targets.

In euros

c. TOTAL COMPENSATION

The total compensation payable to the Management Board for the business year 2022/23 is EUR 22,338,913 (2021/22: EUR 20,436,742). Of this amount, the non-performance-based, fixed compensation is EUR 8,638,913 (2021/22: EUR 7,986,742), and the performance-based, variable compensation is EUR 13,700,000 (2021/22: EUR 12,450,000).

The following table shows the total compensation paid to the Management Board, broken down by the non-performance-based, fixed components and the performance-based, variable components (including their ratios) paid to each individual member of the Management Board:²

² This presentation is based on the form proposed by the Austrian Financial Reporting and Auditing Committee (AFRAC) in AFRAC Statement 37 (Compensation Report under the Austrian Stock Corporation Act).

TOTAL COMPENSATION – BUSINESS YEAR 2022/23

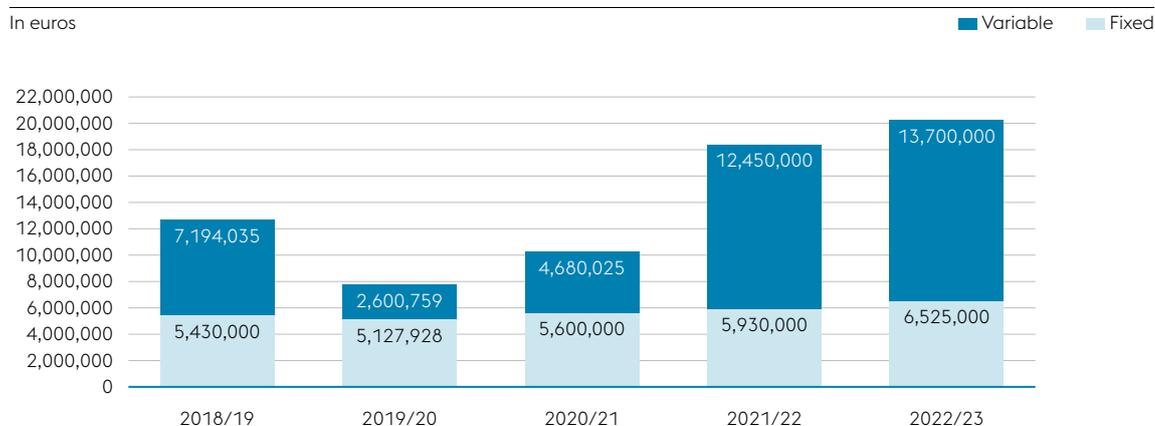
	Herbert Eibensteiner	Franz Kainersdorfer	Robert Ottel	Franz Rotter	Peter Schwab	Hubert Zajicek
Fixed Compensation						
Annual gross base salary	1,300,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000
Noncash compensation (especially passenger car, accident insurance)	9,371	9,341	12,251	12,351	12,251	12,221
Contributions to the industry-wide pension fund		156,750		156,750	156,750	156,750
Additional amount (2018 Agreement)		388,606		465,752	564,769	
Subtotal	1,309,371	1,599,697	1,057,251	1,679,853	1,778,770	1,213,971
Variable compensation						
Annual bonus	3,250,000	2,090,000	2,090,000	2,090,000	2,090,000	2,090,000
Disbursement prior-year bonus						
Subtotal	3,250,000	2,090,000	2,090,000	2,090,000	2,090,000	2,090,000
Compensation from affiliates¹						
Salary for activities as managing directors in subsidiaries						
Subtotal	0	0	0	0	0	0
Other compensation						
One-time severance payment						
Subtotal	0	0	0	0	0	0
Compensation from previous work in corporate body						
Pension						
Subtotal	0	0	0	0	0	0
Total compensation						
Fixed	1,309,371	1,599,697	1,057,251	1,679,853	1,778,770	1,213,971
Variable	3,250,000	2,090,000	2,090,000	2,090,000	2,090,000	2,090,000
Affiliates ¹						
Other						
Pension (former Manage- ment Board members)						
Total	4,559,371	3,689,697	3,147,251	3,769,853	3,868,770	3,303,971
<i>Relative percentage of fixed components (in %)</i>	28.72	43.36	33.59	44.56	45.98	36.74
<i>Relative percentage of variable components (in %)</i>	71.28	56.64	66.41	55.44	54.02	63.26

¹ One member of the Management Board does not have a claim to compensation for serving on corporate bodies of Group companies.

In euros

The following table shows the development of the non-performance-based, fixed components (excluding noncash compensation, pension fund contributions, and long-service bonuses) as well as of the performance-based, variable components in the past five business years:

TOTAL COMPENSATION OVER FIVE YEARS



The compensation of the members of the Management Board for the business year 2022/23 corresponds to the current Compensation Policy. Developments in the compensation on the whole—but particularly with respect to the performance-based, variable component—clearly show the strong correlation of the Management Board members' compensation and the company's performance.

