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Speech at the Annual General Meeting of TRATON SE, Matthias Gründler, CEO

Munich, June 30, 2021

Dear Shareholders, Ladies and Gentlemen,

Welcome to the Annual General Meeting of TRATON SE. Next year, I hope to be able to welcome you to this meeting in person. For now, let me say this: our shareholder meeting may be virtual, but the strategic progress we have made is very much real.

I came back to TRATON almost exactly a year ago. And during this time, the team has achieved more than other companies manage in five years. Just think of:

- The new truck generation at MAN.
- Scania's electric trucks.
- The e-mobility joint venture with Hino.
- The autonomous driving partnership with TuSimple.
- The agreement on the Navistar takeover.
- The plans to build a Scania factory in China.
- The restructuring and realignment of MAN.
- In particular, the agreement on the sale of the Steyr plant.
- The squeeze-out of MAN SE that was resolved on yesterday.

You will find out more about these milestones in just a minute. But it is already becoming clear: we have had the courage to follow our path from the very beginning. We have made progress in all areas of our strategy. Despite the extremely challenging conditions of the COVID-19 pandemic. As far as I am concerned, that can only be done with a top-notch team. This is why, first and foremost, I want to thank our employees: thanks to each and every one of you, the pandemic did not set TRATON back in its strategy. We reached important milestones. As part of our journey to become a Global Champion of the commercial vehicle industry. We should be proud of that.

The many changes at TRATON also include new faces in the management team: Andreas Tostmann has been Chief Executive Officer of MAN Truck & Bus for almost a year. Energetic and experienced, he is getting our MAN brand back on track. Scania lost a first-class CEO when Henrik Henriksson left the company. But we could not have wished for a better successor than Christian Levin. He has dived right into his new role. Bernd Osterloh has been TRATON's Chief Human Resources Officer since May. I would like to take this as another opportunity to welcome him to the team.

What results did the TRATON GROUP achieve in 2020, a year marked by COVID? And, more importantly: where do we go from here? This is what I want to talk to you about in the next half an hour.

There is no question about it: 2020 was a tough year. For the economy as a whole and for us all individually. The first quarter saw the terrifying outbreak of the coronavirus pandemic across the globe. This was followed by a market slump in the second quarter. You all know, our production also came to a standstill. The colleagues working at the plants have shown impressive discipline since production restarted again. Their daily work has not got any easier with the hygiene measures. But they continue to show solidarity and absolute professionalism, to protect each other and to support our customers. We switched to a digital working model quickly and effectively wherever possible. It was astonishing how quickly that worked well.

Let us take a quick look at our key financial performance indicators in 2020:

- Our incoming orders fell by 5% to a good 216,000 units.
- Unit sales declined by 21% to 190,000 vehicles.
- Our sales revenue was down 16% at €22.6 billion.
- We reported an adjusted operating profit despite the COVID-19 pandemic. It came to €135 million. This is equivalent to an adjusted operating return on sales of 0.6%.
- Our net cash flow in the Industrial Business segment was €676 million; we maintained sufficient liquidity at all times.

But: demand has been recovering since May 2020. In the fourth quarter of 2020, our incoming orders and unit sales had risen above the prior-year level. We took measures to counter the consequences of the pandemic in 2020. With everything in our power. And all the resources available to us: short-time work. Reducing the number of subcontracted employees. Cutting capital expenditures. Reprioritizing research and development activities.

2020 was a year of extremes, and I also want to thank you, our dear shareholders. For your trust and belief in the future viability of our Company. The Executive and Supervisory Boards propose the distribution of a dividend of €0.25 per share.

How did we start the year 2021? In a word: dynamically. We reported record incoming orders in the first three months. They came to almost 82,000 vehicles. 51% more than in the first quarter of 2020. Sales revenue rose by just under a third to a good 60,000 vehicles. We have the truck business to thank for this increase. Unit sales of buses declined by 23% to a good 3,000 vehicles compared to the prior-year period as a result of the COVID-19 pandemic. We were able to increase our sales revenue by 15% to €6.5 billion. And triple our adjusted operating profit to €516 million. Adjusted operating return on sales rose by 5 percentage points to 7.9%.

