

ANNUAL REPORT
2021

GREATEST CORROSION PROTECTION WITH LOWEST CO₂ EMISSIONS

For 150 years, the name Wuppermann has stood for quality in the processing and finishing of steel. Since its founding in 1872, the medium-sized family business has pursued a strategy of long-term, sustainable growth and consistent value creation in the interests of its customers, employees, and shareholders. Today, Wuppermann is a leading innovator in strip galvanising and provides the greatest corrosion protection with the lowest CO₂ emissions.

Across Europe, the Wuppermann Group has more than 800 employees at five production sites in the Netherlands, Austria, Poland, and Hungary as well as in holding and sales companies in Germany, Austria, France, Sweden, and Romania. It is managed by Wuppermann AG as a holding company based in Leverkusen, which is 100 % family-owned.

The product portfolio includes surface-treated flat steel products with zinc and zinc-magnesium coatings and pickled surfaces, as well as tubes, profiles, and tube components with the same surface types. Wuppermann's products are used in a wide variety of industries: construction, furniture, automotive, solar, energy, and transportation.

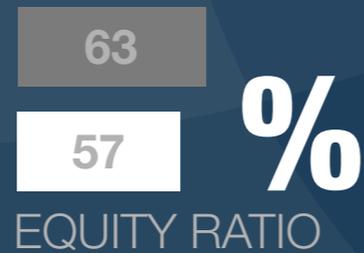
As an independent family-owned company, we want to continuously develop Wuppermann through sustainable and future-oriented action and position ourselves as a specialised company with excellent customer service in the steel industry.

CONTENTS

2 Greatest corrosion protection with lowest CO ₂ emissions	28 Wuppermann Stahl GmbH
3 Contents	30 Wuppermann Hungary Kft.
4 Wuppermann at a glance	32 Wuppermann Staal Nederland B.V.
6 Mission statement	34 Overview business unit Tube
8 Foreword by the Management Board	36 Wuppermann Austria GmbH
11 Report of the Supervisory Board	38 Wuppermann Polska sp. z o.o.
14 Review 2021	40 Wuppermann Metalltechnik GmbH
16 Sustainability	42 Group management report
20 Corporate governance	60 Financial statements Wuppermann Group
22 Digitisation	70 Notes to the consolidated financial statements
24 Business units	82 Auditor's report
26 Overview business unit Flat	85 Publishing Details

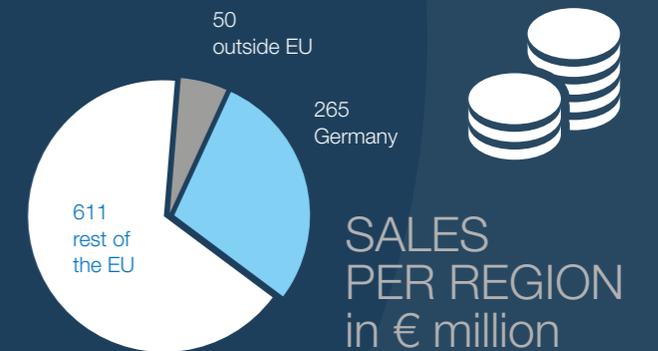
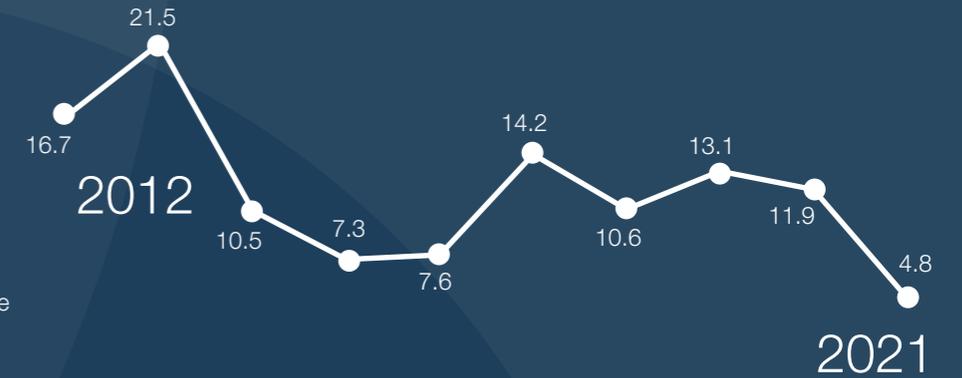
// WUPPERMANN AT A GLANCE