While voestalpine's business year 2018/19 had been very good, its business year 2019/20 was defined by a massive dampening of sentiment in the economic environment due to the worldwide trade conflicts. These developments hit Europe's export-driven industry, which accounts for about two-thirds of the voestalpine Group's revenue, particularly hard. The equally important automotive segment slumped worldwide. Add to that globally rising iron ore prices in the face of simultaneously falling steel prices. An upward trend did not make itself felt until the start of that reporting period's fourth quarter, only to be brought to a sudden standstill by the outbreak of the COVID-19 pandemic. EBIT for the business year 2019/20 was EUR –89 million, and ROCE stood at –0.8%. Group working capital in percent of revenue deteriorated from 32.4% to 34.6%.

voestalpine's business year 2020/21 was characterized by an economic collapse of historic proportions. The first business quarter saw a massive meltdown in demand in almost all customer segments. However, demand for the company's products started to grow again in the second business quarter despite renewed lockdowns in many markets and continued to rise throughout the remaining business year. The rebound of the automotive industry, in particular, from its COVID-19-induced low was surprisingly strong, causing a pronounced increase in demand for high-quality steel products. Even though demand for voestalpine's products rose significantly throughout the business year 2020/21, the Group's revenue fell by 14.3% to EUR 10.9 billion on account of economic factors. Similarly to revenue, the Group also saw a marked upturn in earnings over that reporting period's individual quarters. Given the COVID-19 crisis, the decline in EBITDA by 2.8% to EUR 1.1 billion was moderate. As for EBIT, at

EUR 338 million the Group succeeded once again in posting a positive number. The ROCE was 3.4%. Group working capital in percent of revenue also improved substantially in the business year 2020/21, from 34.6% to 31.9%.

voestalpine delivered record performance in the business year 2021/22—despite the challenging environment that was characterized by the COVID-19 pandemic, supply chain problems, massive increases in the cost of raw materials and energy, and, most recently, the fallout from the Russia/Ukraine war. In the business year 2021/22, demand for the high-quality products of this steel and technology group developed along extremely robust trajectories in almost all market and product segments. As for revenue and earnings, the business year 2021/22 was voestalpine's most successful in its corporate history. Revenue rose year over year by 36.9% to EUR 14.9 billion. The operating result (EBITDA) was very good, too: It doubled to EUR 2.3 billion year over year. The operating profit (EBIT) was phenomenal: It skyrocketed to EUR 1.5 billion. The EBITDA margin was 15.4%, the EBIT margin 9.7%, and the ROCE 15.5%. At 26.5%, Group working capital in percent of revenue improved substantially yet again in the business year 2021/22. The free cash flow was EUR 590 million (2020/21: EUR 1.03 billion); the value added per employee was about EUR 131,000 (2020/21: about EUR 91,000).

In the business year 2022/23, the voestalpine Group underscored the success of its robust corporate strategy, which is based on both global alignment and sectoral diversification, yet again. voestalpine posted the best operating result in the Group's history despite the exceedingly turbulent environment—from the war in Ukraine, to high inflation and rising interest rates, all the way to supply chain problems and sharp increases in energy costs. All-time highs characterized the performance of voestalpine in the business year 2022/23 with respect to both revenue and numerous key performance indicators (KPIs). Following the jump in the previous business year (EUR 14.9 billion), revenue soared by another 22.1% to EUR 18.2 billion. The operating result (EBITDA) expanded by 11.1% to EUR 2.5 billion and the profit from operations (EBIT) by 11.7% to EUR 1.6 billion. Both positive and negative non-recurring effects had an impact on these KPIs. Two of the Group's divisions took impairment losses of EUR 205 million during the reporting period; this was offset, however, by positive effects of EUR 133 million from the sale of real property. The EBITDA margin is 14.0%, the EBIT margin 8.9%, and the ROCE 15.5%. At 31.1%, the Group's working capital as a percentage of revenue deteriorated relative to the previous business year especially on account of price-related increases in inventories.

The development of the variable compensation of the members of the Management Board for the business year 2022/23 reflects the Group's performance. Given the business year's all-time highs, the quantitative targets for the members of the Management Board were overachieved, and the maximum bonus applies.

