Corporate Governance Roadshow 2025

Rheinmetall AG

Ulrich Grillo, Chairman of the Supervisory Board

Speaker Biography
Ulrich Grillo

- Practiced profession: Chairman of the Executive Board of Grillo-Werke AG
- Business graduate
- Born in 1959, German national
- Chairman of the Supervisory Board since 10.5.2016
- Appointed until 2025
- Chair of the Personnel-, Strategy-, Nominating-, Mediation-, Committee & member of Audit Committee
- Member of the Supervisory Board of E.ON SE
- Former president of BDI (Federation of German Industries)

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Executive Summary

- Strong demand environment expected to last for the foreseeable future
- Supervisory Board supported with advisory capacity and a high level of commitment, excellent qualifications and comprehensive experience in the transformation process of the company
- Strengthening of the Supervisory Board composition reflects the results of the external review, new candidates well qualified to address identified areas of improvement
- Succession planning of the Supervisory Board addresses retention and extension of expertise
- ESG fully integrated into the organization and included in the updated compensation policy
- Update of compensation policy necessary to match contract renewal of the CEO
- Due to the positive experiences and smooth execution of the 2024 AGM, a virtual format will be used again in 2025
- Renewal of the expired mandate for virtual general meetings on the agenda, in order to maintain future flexibility

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Agenda

1. RHEINMETALL CORPORATE OVERVIEW
2. SUPERVISORY BOARD
3. BOARD ACTIVITIES
4. AGM 2025
5. BACK-UP

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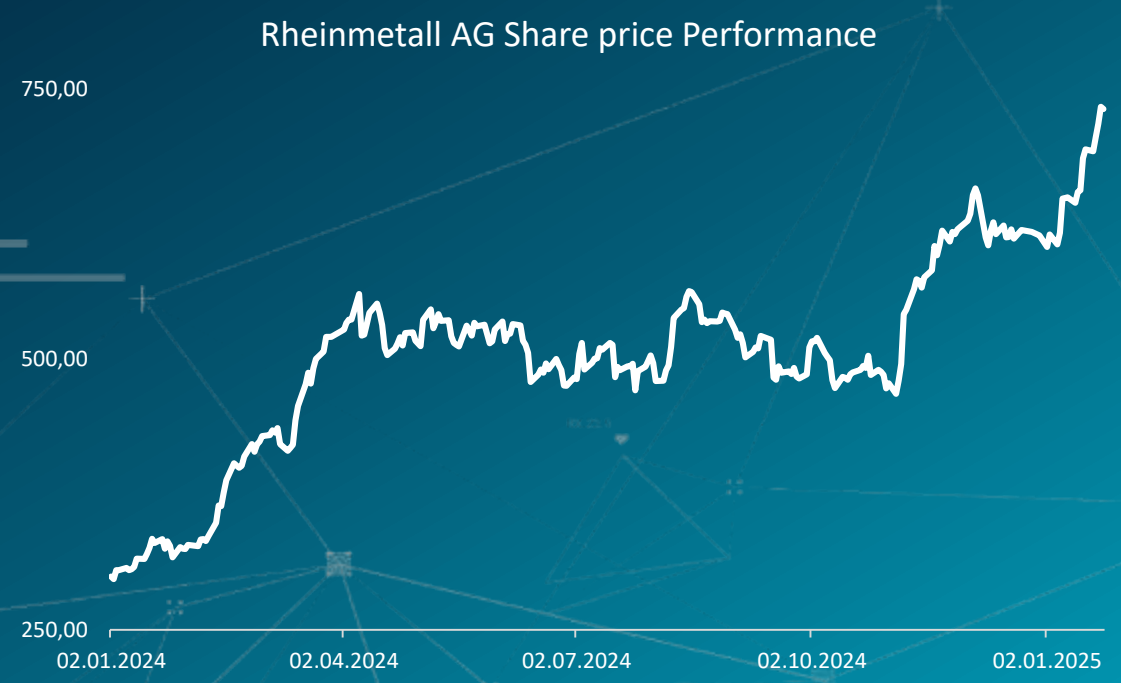
Rheinmetall corporate overview
“Zeitenwende” has manifested itself in society, politics and industry

- Consciousness of the need to safeguard democratic freedom and security on a national and international basis
- Economic conditions for the industry have changed materially
- Rheinmetall has positioned itself as a reliable partner from the outset



Taking responsibility in a changing world!