2020 | 2021



OCCUPATIONAL SAFETY LTI RATE

Occupational accidents with a loss of time of more than one shift per 1 million hours worked



PRODUCTION SITES



1) Earnings Before Interest, Taxes, Depreciation and Amortisation (operating profit + depreciation)

2) 1A & declassified, excluding scrap and intercompany

3) Total active & inactive employees (headcount) as of 31 December

// MISSION STATEMENT

Striving for
long-term growth
and financial stability

As a medium-sized family business with tradition, quality is our top priority. This applies to the cooperation with our customers and suppliers, as well as to our products.

We aim for long-term growth and financial stability.

Our goal is to achieve the position of the largest manufacturer of hot-dip galvanised strip in Europe - as the problem solver for the highest corrosion protection requirements on a strip steel basis with the lowest CO₂ emissions. In addition, our niche position as a producer steel tube is to be strengthened.



PROTECTION is the unifying element of our two core concerns, which we express in our mission statement: PROTECTION and thus durability of STEEL through our top-quality galvanising. PROTECTION and thus preservation of the ENVIRONMENT, because our process emits far less CO₂ than is usual on the market.



Johannes Nonn, Spokesman of the Management Board Wuppermann AG

// FOREWORD BY THE MANAGEMENT BOARD

Dear shareholders and friends of the company,

Following the pandemic-related slump in demand in 2020, the European steel industry benefited from a significant recovery in demand, particularly in the first three quarters of 2021. This recovery is reflected in the development of the gross domestic product of the EU-27. While it had fallen by 6.1% in 2020, it rose again by 5.2% in 2021. As a result of increased demand, crude steel capacities reduced in 2020 were ramped up again and European crude steel production grew by 15.4% year-on-year in 2021. Many other commodity markets also experienced shortages last year, which disrupted

supply chains, in some cases significantly. In Germany, the automotive industry was particularly affected by a lack of semiconductors. Energy prices, which are so important for the Wuppermann Group, also rose significantly and transport capacity was only available to a limited extent in some cases. The coronavirus pandemic remained present in 2021 and the company responded quickly and consistently to changing incidence figures.

Due to good demand, order intake and prices increased significantly by

mid-year. The MEPS quotation Germany Low for hot-rolled wide strip reached a new record level of €1,150/tonne in July. As European hot-rolled wide strip suppliers struggled with production disruptions and overbooking, there were significant bottlenecks in the supply of hot-rolled wide strip. At its peak, the material backlog of prematerial suppliers was over 70,000 tonnes. Despite this, the teams from Purchasing, Supply Chain Management, and Sales in particular succeeded in significantly increasing sales compared with the previous year. The Group's sales volume increased

by 128 kilotonnes to 1,044 kilotonnes. In Hungary, the 400-kilotonne mark was exceeded for the first time with a production volume of 435 kilotonnes. All plants produced at a very stable level and achieved many new best values in key production operating figures.

High margins, increased sales, and operational improvements enabled the Group to achieve a very good result. With EBITDA of €78 million, 2021 was the Wuppermann Group's most successful year. It is also pleasing to note that the improvement in operating profit is almost fully reflected in net income after minority interests, which amounted to €44 million. Due to the increase in current assets - in particular inventory values - the high price level

led to a negative cash flow and thus to an increase in debt to €35 million.

At Wuppermann Hungary (WH) in Győr, not only was the break-even point exceeded for the first time in 2021, but a significant positive contribution was made to the Wuppermann Group's net income. The low accident rate and the good production figures confirm that the production processes in Hungary are now well established. Due to the resulting spare capacity, there is still considerable potential for growth. In the WTopCor (zinc-magnesium coating) product segment, mass production readiness was achieved for some dimensions and the first orders were booked in the photovoltaic market. Wuppermann repaid the European Bank for

Reconstruction and Development's (EBRD) investment of €10.5 million, so WH in Győr is now a wholly owned subsidiary of Wuppermann Industrie B.V. In addition, an equity increase of €80 million was made in 2021. As a result, WH's equity ratio was 48 % as of 31 December 2021, meaning that the company no longer requires guarantees from Wuppermann AG.

