Presentation

of

Professor Dr.-Ing. Heinz Jörg Fuhrmann

Chairman of the Executive Board of

of Salzgitter AG

on the occasion of the

Annual General Meeting of Shareholders on July 8, 2020,

in Salzgitter / on the Internet

- The spoken word takes precedence -

----------Chart 1----------

Valued Shareholders,

Ladies and Gentlemen,

It would have been my pleasure to welcome you personally to the Annual General Meeting of the Shareholders of Salzgitter AG on behalf of the Executive Board, the Group Management Board and all the employees and to have engaged in dialog with you afterwards.

As we all know, circumstances as they stand do not permit us to hold this event in the customary manner. Together, we are treading new ground with the first virtual Annual General Meeting in the history of the Salzgitter Group.

Notwithstanding, I am delighted that so many of you are able to participate again in our Annual General Meeting this year despite the changed and possibly difficult circumstances. May I thank you

most warmly for your investment decision, which we take as an expression of trust in our work.

----------Chart 2----------

Ladies and Gentlemen,

We are aware that the events that have gripped the world both in the political and social environment have taken precedence over the results recorded by the Salzgitter Group in the financial year 2019. Nevertheless – or perhaps specifically because of this – our Annual General Meeting is aimed at informing you about your company in the financial year 2019 – a company in the midst of a turbulent slew of current events but that must and can continue to firmly chart its course into the future. For this reason, I would like to begin by taking stock before entering into a discussion of the current situation.

Four major topics have made headlines for Europe’s economy and for the steel industry as part of this economy:

Firstly, the global trade conflicts that have, incidentally, not yet been resolved – in this case, particularly the disputes between the United States and China, have been exacerbated. But also the EU is still a focus of imperial American trade policy and is facing further deliberations on anti-dumping duties right through to extraterritorial sanctions in hitherto unforeseen dimensions.

In a phase of an economy that was cooling even before “Corona” – and this is the second topic – export-oriented economies such as Germany’s are particularly hard hit.

Topic three – and one that places a huge burden on us: The duty-free steel imports permitted under EU safeguard measures are much too high to allow an effective shielding of the local industry to unfold, with the result that our sector continues to suffer from the aggressive steel imports from non-EU countries – and as you will see – especially at the moment.

And finally, the fourth topic: The climate debate, the overarching and dominant sociopolitical topic up until the outbreak of Corona pandemic, has been pushed into the background only at a superficial glance. Originating in a youth movement cleverly orchestrated in the media, issues concerning environmental protection and emissions harmful to the climate were finally transported away from expert committees and out to the public at large where they became the subject of controversial and generally emotionally charged discussions, above all in Germany.

----------Chart 3----------

In this increasingly difficult environment after the good years of 2017 and 2018, and having absorbed the burdens on earnings from special items, the Salzgitter Group recorded a pre-tax loss of 253 million euros. Adjusted for the one-off negative effects, we nevertheless succeeded in generating a presentable operating

result of plus 143 million euros that even stayed within the range of the forecast originally released in February 2019.

A large part of the 396 million euros in one-off items consists of impairment on fixed assets that will, however, ease the burden on our consolidated results to the tune of around 30 million euros per year in the future. In terms of the operating units, the KHS Group stood out positively, delivering the best result since joining the Salzgitter Group.

In strategic terms, Valued Shareholders, our company also continued to develop further in 2019. We forged ahead with the “Salzgitter AG 2021” corporate strategy.

Key elements consisted of raising our investment in Aurubis to currently 29.99 percent, putting by CO_2 certificates for the fourth period of the EU’s trading system for greenhouse gas emissions,

as well as initiating the new “FitStructure 2.0” profit improvement program.

While the aforementioned first topics already pertain to tangible assets with an overall value of more than one billion euros, the full implementation of the “FitStructure 2.0” program of measures over the period up until the end of 2022 should lift earnings by a total of 240 million euros per year.

We have made similar progress with SALCOS®, our approach launched in 2015 and pursued with the aim of lowering CO_2 in steel production. The affiliated “Wind Hydrogen Salzgitter” project marks the next important step on the path toward more environmentally compatible steel production. As part of this project, we will be commissioning a 2.5 MW PEM electrolysis plant at Salzgitter Flachstahl GmbH by the end of 2020. This plant will fully cover the Salzgitter site's hydrogen requirements.