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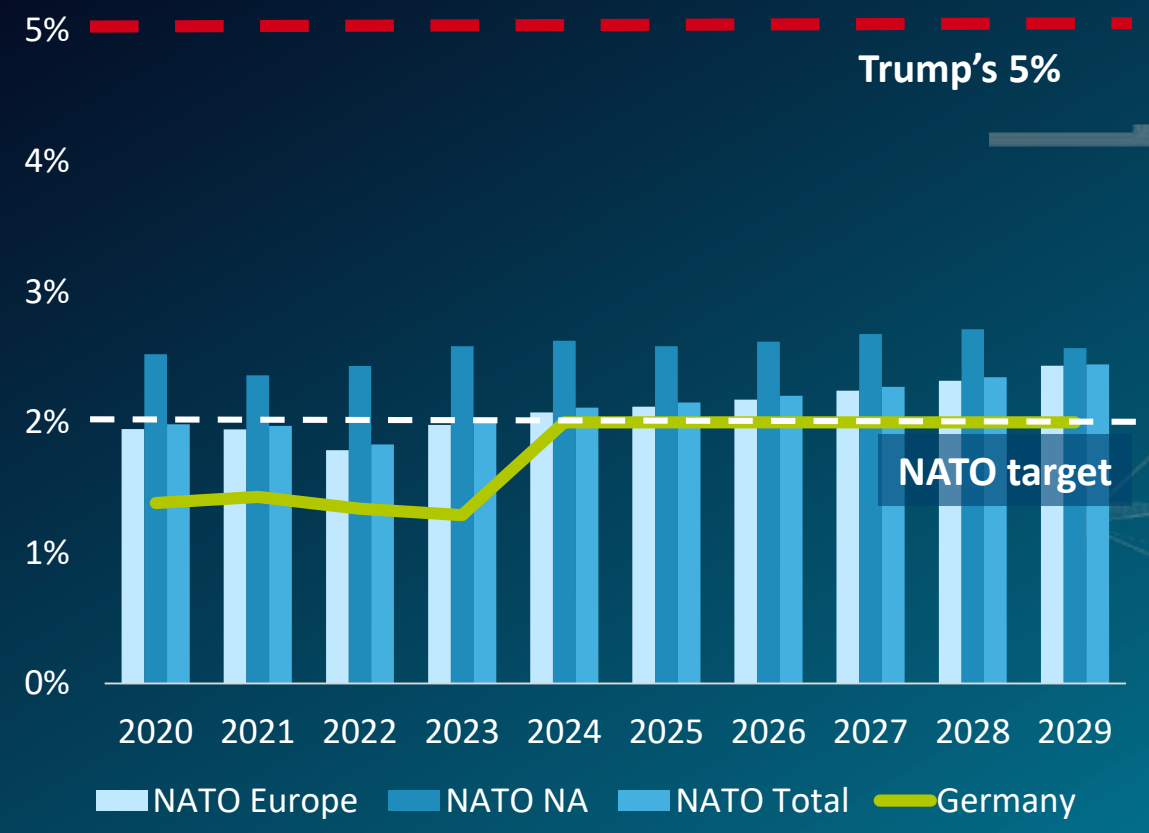
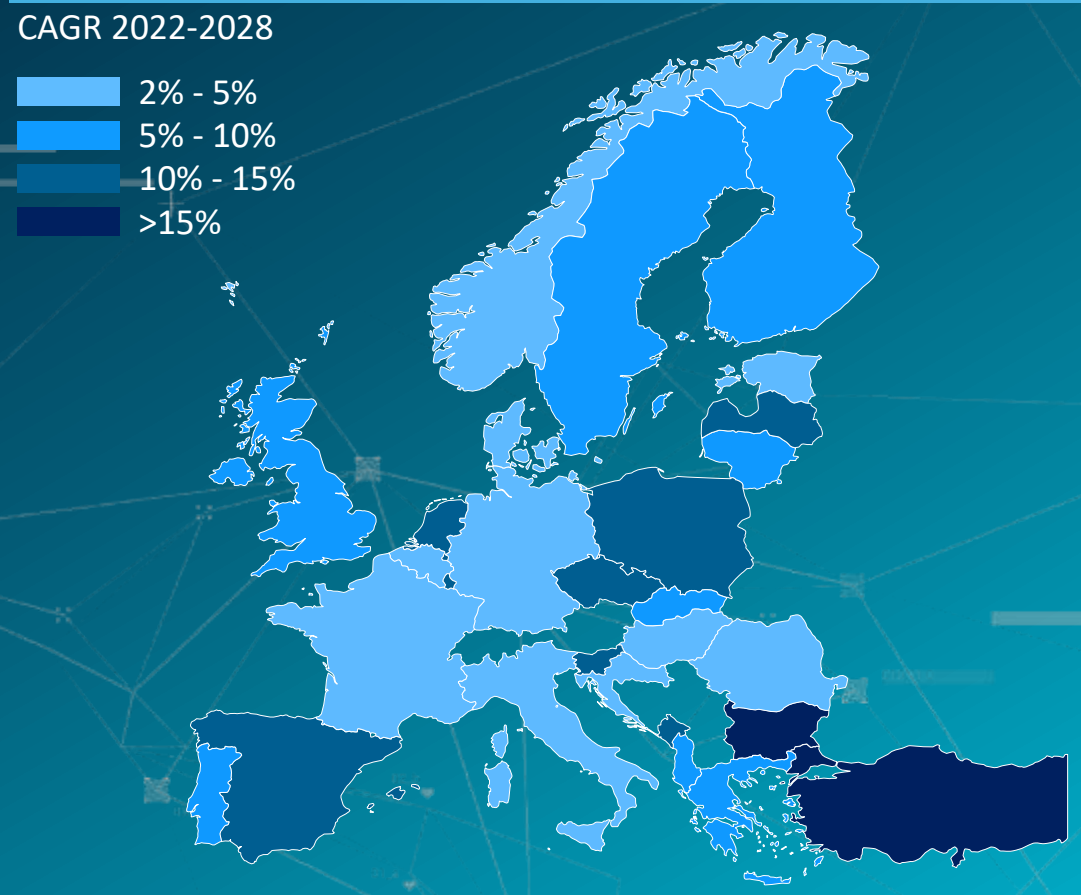
Rheinmetall corporate overview