The Supervisory Board approved the increase in the investment volume by €15.9 million to €30.3 million compared with the budget. €13.0 million of the increase alone is accounted for by the investment in the new profiling plant of Wuppermann Austria GmbH (WA), which is scheduled to go into operation at the beginning of 2023 with a capacity of approximately

Dr. Arndt Laßmann, Member of the Management Board of Wuppermann AG



20,000 tonnes. With this investment, WA is meeting customer demand for more capacity and redundancy for the photovoltaic market. It was also decided to make additional investments of €2.0 million in three photovoltaic plants at WA, WH and Wuppermann Metalltechnik GmbH (WMT) with a rated output of 3.0 MW. These facilities will be operational in the 1st quarter of 2022.

In the Flat business unit, the supply chain functions from Wuppermann Stahl GmbH (WS) were successfully decentralised and integrated into the production sites. In addition, the WS management initiated the "WSmart" project to standardise and digitise business processes. Phase I with the process descriptions has already been successfully completed. The Group was able to make further progress in the entire subject area of digitisation: in paperless planning, the entire order processing, transport control, and IT security. Employee communication has been digitised with the Wuppermann app - all employees can now be informed about current topics at any time.

The Wuppermann Group was able to make great progress with regard to the ambitious goal of CO₂-neutral production by 2025. The two Austrian sites in Judenburg and Altmünster are the first production sites of the Wuppermann Group to purchase exclusively CO₂-free electricity. The Moerdijk site in the Netherlands will follow in 2022.

For 2022, we expect the calming of the previously overheated steel market that began at the end of 2021 to continue. The decline in demand will remain present in Q1 due to the economic environment and full inventories. What is certain is that Russia's war of aggression against Ukraine will have a significant impact on supply chains and the global economy.

This has severely dampened the confidence with which we started 2022 - the year of the Wuppermann Group's 150th anniversary. Nevertheless, we are sticking to our ambitious targets.

The focus is on the further implementation of the strategy, increasing capacity utilisation and the development of WTopCor in Győr, the implementation of investments, the further standardisation, as well as digitisation of business processes, IT security and the reduction of CO₂ emissions. The energy and transportation sectors in particular will remain challenging.

In view of the earnings and financial situation and taking into account the further sustainable development of the Wuppermann Group, the Management Board proposes to distribute a dividend of €4.14 per share for the 2021 financial year.

We would like to thank you, our shareholders, for the trust you have placed in our company. Our thanks also go to the Supervisory Board for its constructive cooperation in 2021. We would particularly like to thank our dedicated employees throughout Europe, whose commitment, flexibility and entrepreneurial spirit made this exceptionally good result possible.

Yours sincerely



John Nonn



Dr. Arndt Laßmann

// REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

Before we provide you with specific information below on the work of the Supervisory Board in the 2021 financial year, we would first like to look back on this very successful year. While the steel industry was in crisis mode in 2020, with massive cuts in crude steel production, 2021 was characterised by a steel boom with good business results. This development was due to high demand and low inventories at the beginning of the year. In addition, China had virtually halted its steel exports. In this constellation and driven by sharply rising raw material costs, steel prices almost tripled. Both the Purchasing Managers' Index and the Ifo Business Climate Index reached record levels in the middle of the year and only returned to normal towards the end of the year. The Wuppermann Group was able to successfully exploit the opportunities of the booming market in the 2021 financial year and significantly increase sales and margins. Earnings after taxes reached a historic record level of €49.2 million.

In view of the very good results and positive market outlook, the Supervisory Board approved the increase of the originally planned investment budget by €15.9 million to €30.3 million. Of this amount, €13.0 million alone will be invested in the new roll forming line in Judenburg, Austria.