At the present point in time, seven wind turbines are being built on the premises of the Salzgitter Group by our partner Avacon AG. With a total output of 30 megawatts, these turbines will produce more electricity than we need to operate the PEM electrolysis process.

Joining the “Foundation 2 Degrees – German CEOs for Climate Protection” in December 2019 demonstrates our ambition to actively engage in promoting a solution for the economy’s imminent sea change and of successfully implementing this change through joint initiatives – which – as I mentioned before – is anything but easy.

----------Chart 4----------

Let us now take a look at the performance of the business units:

The result of the Strip Steel Business Unit reflects the Europe’s economic slowdown and, above all, the impact this has had on

the business unit’s most important customer, namely the automotive sector. A positive pre-tax result was nevertheless achieved excluding the special items from impairment and restructuring expenses that totaled 120 million euros.

The bleak conditions on the market also placed a significant burden on the Plate / Section Steel and Mannesmann business units. These business units each recorded pre-tax losses.

The Trading Business Unit performed somewhat better than you might think first glance: Despite the hugely adverse effects emanating from the all-pervasive trading conflicts, the business unit achieved an operating result at breakeven. After offsetting against 31 million euros worth of impairment and 5 million euros in restructuring provisions for “FitStructure 2.0”, the end result was ultimately in the red.

The KHS Group stands in positive contrast and is clear evidence of how expedient our diversification strategy is: over the 12 years it has belonged to the Group it delivered its highest profit in 2019, a performance we can be proud of. The fact that the Technology Business Unit did not achieve a record result in full is down to the two DESMA companies that were unable to repeat their outstanding performance in previous years due to market conditions.

The result of Industrial Participations / Consolidation consists, on the one hand, of 99.5 million euros in earnings contribution from the Aurubis investment and, on the other, of 149 million euros in negative special items, above all due to the mutually agreed end to the cartel proceedings in regard to heavy plate.

----------Chart 5----------

A look at the composition of the consolidated earnings before taxes shows without further ado that the operating profit of 143 million euros has settled within the range of the original forecast from February 2019. Given the slowdown in the economy this year, achieving this is not something that could necessarily be taken for granted.

Negative special items amounting to 396 million euros break down as follows: An amount of 141 million euros in connection with the anti-trust proceedings, 62 million euros for restructuring, above all in the Strip Steel, Plate / Section Steel and Mannesmann business units, and 193 million euros in impairment also predominantly in the Strip Steel, Plate / Section Steel and Mannesmann business units. As already mentioned, these measures will ease the burden on the consolidated result by around 30 million euros per annum as from the financial year 2020.

The restructuring expenses of 62 million euros are the precondition for implementing the “FitStructure 2.0” program of measures and therefore for enabling significantly greater profit improvement in the years ahead.

----------Chart 6----------

The start to the financial year 2020 was quite encouraging until the outbreak of the Corona pandemic. Although the German economy had not yet overcome its phase of weakness at the turn of the year, the first signs of a stabilizing process were showing in order intake, and the pessimistic mood based on business expectations had been taking a turn for the better for a few months.

Compared with the excellent start to 2019 the decline in sales proved to be moderate. The pre-tax loss of 31 million euros in the first three months of 2020 include minus 19 million euros in the earnings contribution from the Aurubis investment. This result

was determined by reporting-date valuation effects caused by fluctuations in the price of precious metals and not by Aurubis AG's otherwise thoroughly satisfactory performance.

Ladies and Gentlemen,

Two conclusions can be derived from the key data of the first quarter:

Firstly, the Corona pandemic did not have a significant impact on performance until the end of March. Secondly, the Salzgitter Group is now able to deliver results close to breakeven, also under more unfavorable economic conditions, thanks to its rigorous implementation of profit improvement programs for many years, flanked by the diversification of our portfolio.

----------Chart 7----------

Ladies and Gentlemen, the first half of March 2020 turned the situation in Germany on its head within a few days. While the

German government was still declaring as late as March 2 that closing borders or restricting travel in Europe were inappropriate decisions and out of proportion with the situation, it was precisely these measures that European Union implemented on all Schengen borders 15 days later. Blockades at numerous borders within the EU had already been set up by this time. In the days thereafter, Germany followed suit.