Very supportive demand environment in key markets

Europe crosses 2% defence spending in 2024 …



… and further growth until 2028 expected



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Source: Global Data, Rheinmetall calculations

Rheinmetall corporate overview
Four segments under one roof

Mid & large caliber ammo
Mid & large caliber weapons
Explosives & propulsions
Protection systems

Integrated electronic systems
Air defence & radar systems
Avionics
Other projects

Tactical vehicles
Logistic vehicles

Air management
Thermal management
Electrification & digitalization
Hydrogen
Trade
Bearings
Castings (50:50 JV)
Invent

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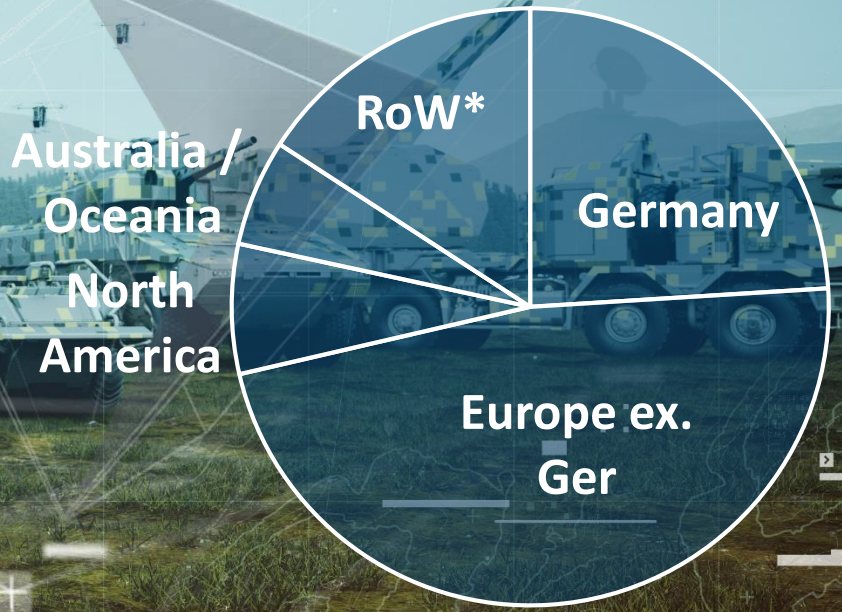
Rheinmetall corporate overview

Active across all domains with a focus on army in NATO countries

Sales split by end market

Sales split by main region



* Rest of the World

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Rheinmetall corporate overview

All KPIs improve on the back of the very positive environment

SALES

2023	2024
7.2	9.8

€bn

OPERATING MARGIN

2023	2024
12.8%	15.2%

in % of sales

CASH CONVERSION RATE

2023	2024
38.8%	71%

in % of Operating Result

CAPEX

2023	2024
7.1%	7.9%

in % of sales

RHM BACKLOG

2023	2024
~38	~55

€bn

DIVIDEND PAYOUT RATIO

2023	2024
38.9%	39.0%

In % of net income from continued business pre ppa

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Note: all figures gross; continuing operations only; Capex without IFRS 16

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Rheinmetall corporate overview