ADVISORY AND SUPERVISORY ACTIVITIES OF THE SUPERVISORY BOARD

In accordance with the duties and obligations incumbent upon it under the law, the Articles of Association, and the Rules of Procedure, the Supervisory Board carefully and regularly monitored and advised the Management Board in the management of the Company in the past financial year. The Supervisory Board was always able to satisfy itself that the work of the Management Board was lawful, expedient, and proper. The Management Board provided the Supervisory Board with regular, timely, and detailed information. Important individual issues relating to the business, financial, and earnings situation of the Company and the business policy pursued were discussed in detail by the Supervisory Board on the basis of reports and documents submitted by the Management Board. The Supervisory Board received comprehensive information on existing economic risks in a timely manner and was involved in all important decisions of the Wuppermann Group. In the 2021 financial year, there were five regular meetings and one constituent meeting, most of which were held as interactive videoconferences due to the COVID-19 pandemic. All members of the Supervisory Board attended the Supervisory Board meetings at all times. The current business development and important individual issues of the Company were discussed in detail with the participation of the Management Board. Where approval was required by

law or the Articles of Association for decisions or measures taken by the Management Board, the members of the Supervisory Board reviewed the relevant resolutions at the meetings or approved them on the basis of written information. In 2021, the Board continued to address impacts and actions related to the COVID-19 pandemic. In this context, it received five written updates on the situation in the Wuppermann Group from the Management Board during the year. Other key areas of consulting were the implementation of the strategy, sustainability, IT security, complaints management in the Flat business unit, and the investment in the new roll forming line in Judenburg.

In addition, the Chairman of the Supervisory Board coordinated the work of the Supervisory Board and maintained regular contact with the Spokesman of the Management Board between meetings. In addition, it was informed by the Management Board at two *jour-fixe* meetings about the current situation of the Company and significant events. It and the Management Board reported on important findings at the latest at the following Supervisory Board meeting.

There were no conflicts of interest on the part of members of the Management Board or Supervisory Board, which must be disclosed to the Supervisory Board without delay and reported on at the Annual General Meeting.

ANNUAL FINANCIAL STATEMENTS

The annual financial statements of Wuppermann AG, the consolidated financial statements and the consolidated management report, including the accounting records, were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, and received an unqualified audit opinion. The Supervisory Board noted and approved the results of the audit. Having examined the annual financial statements of Wuppermann AG, the proposal for the appropriation of profits and the consolidated financial statements and consolidated management report, no objections are raised. The Supervisory Board therefore acknowledged and approved the annual financial statements of Wuppermann AG as of 31 December 2021, as presented by the Management Board. The annual financial statements of Wuppermann AG are thus adopted. The Supervisory Board concurs with the Management Board's proposal for the appropriation of net income. The Supervisory Board also approves the consolidated financial statements and the consolidated management report for the financial year 2021.

CHANGES IN THE ORGANS

The term of office of three members of the Supervisory Board of Wuppermann AG ended with effect from the end of the Annual General Meeting on 8 May 2021. The Chairman of the Supervisory Board, Prof. Klaus Rüdiger Trützschler (Prof. Dr. rer. pol.), did not stand for re-election. The members of the Supervisory Board would like to express their sincere thanks to Prof. Dr. Trützschler for his many years of successful service to Wuppermann AG.

The Annual General Meeting elected the following people to the Supervisory Board of Wuppermann AG until the end of the Annual General Meeting that resolves on the formal approval of the actions of the Supervisory Board for the 2025 financial year:

Newly elected member:

1. Dr. Silke Landwehrmann, Managing Director of Aufam Asset Management GmbH, resident in Düsseldorf, Germany

Re-elected members:

2. Dr. C. L. Theodor Wuppermann, businessman, resident in St. Augustin

3. MBA Jan Philipp Wuppermann, Managing Partner of BÜFA Beteiligten GmbH, resident in Berlin

At its constituent meeting, the Supervisory Board elected Dr. C. L. Theodor Wuppermann as Chairman and Dr. Silke Landwehrmann as Deputy Chairman of the Supervisory Board. There were no other changes to the Management Board or Supervisory Board in the reporting year.