The number of infections rose by leaps and bounds, schools and businesses were closed, and public life was effectively brought to a standstill. Business was simulated in many areas rather than actually practiced. Shocking images from northern Italy – where we also have a plant with around 300 people – were disseminated throughout the world.

Ladies and Gentlemen,

In Germany in particular it is customary to criticize those in power and to accuse them of failing with hindsight. But leveling such

criticisms at the German government for their management of the Corona crisis would be most inappropriate. Above all, with regard to the situation in other countries, one would have to conclude that that the crisis in Germany has been extremely well handled so far.

Nevertheless, while the measures introduced meant that the pandemic ran a relatively mild course in Germany when compared on an international scale, its impact on the economy is devastating.

The OECD anticipates the worst recession in peacetime for a hundred years. This is illustrated by the chart on the right: The production of cars in Germany – a not unimportant indicator for our company – slumped in April from its normal level of between 300,000 and 450,000 units a month to a mere 11,300 vehicles. Other customer sectors also important for the steel industry reported similar trends.

----------Chart 8----------

In effect, demand for steel in the European Union fell only marginally short of the previous year's figure in the first quarter, but in the second quarter it is likely to have contracted by more than 50 percent. Viewed as a whole, the year 2020 is likely to see a year-on-year decline of around one quarter.

Unfortunately, steel imports into the EU have not kept pace with this downturn. Although there has been a reduction in tons, due mainly to the rather more unattractive price level in Europe by international comparison, the share of steel imports in the market is nevertheless on the rise. Even before the current crisis, excessive quotas for duty-free imports were failing to deliver any protection whatsoever. The slight revision of these safeguarding measures on July 1 this year is also unlikely to have any significant effect in throttling imports. All in all, the situation is more than just unsatisfactory for us.

We see a weak glimmer of hope from a number of ongoing trade defense proceedings, exemplified by the one recently opened against dumped and subsidized hot-rolled strip imports from Turkey.

Since, however, everything is interconnected, I ask myself how the European Commission intends to actually protect producers – and not only of primary materials such as steel – against unfair trade practices during the protracted, very sensitive phase of decarbonization in the context of the Green Deal ... if it is so evidently unable to protect its own industry against permanent damage in such a full-on crisis.

----------Chart 9----------

What lies in store for the market? After April, when business expectations of the German economy essentially imploded, May saw the first signs of a slight recovery. The most recent Ifo survey

for June then recorded the strongest increase in the business climate index ever measured.

When presenting the report, Ifo's president made reference to the fact that the index's good data had been driven more by hope than by the genuine business situation. Although the extreme pessimism about the economy from the lockdown period has dissipated, one should not succumb to illusions.

It looks as if our prediction for the second and third quarter reaching rock bottom may well turn out to be correct. We will probably all have to exercise patience until the economy returns to normal levels – even if we are spared a second Corona wave in the European Union.

----------Chart 10----------

The extremely dynamic situation makes reliable assumptions difficult, even for the near future. For this reason, the economic

research institutes themselves have regularly made mention in recent weeks of the potentially short-lived nature of their forecasts.

Ladies and Gentleman, we are also flying with short visibility at the moment. Preparing an earnings forecast for the current financial year cannot be done in the usual manner in the current environment; the range of feasible scenarios puts any attempt at a precise quantification into the realms of speculation.

Depending on the customer group, we experienced decline of between 10 and 70 percent in capacity utilization of our subsidiaries in the second quarter compared with 2019. The companies delivering principally to the automotive industry recorded the most severe declines. Needless to say, the result of the second quarter of 2020 will clearly be in negative territory despite rigorous countermeasures. At the same time, there is

reason to believe that this will mark the point when the worst part of the bad weather front is behind us.

To continue the metaphor of flying: Autopilot has been switched off for the time being, visibility is poor, and the aircraft is being veritably rocked. It is therefore all the more important that the crew we have works together both professionally and harmoniously, that everyone knows what to do, and that we have enough fuel on board in the form of available liquidity. Hence, we can carry on flying for a while without making any unscheduled landing or costly in-flight refueling.