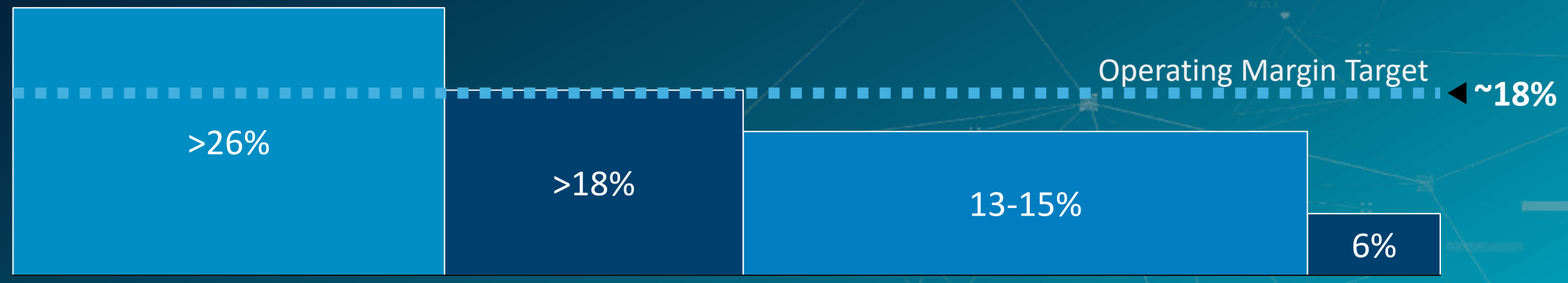
Clear ambition for further profitable growth driven by the defence environment

Mid-term targets for 2027

~€20bn
SALES

~18%
OPERATING MARGIN

>40%
CASH CONVERSION RATE



	W+A	ES	VS	PS
Sales	€6-7bn	€4-5bn	€8-9bn	~€2bn

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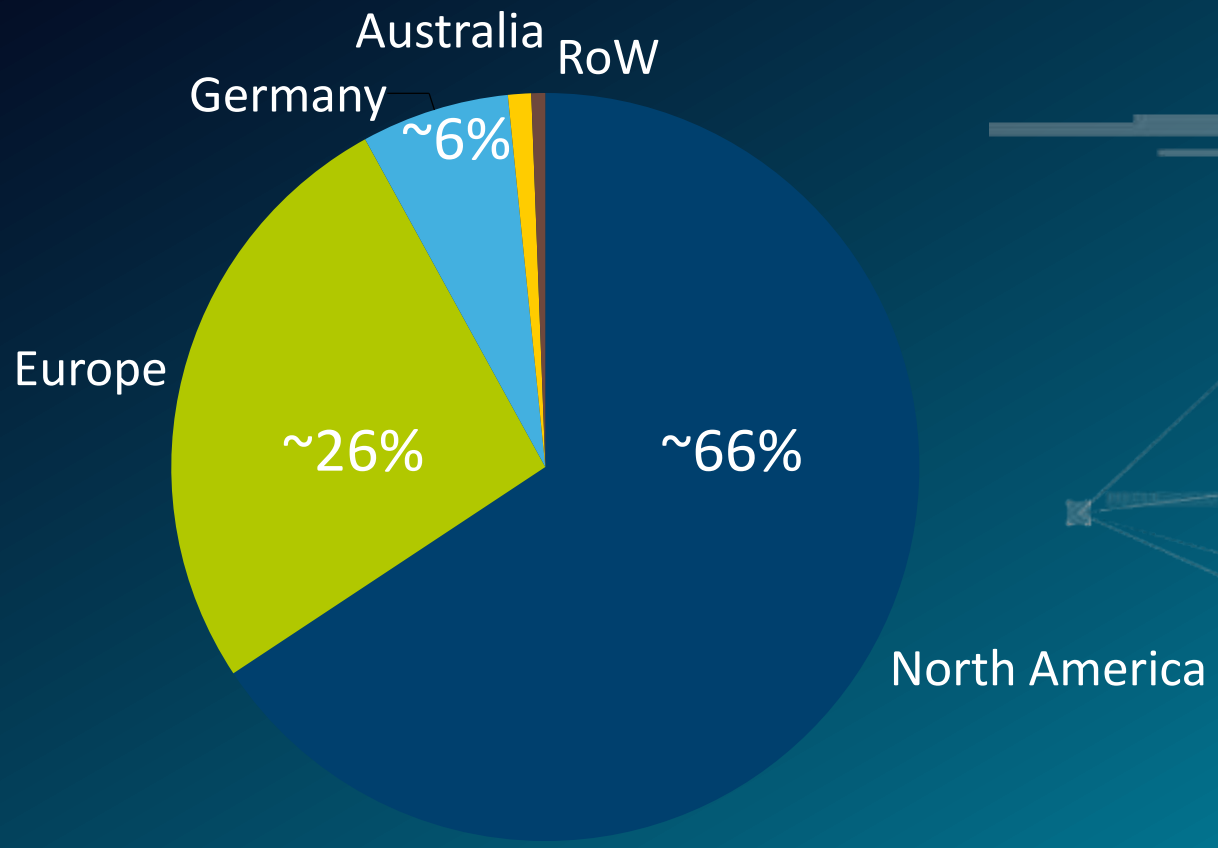
Rheinmetall corporate overview