For one, the selected quantitative performance criteria provide an incentive to utilize the capital available to the company as best as possible; for another, they incentivize the members of the Management Board to focus on the company's earnings. The qualitative targets address issues that were material to the company in the business year 2022/23, for example, securing the Group's supply of raw materials and energy in the long term as well as issues related to the circular economy.

d. INFORMATION ON SHARE-BASED PAYMENTS

As per the Compensation Policy for the members of the Management Board, voestalpine AG does not make share-based payments to them.

e. ANNUAL CHANGE IN THE TOTAL COMPENSATION, THE GROUP'S PERFORMANCE, AND THE AVERAGE COMPENSATION OF THE OTHER EMPLOYEES OF voestalpine AG

	Compensation ¹	Compensation ¹	Difference		Compensation ¹
	2018/19	2019/20	2019/20 vs. 2018/19	2019/20 vs. 2018/19	2020/21
			absolute	in %	
Herbert Eibensteiner ²	1,918,110	1,415,605	-502,505	-26.20%	2,195,325
Franz Kainersdorfer	1,918,110	1,190,000	-728,110	-37.96%	1,616,940
Robert Ottel	1,918,110	1,190,000	-728,110	-37.96%	1,616,940
Franz Rotter	1,918,110	1,190,000	-728,110	-37.96%	1,616,940
Peter Schwab	1,918,110	1,190,000	-728,110	-37.96%	1,616,940
Hubert Zajicek ³		604,164	604,164		1,616,940
Wolfgang Eder ⁴	3,033,485	948,917	-2,084,568	-68.72%	
Total	12,624,035	7,728,686	-4,895,349	-38.78%	10,280,025

¹ Fixed compensation (excluding noncash compensation, pension fund contributions, and long service bonuses) and variable compensation.

² Chairman of the Management Board since July 3, 2019.

³ Member of the Management Board since July 4, 2019.

⁴ Chairman of the Management Board until July 3, 2019.

	2018/19	2019/20	Difference		2020/21
			2019/20 vs. 2018/19	2019/20 vs. 2018/19	
			absolute	in %	
Key performance indicators					
Revenue	13,560.66	12,717.24	-843.42	-6.22%	10,901.94
EBITDA	1,564.62	1,181.49	-383.13	-24.49%	1,148.08
EBIT	779.45	-89.03	-868.48	-111.42%	338.23
ROCE	7.01%	-0.78%	-7.79%		3.40%

	2018/19	2019/20	Difference		2020/21
			2019/20 vs. 2018/19	2019/20 vs. 2018/19	
			absolute	in %	
Employees in Austria (full-time equivalents, FTE)	21,927	21,521	-406	-1.85%	20,855
Average compensation of all employees in Austria (FTE, in EUR)	62,655	60,922	-1,733	-2.77%	60,355

¹ The reduction largely follows from the broad-based implementation of short-time work programs.

f. PAYMENTS TO FORMER MANAGEMENT BOARD MEMBERS

In the business year 2022/23, the pension fund made a total of EUR 1,606,702.95 (2021/22: EUR 1,561,799) in pension payments to five former members of the Management Board with defined benefit pension plans.

Difference 2020/21 vs. 2019/20		Compensation ¹ 2021/22	Difference 2021/22 vs. 2020/21		Compensation ¹ 2022/23	Difference 2022/23 vs. 2021/22	
absolute	in %		absolute	in %		absolute	in %
779,720	55.08%	4,130,000	1,934,675	88.13%	4,550,000	420,000	10.17%
426,940	35.88%	2,850,000	1,233,060	76.26%	3,135,000	285,000	10.00%
426,940	35.88%	2,850,000	1,233,060	76.26%	3,135,000	285,000	10.00%
426,940	35.88%	2,850,000	1,233,060	76.26%	3,135,000	285,000	10.00%
426,940	35.88%	2,850,000	1,233,060	76.26%	3,135,000	285,000	10.00%
1,012,776	167.63%	2,850,000	1,233,060	76.26%	3,135,000	285,000	10.00%
-948,917	-100.00%						
2,551,339	33.01%	18,380,000	8,099,975	78.79%	20,225,000	1,845,000	10.04%

In euros

Difference 2020/21 vs. 2019/20		2021/22	Difference 2021/22 vs. 2020/21		2022/23	Difference 2022/23 vs. 2021/22	
absolute	in %		absolute	in %		absolute	in %
-1,815.30	-14.27%	14,923.25	4,021.31	36.89%	18,225.12	3,301.87	22.13%
-33.41	-2.83%	2,291.27	1,143.19	99.57%	2,544.60	253.33	11.06%
427.26	-479.91%	1,454.30	1,116.07	329.97%	1,624.21	169.91	11.68%
4.18%		15.50%	12.10%		15.48%	-0.02%	

In millions of euros

Difference 2020/21 vs. 2019/20		2021/22	Difference 2021/22 vs. 2020/21		2022/23	Difference 2022/23 vs. 2021/22	
absolute	in %		absolute	in %		absolute	in %
-666	-3.09%	20,754	-101	-0.48%	21,392	638	3.07%
-567	-0.93% ¹	68,768	8,413	13.94%	72,108	3,340	4.86%

D. COMPENSATION OF THE SUPERVISORY BOARD

1. PRINCIPLES AND AIMS OF THE COMPENSATION POLICY FOR THE MEMBERS OF THE SUPERVISORY BOARD

The currently applicable Compensation Policy for the members of the Supervisory Board was resolved by the Supervisory Board on June 8, 2021, and was submitted to the Annual General Meeting on July 7, 2021, for a vote. It was approved with 99.89% of the votes cast.