Following a positive start to the year in the first quarter, we are still seeing strong unit sales performance and continuing growth in incoming orders in the second. This means our incoming orders even surpassed the record-breaking figure of the previous quarter. Things are still good in the truck business.

Our truck markets are seeing a strong recovery:

- Unit sales of trucks in Europe are likely to increase by 10 to 25% in 2021.
- By 10 to 40% in South America.
- By 10 to 30% in North America.

Our expectations for TRATON in 2021: strong growth in unit sales. A substantial increase in sales revenue. And an operating return on sales of between 5 and 7%. We lifted our forecast following a strong first quarter. Previously, we had expected an operating return on sales of 5 to 6%. The forecast does not contain any expenses or payments for the MAN Truck & Bus restructuring program and does not include the impact of the planned Navistar takeover.

As you can see: our business is doing well. The stock market has rewarded us for this. The price of our shares has risen above the issue price of €27 for the first time since June 2019. On this day last year, TRATON shares still stood at around €10 less. It goes without saying that there are challenges. We are keeping a very close eye on the further course of the pandemic. The same goes for possible bottlenecks in supply chains. One word here: semi-conductors. Despite all that, we are feeling very optimistic. Most importantly, we have a solid plan for the next few years.

We are preparing to face our industry's future challenges. You know the environment we are operating in: the overarching climate targets have been defined for the EU and for Germany. Here in Europe, we have to reduce our CO₂ emissions by 55% by 2030. A target of minus 65% is even likely for Germany. Digitalization is continuing to gain momentum: with the pandemic putting wind in its sails. Automated driving is becoming reality.

Our main goal: we seek to balance the needs of human beings, the environment, and the economy in everything we do. This is something we call the People, Planet, and Performance triad. We are devising a new strategic course to do just that. The key aspects of the Global Champion Strategy we adopted in 2015 have now been implemented.

What is our new strategy all about? First, we want to become even more responsible as a company. We do not just want to reach environmental targets. We want to strengthen a responsible, sustainable perspective on people. On our employees, customers, suppliers, and strategic partners. For us, that includes a corporate culture that focuses on pluralism and inclusion. Pluralism goes beyond the popular notion of diversity. We don't just want to promote diversity in terms of ethnicity and gender. We want to consciously bring together people with different experiences, educational backgrounds, and

personalities. The bottom line: people with different perspectives should not just sit around the same table. They should interact in a way that makes sense. Only then can we make the most of their different strengths.

The second element of our new strategy: we want to generate value. That means making our brands even stronger. And each brand knows it has a clear target return. This is also about filling in the gaps we still have on our global map in Asia. One word here: China. The world's largest commercial vehicle market. Four out of ten trucks over six tons sold worldwide are sold to customers in China. Right now, we are analyzing the best ways we can single-handedly leverage our brands' potential there. Something that is interesting for us: Chinese fleet customers are increasingly looking toward higher-end vehicles. They are expecting more and more in terms of efficiency and safety. We want to meet this demand. Scania is building a plant for the TRATON GROUP in Rugao, 150 kilometers north-west of Shanghai. The site will also house research and development activities. It is where our new technology hub for digital innovation will come to life. We are planning to start series production in the coming year. This will make Scania the first Western truck manufacturer to have fully independent production in China. I am confident: thanks to this step in the Chinese market, the TRATON GROUP and its brands have a successful future ahead of them in the world's biggest market.

The third element of our strategy is the most forward-looking one: we want to shape transportation beyond iron and steel. We want to create new business models and partnerships that add value. We are expanding our perspective on logistics and digitalization. And we are very much allowing ourselves to take risks. We will probably not manage it all in one go. What matters here is that we pick up the pace and dare to innovate.