The Supervisory Board would like to thank the members of the Management Board and all employees of Wuppermann AG and all Group companies for their commitment and achievements in the successful 2021 financial year. The Supervisory Board would like to thank all customers and partners for their good cooperation and great trust in the Wuppermann Group.

Leverkusen, 31 March 2022

The Supervisory Board

Dr. C. L. Theodor Wuppermann
Chairman

Members of the Supervisory Board are (from left to right): Bernd Wehling, Dipl.-Kfm. Jan Philipp Wuppermann, Dipl.-Volksw. Peter Bosbach, Dr.-Ing. Gustav Theodor Wuppermann, Dr. Silke Landwehrmann, Dr. C. L. Theodor Wuppermann, drs. Max Wuppermann, M.A.



OBITUARY

Honorary Chairman Dr.-Ing. Gustav Theodor Wuppermann (4th from left) passed away on 20 January 2022, at the age of 92. He had a lasting influence on the development of the Wuppermann Group: for more than 60 years, his actions focused on the preservation and success of the Wuppermann Group. We will always remember his personal commitment, helpfulness, and dedication to both employees and owning family of the Wuppermann Group, which went far beyond the matter at hand.

// REVIEW 2021

ÖKOPROFIT ENVIRONMENTAL CERTIFICATION

With the award of the ÖKOPROFIT certification certificate on 7 April 2021, Wuppermann Austria GmbH (WA) has once again documented its commitment to sustainability. WA has introduced an environmental management system pursuant to ÖKOPROFIT at the Judenburg site. The certification was carried out according to the ÖKOPROFIT procedure and is valid for one year.

WH NOW 100% WUPPERMANN SUBSIDIARY

Wuppermann repurchased the European Bank for Reconstruction and Development shares in Wuppermann Hungary Kft. (WH) on 26 May 2021. Due to the good liquidity situation of the Wuppermann Group, the early termination right was exercised in May 2021. As a result, WH is now a wholly owned subsidiary of Wuppermann Industrie B.V. (WI) and thus fully part of the Wuppermann Group.

WSMART: PROJECT FOR IMPROVING THE ORDER HANDLING PROCESS

The basic objective of the WSmart project is to optimise Wuppermann's business processes with the goals of standardisation, increased efficiency, further digitisation, and higher automation in the Flat business unit. To support further growth in sales of hot-dip galvanised strip, the processes and systems are to be future-proofed in this way.

WUPPERMANN FURTHER EXPANDS PRODUCTION PROGRAM IN HUNGARY

Wuppermann Hungary Kft. (WH) has commissioned a new ASC double-head trimming shear in the run-out area of the combined pickling and hot-dip galvanising line. In this way, the Hungarian flat products plant improves the overall quality level of its products in terms of flatness and evenness. The new ASC trimming shear (ASC stands for Automatic Scrap Chopper) is used for trimming pickled as well as galvanised steel strips with zinc or zinc-magnesium coating.

WUPPERMANN CERTIFIED ACCORDING TO IATF 16949

After completing the level 2 certification audit, Wuppermann Staal Nederland B.V. (WSN) and Wuppermann Stahl GmbH (WS) successfully passed the IATF 16949 audit in June. Both companies have now received the official IATF certificates. IATF 16949 comprises all published quality standards of the automotive industry and covers the entire value chain of this industry. It proves that Wuppermann meets the requirements for quality management systems and continuous improvement processes.

WH PRODUCES ITS 100,000TH COIL

In September 2021, Wuppermann Hungary Kft. (WH) produced its 100,000th coil.

NEW TUBE LASER AT WA

Wuppermann Austria GmbH (WA) has put a new tube laser into operation. The laser is used in particular for products related to the photovoltaic industry. Wuppermann currently produces pile-driven profiles, support tubes, and C-rails for the PV industry in Judenburg. The new tube laser features an advanced camera system as well as a high-quality tool changer that allows not only laser cutting but also drilling, reaming, countersinking, and threading.