Very international shareholder base and significantly higher investor engagement

Institutional shareholder structure by region



- Continued investor engagement of the supervisory board
  - Fourth consecutive governance roadshow
  - valuable feedback from investors

- Significant increase of investor contacts
  - investor contacts jumped from around 1.800 to above 3.400
  - larger investor relations team
  - high acceptance of virtual formats with international investors
  - outreach to new investor pools e.g. in Asia and Scandinavia

Source: NASDAQ January 3, 2025

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Rheinmetall corporate overview

Rheinmetall's commitment to sustainability confirmed by ratings

High organizational integration of sustainability

- Management has defined responsibilities and organizational set ups to integrate sustainability into the organization and our strategy
- Structural responsibilities that extend deep into the organization
- Sustainability targets are well integrated into the incentive scheme
- CSRD legislation was not implemented into German law. 2024 reporting will be based on European Sustainability Reporting Standards.

Key frameworks and ratings

	Since
CSR-DIA[1]	2017
GRI	2017
UNGC	2021
CDP	2021
LkSG	2023
CSRD	pending
MSCI ESG	A
ISS ESG	C-
Sustainalytics	24.6
S&P Global	43
CDP Climate Change	B

[1] CSR-DIA: Corporate Social Responsibility – Directive Implementation.

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Rheinmetall corporate overview

Materiality assessment shows that we are on the right track

Climate change:

Energy:

Introduction of energy management systems for sites with significant energy consumption.

Climate protection:

- Carbon neutrality by 2035 in Scope 1 & Scope 2* (based on SBTi[1])
- Reduction of Scope 1&2 CO_2 emissions by an average of 4.2%[2] compared to 2022.
- Development of measures to reduce Scope 3 emissions related to purchased goods and use phase through product innovation

Climate adaptation:

Planning of measures for significant climate risks at important locations

E NVIRONMENT

Respect for and protection of human rights

Occupational health and safety

- Reduction of the lost time incident rate of our own workforce from 2022
- Certification of production sites according to ISO 45001 (occupational health and safety)

Anti-discrimination

- Development of an action plan to prevent discrimination

Supplier screening

- Improving sustainability performance along the supply chain (Tier 1)
- Continuing to review suppliers and take action based on risk assessments

S OCIAL

Responsible management

Anchoring sustainability in the group

- Alignment of incentive models with sustainability

Established compliance processes

- Global whistleblower system
- Standardized case management for misconduct
- Business partner audit to prevent corruption
- Anchoring compliance requirements in offer approvals and M&A processes
- Supply chain compliance
- Data protection compliance
- Export control

Rheinmetall Group Purchasing

- Expansion of the centralization of purchasing with ESG supply chain department

G OVERNANCE

[1] The Executive Board decided not to join SBTi, but to adopt an approach based on the SBTi methodology in order to achieve our goal of no longer generating any climate-damaging carbon emissions by 2035 for Scope 1 and Scope 2 net. [2] market based

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Rheinmetall Corporate Overview

High number of applications confirms the attractiveness of Rheinmetall

"Zeitenwende" had a favorable impact on the industry

- Reputation has significantly improved
- Role of the industry in the defence of democratic values accepted
- High employer rankings in a number of surveys

Favorable labor market conditions

- Weak cycle in core German industries
- High closure announcements of entire sites
- Well trained workforce in the vicinity of our key plants

Invest in recruitment process starts to pay off

- Centralization and professionalization was started years ago
- Harmonized processes result in better and faster decisions
- Time to fill ratios significantly lowered

Positive long-term industry outlook

- Long-term industry cycle anticipated
- High job security
- Attractive compensation packages