All three elements are interconnected. Together, they form a strategy that generates value. In every sense of the word. For a strong future. We have been laying the foundation for this since 2015 with our Global Champion Strategy. It is now entering the home straight. TRATON is coming of age: from start-up to grown-up.

I have already mentioned that we achieved a lot in 2020, strategically speaking. We stayed focused during the pandemic. We showed courage and remained committed to pursuing our objectives. All four pillars of our Global Champion Strategy are testament to that. Let us take a closer look at those pillars.

Number one: the performance of our brands. The coronavirus crisis has highlighted just how important restructuring and repositioning are for MAN. MAN Truck & Bus reported a significant operating loss in 2020 in the amount of €553 million. We held intensive negotiations with the employee representatives. We agreed on measures in March. The agreement on the key points supports a package of measures with the aim of improving operating result by up to €1.7 billion. That includes job cuts. 3,500 jobs in Germany will be made redundant by the end of 2022. The number of MAN plants will decrease from ten to eight.

We have found a good solution for the plant in Plauen, which will be sold to vehicle manufacturer BINZ. Following intensive negotiations, we also reached an agreement to sell the plant in Steyr, Austria. WSA Beteiligungs GmbH has taken over the site and its workforce and will continue production there. Great news for the employees in Steyr and a major success for the MAN brand.

The important thing when it comes to the restructuring of MAN Truck & Bus: this is not about saving for the sake of saving. It is about being fit for the future. With strong competence centers. Among other things, Munich is home to our competence center for the development of complete MAN vehicles, their software, electric and electronic components, as well as for e-mobility. Nuremberg will become a competence center for producing new drive technologies. We expect the restructuring to cost in a high triple-digit million amount. It is the only way to safeguard the future of MAN.

The squeeze-out of MAN SE shareholders and the merger with TRATON SE will help us to make this a reality. Yesterday, the Annual General Meeting of MAN SE voted to adopt the proposed resolution. A resolution of the Annual General Meeting of TRATON SE is not required by law. The squeeze-out of MAN SE will streamline our structure and make us more flexible. The cash compensation was determined using the income capitalization method (IDW S1 standard), as is common in Germany. The income value was above the stock market value, which meant it was the decisive factor. The result was a cash compensation of €70.68 per common and preferred share of MAN SE. I can assure you that we took utmost care in performing the assessment with the help of external assessors at Deloitte. Mazars, an independent auditor appointed by court, has also confirmed that the cash compensation amount is appropriate.

The second milestone in our journey to become a Global Champion: cooperation and synergies within the Company. You all know that the development cycles in our industry are long. But, five years after our Group was founded, we are beginning to reap the fruits of our labor. Best example: the powertrain. Our modular system for electrified drives has been on the road since 2020. First in city buses.

Now comes our 13-liter common base engine (CBE). We developed it together, for all brands in the TRATON family. The first step will see it power Scania trucks in Europe. Starting from the beginning of 2022. After that, we will be taking the engine over to Latin and North America. MAN will use it from 2024. The year after that, the engine will be installed in every second heavy-duty truck of the TRATON brands. With these steps, we are leveraging an enormous synergy potential. This may be a conventional drive system, but it is building bridges to the future. It is highly efficient. Which makes it an eco-friendly solution while electric trucks still have a higher total cost of ownership than diesel ones. It is the last conventional drive to be developed by the TRATON family and its brands.

The third aspect of our Global Champion Strategy: TRATON is becoming even more global. We reached a merger agreement with Navistar at the end of 2020. We expect to close this merger tomorrow, July 1.

North America represents 35% of the global profit pool, to which we are now gaining access. With it, the TRATON GROUP will grow by around 30% in terms of sales revenue. I have already touched on our plans in China.

With this, I come to the fourth and last aspect of our Global Champion Strategy: customer-focused innovation. Our current product range puts us in a strong position:

- MAN's new truck generation supports the strong unit sales performance seen in the last few months. A jury of experts has crowned the TGX the "Truck of the Year 2021."
- Scania began series production of its first electric truck in September. It has a range of 250 kilometers. Scania also offers a plug-in hybrid truck that can travel 60 kilometers on electricity alone.
- Our VW brand in Latin America has launched the Meteor, its new model designed for the fast-growing heavy-duty segment. The biggest-ever VW truck.