----------Chart 11----------

Valued Shareholders,

In the face of this unprecedented challenge, we take our guidance from the principles of proportionality and weighing up the benefits between the best possible protection of our employees’ health and safeguarding our company's ability to operate.

Finding the right balance is much easier if we are all pulling on the same rope and keep ourselves focused on shared values. Such values include: identification, motivation and discipline.

Within a very short space of time, we therefore took extensive risk-mitigating precautions, introduced workflows with increased protection against infection, implemented guidelines and created transparency with respect to incidences of infection throughout the Group. The Executive Board and our senior managers are kept informed on the actual situation in all the Group's locations by a detailed monitoring system:

At the start of June, we recorded the highest infection rate within the extended group of consolidated companies, with 45 employees infected by COVID-19. Around one month later, on July 3, 2020, the number of ill persons dropped to 21, 18 of whom are employed in international locations, specifically 12 in Mexico

and four in Nigeria. Sadly, we have had two deaths in the Group, also abroad, in connection with COVID-19.

Ladies and Gentlemen,

In these, for many individuals, also personally difficult times, we embrace our social responsibility for the people who work for our company, equally in countries where there are no short-time allowances or a social security system that can equate to the one we have here in Germany. We therefore continue to voluntarily pay remuneration to our core workforce and to our temporary staff after the closure of the KHS plant in India due to the nationwide lockdown. We intend to keep the temporary staff typical of the country on the payroll also after lockdown. This is our understanding of loyalty to our workforce – very real and very pragmatic.

One thing is for sure: The time after the Corona crisis will come. Along with the health of our employees, it is therefore also our

duty to concentrate on the economic aspect of the effects from the pandemic. Securing the Group's liquidity has the utmost priority.

In many areas, we have temporarily scaled back production and introduced short time work in many parts of the Group. The voluntary and absolutely low-key waiving of their salaries by many hundreds of managers in Germany and abroad, including the Executive Board, the Group Management Board and the Supervisory Board, is not just a contribution by this particular group of employees to securing liquidity. It is also prime testimony of the solidarity felt with many colleagues who are currently in short-time work and of strong identification with our company.

And we went even further in the measures we took:

Investments that are not currently being implemented or that are not directly linked with our operating ability are triggered on a very restricted basis. At the same time, it's not about saving at the cost

of our future. This is why we have continued on with both major strategic projects, namely the “New Heat Treatment Line” in Ilsenburg and the “Hot Dip Galvanizing Line 3” in Salzgitter. When the Corona crisis subsides, we will be ideally positioned in terms of our technical production capabilities.

Our overriding aim is not to have to depend on additional equity and/or debt capital measures for as long as we can. As far as our liquidity planning is concerned, we are looking at three basic scenarios that map a potential course for the pandemic: easy, more difficult, worst. From today’s standpoint, we would only need a capital injection in the worst case scenario. We do not believe this to be the case at the moment.

----------Chart 12----------

Ladies and Gentlemen,

It could be a source of pleasure that our company is regularly brought into play as a partner for merger scenarios – this reflects

the attractiveness and stability of Salzgitter AG. And it is also completely understandable that, whether in macroeconomic terms or with respect to the individual company, it may appear tempting to view business combinations as panacea in times of crisis. Naturally, from our point of view, that is precisely the wrong approach because it is too superficial, a leap which falls well short. Many of you will know parts of what I explained a few weeks ago in an interview, also from other annual general meetings:

We do not currently see any scenario that would improve our situation when measured against the yardstick of our independence.

This by no means precludes us considering concepts for collaboration with other companies with an open mind if they are suitable and offer the prospect of gaining advantages – also for you as our valued shareholders.

I would like to emphasize the following clearly once again: that the Salzgitter Group does not see any grounds for short-term, hasty action, even in these turbulent times, and accordingly does not feel any pressure from any quarter whatsoever.

We have achieved a great deal since 1998. We have never questioned our steel business as the DNA of our company. We are sufficiently self-confident to affirm that our consistent strategy that is based on diversification with sound judgment and balance within the Group portfolio is the right one. We have therefore made considerable headway in approaching our mid-term goal of having equal proportions in the weighting of steel-related and less steel-related activities in the period up until 2019. We believe that a future business concept can therefore only be based on this fundamental idea.