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Supervisory Board

Committed, independent and diversified Supervisory Board

16 Board Members

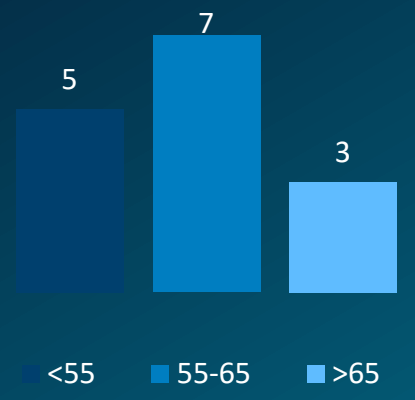
100%

Independence

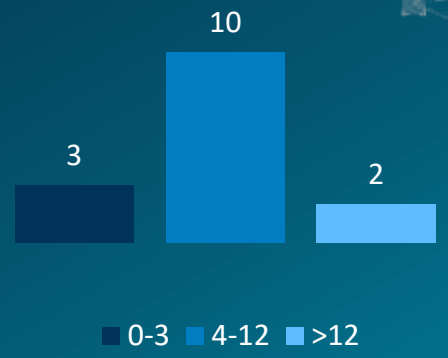
8 Shareholder Representatives

Employee Representatives 8

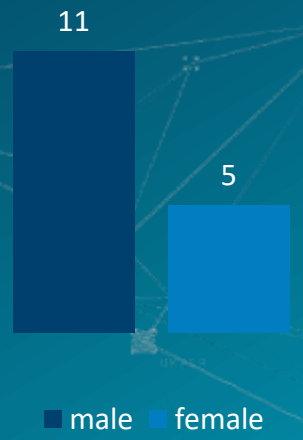
Age



Tenure



Gender



Attendance

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Supervisory Board

Diligent nomination process to strengthen the board composition

Long list

Identification of potential candidates

Short list

Down selection by Nomination Committee

Presentation to the Supervisory Board

AGM proposal of selected candidates

Retention of expertise

Grillo | Georgi | Tüngler

- Management expertise
- Rheinmetall knowledge
- Governance

Extension of expertise

Gabriel | Jeschke

- Geopolitics
- AI and Cybersecurity

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Supervisory Board

Cont'd upgrades of the Supervisory Board's composition to meet modern demands

Ongoing sharpening of the competence profile

- 2024 acceptance of candidates M. Tüngler and S. Dubourg to strengthen governance and sustainability
- 2025 proposal of S. Gabriel and Prof. Dr. S. Jeschke to address internationality, geopolitics and artificial intelligence

New responsibility assignments to strengthen board independence

- L. Öfverström appointed as chair of the audit committee in 2024
- S. Dubourg and M. Tüngler assume responsibility in the strategy, technology and ESG committee
- Dr. Draeger to succeed Prof. Dr. A. Georgi in the nomination committee
- Strategy, technology and ESG committee will increase to 5 seats including S. Gabriel and Prof. Dr. S. Jeschke, one of them replacing Mr. M. Tüngler

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Supervisory Board
Balanced approach to maintain high quality and further improvement

Retention of expertise

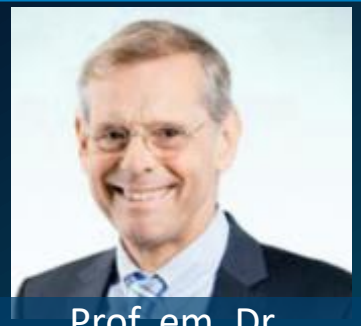
Ulrich Grillo

CEO Grillo-Werke AG

Born in 1959, German

Mandates at Rheinmetall AG (since 2016, Chairman), E.ON SE

New mandate until 2029



Prof. em. Dr. Andreas Georgi

Executive Advisor

Born in 1957, German

Mandates at Rheinmetall AG (since 2002), Felix Schoeller Holding GmbH & Co. KG*

New mandate until 2028

Marc Tüngler

Lawyer and Managing Director DSW e.V.

Born 1968, German

Mandates at Rheinmetall AG (since 2024), Freenet AG (Chairman), InnoTec TSS AG

New mandate until 2029

Extension of expertise

Sigmar Gabriel

Advisor, Publicist and former Federal Minister

Born 1959, German

Strong geopolitical network
Experienced German politician of state and federal level

Mandates at Deutsche Bank AG, Siemens Energy AG, Siemens Energy Management* GmbH and Heristo AG*
New mandate until 2028

Prof. Dr. Sabina Jeschke

Manager, founder, advisor and scientist

Born in 1968, German

Chairwoman of the KI Park e.V.*

Founder of various startups

New mandate until 2028

*not listed companies

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Supervisory Board

Updated Qualification Matrix post latest meeting of the nominating committee and the 2024 annual report