The compensation paid to the Supervisory Board is intended to compensate the Supervisory Board members elected by the Annual General Meeting ("shareholder representatives") in a way that is appropriate to the size and financial position of voestalpine AG, is based on prevailing market rates, and is competitive. The compensation is designed to enable the company to recruit sufficiently experienced and competent individuals to serve on the Supervisory Board of an international, listed Group. At the same time, it is supposed to do justice to the scope of the individuals' tasks, activities, and responsibilities.

The individuals representing the Works Council on the Supervisory Board are not paid any compensation (including attendance fees).

Solely the Annual General Meeting determines the compensation of the Supervisory Board. The Annual General Meeting resolves the actual amount of compensation (which consists of pay and attendance fees) to be paid to the shareholder representatives on the Supervisory Board based on the objectives previously set forth. While the compensation of the shareholder representatives involves a fixed amount, it can be variable and is governed by the given individual's responsibilities on the Supervisory Board or its committees and all associated tasks and activities. All shareholder representatives are paid the same attendance fee. There are no provisions for performance-based components. No loans or advances may be paid to Supervisory Board members. Compensation paid to a Supervisory Board member whose term of office begins or ends during a business year is prorated.

Just as other directors and officers of the voestalpine Group, all members of the Supervisory Board are covered by D&O insurance as well as criminal defense insurance providing adequate coverage, both of which the company has purchased for the entire Group. The cost of these insurance policies benefiting the members of the Supervisory Board are borne by the company.

2. COMPENSATION OF THE MEMBERS OF THE SUPERVISORY BOARD IN 2022/23

The Management Board and the Supervisory Board will propose the following Supervisory Board compensation rules 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 513,000 (2021/22: EUR 532,000).

The compensation of the Supervisory Board for the business year 2022/23 shall be disbursed no later than 14 days from the Annual General Meeting on July 5, 2023.

Just as other directors and officers of the voestalpine Group, all members of the Supervisory Board are covered by D&O insurance as well as criminal defense insurance providing adequate coverage, both of which the company has purchased for the entire Group. The cost of these insurance policies benefiting the members of the Supervisory Board are borne by the company.

Below is a detailed presentation of the compensation owed to the members of the Supervisory Board for the business year 2022/23 and payable to them in July 2023, subject to approval by the Annual General Meeting on July 5, 2023:

BUSINESS YEAR 2022/23

Member of the Supervisory Board	Compensation	Attendance fees	Total
Dr. Wolfgang Eder (Chairman)	100,000	7,500	107,500
Dr. Heinrich Schaller (Deputy Chairman)	75,000	7,500	82,500
KR Dr. Franz Gasselsberger, MBA ¹	75,000	4,500	79,500
Mag. Ingrid Jörg	50,000	4,500	54,500
Dr. Florian Khol	50,000	3,500	53,500
Mag. Maria Kubitschek	50,000	4,500	54,500
Prof. Elisabeth Stadler	50,000	3,500	53,500
Dr. Joachim Lemppenau † ²	25,000	2,500	27,500
Total	475,000	38,000	513,000

¹ Member of the Supervisory Board and Chairman of the Audit Committee.

² Deceased on September 27, 2022.

In euros

The compensation paid to the members of the Supervisory Board for the business year 2021/22 was as follows:

BUSINESS YEAR 2021/22

Member of the Supervisory Board	Compensation	Attendance fees	Total
Dr. Joachim Lemppenau	100,000	5,500	105,500
Dr. Heinrich Schaller (Deputy Chairman)	75,000	5,500	80,500
KR Dr. Franz Gasselsberger, MBA ¹	75,000	3,500	78,500
Dr. Wolfgang Eder (Chairman)	50,000	3,500	53,500
Mag. Ingrid Jörg	50,000	3,500	53,500
Dr. Florian Khol	50,000	3,500	53,500
Mag. Maria Kubitschek	50,000	3,500	53,500
Prof. Elisabeth Stadler	50,000	3,500	53,500
Total	500,000	32,000	532,000

¹ Member of the Supervisory Board and Chairman of the Audit Committee.

In euros

E. OTHER INFORMATION AND EXPLANATIONS

In the business year 2022/23, there were no deviations from the Compensation Policy applicable to the members of the Management Board and the Compensation Policy applicable to the members of the Supervisory Board.

Linz, June 6, 2023

Wolfgang Eder
Chairman of the Supervisory Board

Linz, June 5, 2023

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

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ONE STEP AHEAD.