----------Chart 13----------

Ladies and Gentlemen,

As I have already mentioned: Decarbonization, the drastic reduction of CO_2 emissions, is decisive for future proofing particularly of energy-intensive industries in Europe. In the time after Corona, this will become issue number one in society and in the political arena and be again accorded a visibly high priority.

We are also committed to the current climate targets of the European Union and are actively engaged in their implementation. Joining the “Foundation 2 Degrees – German CEOs for Climate Protection” underscores our intention of shaping the transformation of the economy and of taking it forward with the aid of joint initiatives and tangible projects.

In this context, the Corona crisis can also serve as catalyst. We have a decidedly positive opinion of the German government’s most recent measures. Both the economic stimulus package as

well as the government's strategic concept for steel, along with the "National Hydrogen Strategy", are suitable for supporting rapid progress in the decarbonization of industry. We are all the more delighted as the Salzgitter Group has been a pioneer in this field since 2015.

----------Chart 14----------

We have used the last five years to set ourselves up as best as we can for the imminent change. To this end, we pursued a two-pronged strategy:

That we have covered a large part of the expected shortfall in the fourth period of the EU emissions trading scheme through to 2030 at an early stage and with foresight by procuring CO_2 emissions allotments is likely to be a unique characteristic of the Salzgitter Group in Europe. The necessary prerequisites for this were the sound balance sheet and healthy financial position of our

company. This gives us an advantage that we do not intend to fritter away by relaxing.

In SALCOS® we have developed a compelling concept to reduce the CO_2 emissions associated with steel production in Salzgitter by up to 95 percent.

SALCOS® is based on established technologies and, spanning sectors, is also one of the most promising approaches to decarbonizing the economy and civil society since the CO_2 reduction per megawatt hour of electricity used is virtually unrivaled.

In terms of transformation, we have positioned the Salzgitter Group extremely well with these two safety nets.

----------Chart 15----------

Over the past financial year, we have made significant progress: Following MACOR as the SALCOS® proof-of-concept study and the construction of the world's first steam electrolysis plant built to megawatt scale in 2017 and 2018, further key preliminary stages of SALCOS® were expedited.

A bigger, considerably more powerful steam electrolysis facility is currently being installed in the Salzgitter steelworks under the "Green Industrial Hydrogen 2.0" project. In addition, we have planned a demonstration plant for hydrogen-based direct reduction – we call it "Mini-SALCOS®".

Another visible landmark component of our "Wind Hydrogen Salzgitter" project has most certainly caught the attention of those of you who frequent the Salzgitter region more often: several wind turbines are under construction.

----------Chart 16----------

As part of this project, we will be erecting wind turbines with an overall output of around 30 megawatts on the company's premises. Four of these turbines have already been installed, and the completion of all seven of them has been planned before the end of the current quarter.

The electricity these turbines generate by far exceeds our current requirements for hydrogen. By deploying an equally new 2.5 megawatt electrolysis plant, this ultrapure hydrogen generated on site will replace the volume of hydrogen formerly produced from natural gas and delivered by a third party in a cost-neutral manner. This hydrogen is required as shielding gas in annealing and galvanizing processes.

Ladies and Gentlemen, "Wind Hydrogen Salzgitter" is the first industrial cross-sector combining of renewable energy, hydrogen

production and industrial consumption in a single location in Germany!

----------Chart 17----------

A good 14 days ago, we took another step in our transformation process toward low CO_2, hydrogen-based steel production, underpinned by SALCOS®.

Together with the Federal State of Lower Saxony, the City of Wilhelmshaven and the industrial partners of Rhenus and Uniper, we have commissioned a feasibility study for the construction of a direct iron ore reduction plant with an upstream hydrogen electrolyzer at the deepwater port of Wilhelmshaven. Thanks to its location and its existing infrastructure, Wilhelmshaven is possibly the best site for realizing a project of this nature on Germany’s coastline.

The results are to be available by March 31, 2021 at the latest. If the findings are positive, follow-up in the form of joint implementation of the project has been planned for.