			Independence	Corporate Governance, Supervisory Board experience	Board experience in listed companies	Availability / Mandate load	Financial / business expertise (Audit committee / Risk management)	Functional expertise (Human Resources, Social affaires, etc.) (Mediation / Nomination committee)	Sales side and operational functions	Geopolitics	Environmental, Social, Governance (ESG)	Sector expertise Defence	Sector expertise Automotive	Digitalisation/ IT/ Cybersecurity	Technology expertise/ Innovation	Knowledge of international / regulated markets	Industrial management expertise
Shareholder Representatives	Ulrich Grillo (Chair)	R	■	■		■	■	■	■			■			■	■	■
	Dr.-Ing. Dr. Ing. E. h. Klaus Draeger		■	■	■	■			■				■		■	■	■
	Saori Dubourg		■	■	■	■			■		■						■
	Sigmar Gabriel	P	■	■		■				■							
	Prof. em. Dr. Andreas Georgi	R	■	■	■	■	■	■								■	
	Prof. Dr. Sabina Jeschke	P	■	■	■	■								■			
	Louise Öfverström		■	■	■	■	■					■		■		■	■
	Marc Tüngler	R	■	■		■	■	■			■						
Employee Representatives	Dr. Daniel Hay (Deputy Chair)		■	■		■	■	■				■	■				
	Ralf Bolm		■	■		■	■					■					
	Murat Küplemez		■	■		■							■				
	Dr. Michael Mielke		■	■		■			■				■		■	■	■
	Martin Wolfgang Hoffmann	N	■	■		■						■					
	Dagmar Muth		■	■		■		■				■					
	Barbara Resch		■	■		■											
	Sven Schmidt		■	■		■	■						■				

R = Re-election, P = Proposal to the AGM, N= new representative

Criterion met, based on a self-assessment by the supervisory board. A rating of ■ indicates at least "good knowledge" and thus the ability to understand the relevant facts well and make informed decisions based on existing qualifications, knowledge and experience acquired in the course of serving as a member of the supervisory board (e.g., many years of service on an audit committee) or the further training measures regularly taken by all supervisory board members. Light blue color-coded fields show changes based on the meeting of the nominating committee and the 2024 annual report.

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Supervisory Board
Board attendance and discussion points

	Total meetings	Attendance in %	Special topics
Plenum	10	98	▪ Strategy / Transformation / Cyber Security ▪ AGM format ▪ M&A and organic growth
Strategy, Technology & ESG	2	95	▪ Strategy / Transformation ▪ Market- and technology trends
Audit	5	100	▪ Impact of the current environment ▪ Risk mgmt. with focus on IT and cyber ▪ Implementation CSRD
Personnel	7	100	▪ Restructuring and succession of the management board ▪ Update of 2024 remuneration policy
Nomination	3	100	▪ Skill profile and qualifications matrix ▪ Succession planning Supervisory Board

No meetings of the mediation committee in 2024.

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Board activities

Major M&A in the recent past to support growth trajectory

Expal Ammunitions, Spain

2022

Becoming a leading European ammunitions supplier

LOC Performance, USA

2024

Entry ticket for organic growth in the US an participation in the large US tenders XM30 and CTT

Leonardo Rheinmetall JV, Italy

2024/25

Cooperation for one of the largest European armored vehicle tenders

The Supervisory Board was directly involved in all decisions of material significance at an early stage

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Board Activities

Restructuring of the executive team to support long-term growth

Contract renewal of the CEO

The contract of the Armin Papperger was renewed for another 5 years until the end of 2029 in order to further benefit from his extensive experience and contacts and to prepare for the transition

Succession of CHRO and CFO

Dr. Ursula Biernert-Kloß succeeds Sebastian Krause who reached retirement age as CHRO
Klaus Neumann, former Head of Group Accounting takes over the position as CFO after Dagmar Steinert decided to step down for personal reasons

Introduction of COO role

The introduction of the role of a chief operating officer honors the importance of the operational excellence challenges over the next years and was a frequent request by investors
The background of René Gansauge makes him an excellent choice to fulfill that position

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Board Activities

Restructuring of the executive team to support long-term growth

Armin Papperger

CEO

Appointed until 31. Dec 2029
Born in 1963

Entry year: 1990

Member of the Board of Directors since 2012, CEO since 2013.

Klaus Neumann

CFO

Appointed until 31. Dec 2027
Born in 1970

Entry year: 2012

Head of Accounting since 2012.

René Gansauge

COO

Appointed until 31. Dec 2027
Born in 1973

Entry year: 2005

CEO Weapon and Ammunition since 2023.

Dr. Ursula Biernert-Kloß

CHRO

Appointed until 30. Sep 2027
Born in 1969

Entry year: 2024

Previously CHRO Leoni AG.