Our further product development has one goal: we want to become an electric leader. In light of this, we are massively increasing our spending on research and development relating to electric mobility. We will invest €1.6 billion in this area by 2025. To make that happen, we are systematically shifting our development spend away from conventional drives. Our spending on combustion engines will drop below €200 million by 2025. And we are placing a clear emphasis: for a long time, it looked like the race for alternative drives was anyone's game. Now, a clear favorite is emerging: battery technology.

Since 2010, the kilowatt-hour price has been dropping a lot faster than anyone could have predicted. The total cost of ownership of electric trucks will quickly fall below that of their diesel counterparts. Electric vehicles are also cheaper to maintain and repair. This means they may already be more appealing than diesel trucks in terms of their total cost of ownership in 2025. By 2030, even a double-digit percentage saving is feasible. A crucial advantage in an industry like transportation, where margins are low. This is very much true of long-haul transportation, too. The prescribed rest periods for the drivers are plenty of time to charge the vehicle. In the case of autonomous trucks, the charging time is barely even a cost factor.

Ultimately, it is up to the customers. And batteries will soon have the edge in virtually all applications. Even compared to fuel cells: for the foreseeable future, battery-powered vehicles will be cheaper — especially in terms of their energy costs. Plus, three quarters of the output energy is used to power the drive. For hydrogen-powered vehicles, it is only a quarter.

We are determined to become carbon-neutral by 2050 at the latest — that is a fact. But it is also a fact that battery technology is the quickest way for our industry to get there. It is also the most efficient solution in the long run. The TRATON GROUP wants to play an active role in shaping the expansion of

charging infrastructure in Europe, which is desperately needed. However, we also need the support of policymakers. And when I say “support,” I mean targeted measures.

- Right now, there is basically no public charging infrastructure for trucks. That has to change soon. Across the whole of Europe.
- We need purchase incentives to bring trucks powered by alternative drives to market more quickly.
- We need to stagger truck tolls based on CO₂ emissions.
- And we need an ambitious CO₂ price for fossil fuels.

Right now, speed is of the essence. From everyone involved. The TRATON brands have set themselves clear targets:

- By 2025, every tenth Scania vehicle in Europe should be powered by electricity. And every second MAN bus.
- By 2030, every second Scania vehicle should be electric. And at least 60% of MAN delivery trucks should be zero-emission. When it comes to long-haul trucks, we are aiming for 40%.
- An assembly plant for high-voltage batteries is currently being built in Södertälje. The cells will be supplied by Northvolt.

We are also making progress when it comes to the second key technology of the future: autonomous driving. MAN is testing autonomous trucks in operation at major freight hubs in Hamburg and Ulm. We have had a partnership with TuSimple in place since the fall. This US company is leading the way in the development of autonomous trucks. And in April, TuSimple went public in the US.

This partnership has already yielded initial results: Scania is the first European manufacturer to be testing Level 4 automated vehicles, with the test drives taking place on the highway between Södertälje and Jönköping in Sweden. For now, of course, with a safety driver on board. These types of routes between two hubs may be the first places to see autonomous driving become a reality. It makes up for the shortage of drivers, lowers costs, and improves safety.

Ladies and Gentlemen, as you can see, we have left the start-up mode behind us. TRATON is all grown up — and ready for the next steps. We have had our baptism of fire with the pandemic — we have come through on the other side. Our strategic setup is in place. We are moving ahead on our journey into the future, step by step. With courage. Dedication. Commitment. Together, we are shaping the transportation of tomorrow. We are becoming a company that takes on more responsibility. For people and the environment. We are generating value and developing pioneering business models.

TRATON

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I will be delighted if you continue down this path with us. The TRATON family is entering a successful new phase.

Thank you very much.