The target envisaged is to produce two million tons of directly reduced iron per year that will be brought by rail to Salzgitter and processed in the integrated steelworks there into high-grade, environmentally compatible strip steel products.

----------Chart 18----------

Valued Shareholders,

Allow me to summarize once more: We have been able to withstand the current crisis-induced events based on our sound and equally future-oriented course.

The so far successful weighing up of aspects concerning health protection and securing operations, our focus on transparency, consistency and liquidity management as well as, on a more

general note, our core virtues of identification, motivation and discipline have guaranteed our ability to sustain the stability of the Salzgitter Group during the pandemic. From a moral standpoint, we may even emerge stronger from the crisis.

The diversification strategy that we have pursued for many years has delivered renewed proof of its validity in these times. We owe two decades of successful independence not least to this strategy. We have continued to optimize our structures as part of programs of measures, even during the Corona crisis, with the rigorous approach you have come to expect.

Last but not least, our state-of-the-art plant technology, the double safety net of CO_2 certificates acquired as a precautionary measure, and our SALCOS® concept, along with other dovetailing measures for the future, mean that we are well equipped for the future.

Apparently, dear Shareholders, our most recent major shareholder sees this the way we do. As you may have gleaned from the voting rights notification dated June 10 and 15, the Hanover-based, family-owned construction company GP Günter Papenburg AG has meanwhile acquired a stake of 5.13 percent in Salzgitter AG.

We wholeheartedly welcome this commitment with “own funds”, particularly in these difficult times. Is this not clear proof of the trust and confidence placed in the positive prospects of our Group?

----------Chart 19----------

Ladies and Gentlemen,

We cannot change wine into water. But your and our company has paved the way for producing steel – and water – via hydrogen. And otherwise, we will make every effort to ensure that the glass is at least half full after Corona – and not half empty!

----------Chart 20----------

Please allow me to conclude with a few remarks about today's agenda.

----------Chart 21----------

In view of the negative impact of the Corona crisis on the performance of the Salzgitter Group, the Executive Board and the Supervisory Board do not consider it appropriate to distribute dividend for the financial year 2019.

For the first time since the company’s listing in 1998, we therefore propose under Agenda item 2 to carry forward the unappropriated retained earnings to new account and leave the funds in the company.

The proposals regarding Agenda items 3 and 4 – Discharge of the Executive Board and the Supervisory Board – need no explanation before being put to debate; the Chairman of the

Supervisory Board has already made statements on Items 5 and 6.

----------Chart 22----------

Under Agenda Item 7, we propose that you reaffirm the remuneration of members of the Supervisory Board approved in the Annual General Meeting of May 23, 2013. Even though we are seven years down the line, the Supervisory Board does not consider it expedient to change the remuneration rates.

Similarly, it considers the remuneration structure to be appropriate, meaning the payment only of fixed annual remuneration. For each regular Supervisory Board member, this remuneration amounts to 60,000 euros, for the Vice Chairman 120,000 euros, and for the Chairman of the Supervisory Board 180,000 euros. In addition, compensation for tasks performed in committees and the payment of attendance fees have also been provided for.

Finally, we come to Agenda item 8: The authorization given by the Annual General Meeting 2015 to purchase, sell and retire treasury shares, with the option of excluding the subscription rights pursuant to Section 71 (1) item 8 of the German Stock Corporation Act (AktG), expired on May 27, 2020.

Authorizations of this kind are standard nowadays with stock corporations.

The new authorization for which we request your approval today under Agenda item 8 is to enable the Executive Board to acquire treasury shares up to a maximum 10 percent of the share capital and to sell them again if necessary.

That the company holds treasury shares in a maximum amount of 10 percent of the share capital is ensured. We have always exercised caution and responsibility in using this instrument.

The authorization expressly includes the option of acquiring treasury shares by way of option transactions, which facilitates the attempt to optimize the purchasing process from a financial standpoint. The authorizations of numerous other stock corporations provide for this option.

----------Chart 23----------

I now come to the end of my explanations on the Agenda. Ladies and Gentlemen, on behalf of the Executive Board and the Supervisory Board may I kindly request you to approve all the proposed resolutions.

Thank you for your attention and, as we say in German, "Glückauf" – good luck!