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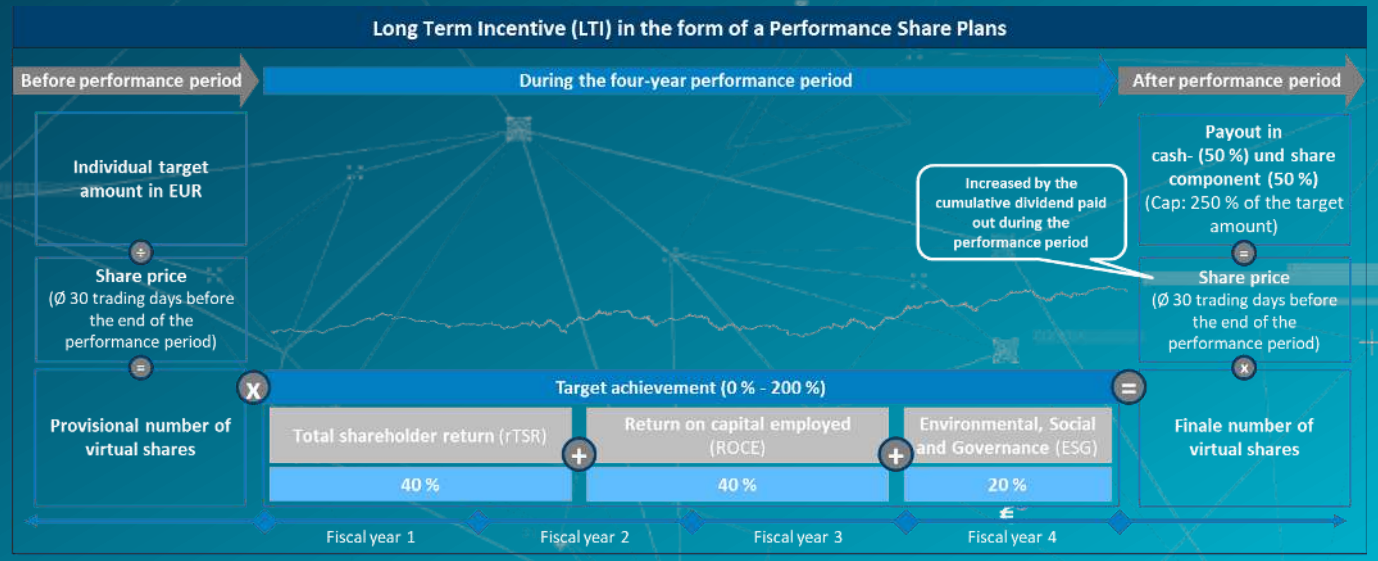
Board Activities

New CEO contract triggers approval update for remuneration policy

- Approval rate for Remuneration Policy 2024 achieved 90,93% at the 2024 AGM
- Extension of the CEO's contract to ensure continuity at the top during an exceptional growth phase; terms honor the special circumstances and outstanding performance
- Adjusted cap for the CEO will move from €8.5 million to €10.5 million
- Short term and long term incentive formulas remain fully in place as will all other mechanisms

As a reminder:



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AGM 2025
Mandate renewal for virtual AGM to remain flexible to safeguard security

- Decision for AGM format is to be made separately in each case
- Decision will take into account the circumstances of the respective individual AGM
- Mandate renewal is required to remain fully flexible in the future
- Format design of a virtual AGM would fully protect shareholder rights, especially the right to ask questions during the AGM
- Safety for all participants is paramount, last meeting before COVID in 2019 escalated with a stage storm

- German Aktien-Gesetz §118a Abs1. S. 1 provides for the AGM to be held virtually
- Renewal of expiring authorization for the sake of good practice
- AGM 2024 good example of how a virtual meeting can be a forum for a lively exchange of ideas, provided the format is appropriate.

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Backup
Preliminary Agenda

1. Presentation of the adopted annual financial statements, the approved consolidated financial statements, the management report of the company, which is combined with the group management report, and the report of the Supervisory Board, in each case for the 2024 financial year
2. Resolution on the appropriation of net profit for the 2024 financial year
3. Resolution on the discharge of the Management Board for the 2024 financial year
4. Resolution on the formal approval of the actions of the Supervisory Board for the 2024 financial year
5. Resolution on the selection of the auditor for the 2025 financial year; resolution on the selection of the auditor of the sustainability report
6. Election of shareholder representatives to the Supervisory Board
7. Resolution on the approval of the remuneration report for the 2024 financial year prepared and audited in accordance with Section 162 of the German Stock Corporation Act (AktG)
8. Resolution on the approval of the remuneration system for the members of the Management Board in accordance with Section 120a of the German Stock Corporation Act (AktG)
9. Resolution on the renewal of the authorization of the Management Board to hold a virtual Annual General Meeting (Section 15 (3) of the Articles of Association)
10. Resolution on the approval of the conclusion of a domination and profit and loss transfer agreement

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