WUPPERMANN INVESTS IN NEW ROLL FORMING LINE

In order to meet the steadily growing demand for high-quality galvanised steel profiles, the Wuppermann Group is investing in a new roll forming line at Wuppermann Austria GmbH (WA) in Judenburg. The new roll forming line will complement the existing tube and roll forming line. Production is scheduled to start in the first quarter of 2023.

WUPPERMANN INSTALLS PHOTOVOLTAIC SYSTEMS AT THREE LOCATIONS

In December 2021, Wuppermann installed a PV system on the factory roofs of Wuppermann Hungary Kft. (WH). The projected annual energy production of the system is more than 2,000 MWh. At the production site in Altmünster, construction of a photovoltaic system was started in December 2021, and in Judenburg implementation is scheduled to start in 2022. The photovoltaic systems are an important milestone for the Wuppermann Group on its way to becoming a CO₂-neutral steel processor.

INTRODUCTION OF TRANSPOREON

In 2021, "Transporeon", a platform for transport procurement and management, was introduced at the Moerdijk and Judenburg sites. Expansion to the Győr, Altmünster and Malomice sites is planned for 2022.

WUPPERMANN PLANTS IN AUSTRIA USE 100 % GREEN ELECTRICITY

At its Austrian sites in Judenburg and Altmünster, the Wuppermann Group relies on sustainability for its energy supply and harnesses the power of water, sun and wind. Wuppermann Austria GmbH (WA) in Judenburg has been sourcing 100 % of its electricity from renewable sources since the beginning of 2019. The Wuppermann Metalltechnik GmbH (WMT) tube mill in Altmünster followed suit in January 2021 and uses 100 % green electricity from hydropower. This means that both sites are completely CO₂-free in terms of electricity consumption.

// SUSTAINABILITY

Wuppermann production completely CO₂-neutral by 2025

STRATEGIC ACTION PLAN FOR CLIMATE PROTECTION

At Wuppermann, we understand sustainability as a form of ecological and economic action that ensures comparable or better living conditions for present and future generations. As a family business with a long tradition, we feel a special obligation to future generations. Our sustainability goals are to be achieved exclusively through the realisation of technical solutions. Wuppermann sets ambitious and concrete targets for climate protection: The production process for the Wuppermann Group's manufacturing operations is to be 100 % CO₂-neutral at all sites by 2025.

But this is only one of a total of eight sustainability goals that Wuppermann has set for itself and with which we address the sustainability perspectives of ecology, economy, and people. In the area of ecology, we focus on the fields of action climate protection and transition to a circular economy.

GROWTH

Wuppermann aims to achieve sustainable growth, i.e. growth while maintaining the required input resources. The free capacities at the site in Győr, as well as capacity expansions in the Tube business unit, will enable us to achieve this growth.

CORPORATE CULTURE

The basic prerequisite for the long-term success of our company is relationships based on appreciation, trust and respect. That is why we are committed to transparency, fairness, responsibility, and appreciation towards our employees as well as our customers and business partners.

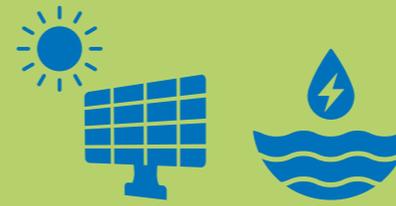
OCCUPATIONAL SAFETY

The health of our employees is our top priority. We therefore see it as our duty to continuously improve our occupational safety and reduce our accident rate to zero. The business units and each operating company of the Wuppermann Group are responsible for occupational safety.

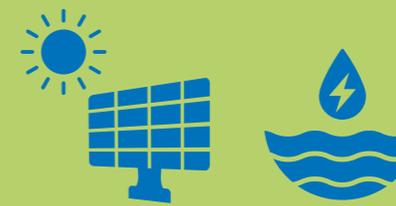


// A form of ecological and economic action that ensures comparable or better living conditions for present and future generations.

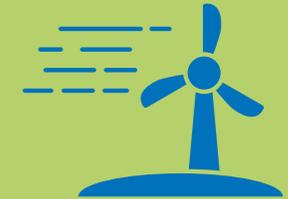
Locations procuring green power



Wuppermann Metalltechnik GmbH, Altmünster, Austria



Wuppermann Austria GmbH, Judenburg, Austria



Wuppermann Staal Nederland B.V., Moerdijk, Netherlands

ENERGY EFFICIENCY

Energy efficiency is the result of many smaller and larger measures. Therefore, energy efficiency measures are continuously developed and implemented as part of a continuous improvement process (CIP). The energy requirement in relation to the production volume is to be continuously reduced in this way. As a rule, these measures lead not only to a reduction in costs, but also to a reduction in CO₂ emissions.

RECYCLING/CIRCULAR ECONOMY

Raw materials such as ore, steel, and zinc are scarce resources that are extracted at great expense. This makes it all the more important to use these resources sparingly and to return them to the material cycle. It helps that steel is 100 % recyclable. But we also keep an eye on all process-relevant raw materials, consumables, and supplies. We aim to ensure that all materials that are not supplied to our customers as a product are fully recycled. This recycling rate is already over 99 % at the two major galvanising sites. The remaining waste is systematically examined and is to be made recyclable as quickly as possible.

	Fields of action	Implementation
1 Growth		
2 Corporate culture		
3 Occupational safety		
4 Energy efficiency		
5 Recycling		
6 CO ₂ -neutral production		
7 CO ₂ -neutral group		
8 Supply chain monitoring		



// Eight sustainability goals were derived from the comprehensive understanding of "sustainability" at Wuppermann, addressing four different fields of action.

Primary energy consumption in kWh/tonne

Flat business unit



Tube business unit



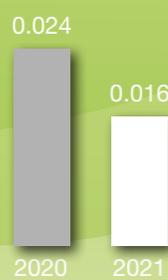
// Primary energy consumption = Consumption of electricity & gas at Wuppermann Group production sites.

Scope 1 & 2 emissions in metric tonnes of CO₂ eq./metric tonne

Flat business unit



Tube business unit



// Scope 1 (direct emissions from natural gas combustion) & Scope 2 (indirect emissions from electricity purchases). Cf. Greenhouse Gas Protocol.

CO₂-NEUTRAL PRODUCTION

Wuppermann produces around one million tonnes of strip galvanised steel a year using the so-called "heat-to-coat" process. The Fraunhofer Institute has already demonstrated in 2020 that this process saves more than 30 % of CO₂ over conventional galvanising processes based on fossil fuels. The usual cold strip galvanising processes require the steel strip to be annealed to a temperature of 750 °C in a large annealing furnace fired with natural or metallurgical gas. Its combustion product is CO₂, which is released into the atmosphere. Subsequently, the strip must then be cooled to galvanising temperature. Wuppermann's heat-to-coat process uses a small, inductively - i.e. electrically - heated strip heating furnace that heats the steel strip to the galvanising temperature of 460-480 °C in seconds. With electricity as the main

energy source, the electricity mix is the main lever for CO₂-neutral production. Consequently, to achieve our ambitious goal, we are gradually converting our electricity mix to purchases from renewable sources. The first measures have already been implemented. For example, since the beginning of 2021, the company has been using only green electricity at its production sites in Austria. The Moerdijk site in the Netherlands will switch completely to electricity from wind power in 2022. This will significantly increase the CO₂ advantage over European competitors. In parallel, the company is investing in its own power generation. For example, photovoltaic systems with a total output of three megawatts are being built at three Wuppermann sites. The Hungarian site implemented the installation in 2021.

CO₂ NEUTRAL GROUP

Since the majority of all emissions are directly linked to production processes, this is the clear priority of our climate protection activities. In addition, Wuppermann's business activities generate further emissions, which we will systematically record and consistently reduce by 2030, so that the entire Wuppermann Group will be CO₂-neutral by the end of this decade.

SUPPLY CHAIN MONITORING

The main burden of CO₂ emissions arises in the steel producing industry, but this is also where most of the value is added in the supply chain. Wuppermann, on the other hand, is a steel processing company. In this respect, it is essential for Wuppermann to influence companies in upstream stages of the value chain to also pursue ambitious sustainability goals. Therefore, Wuppermann has developed a Code of Conduct based on the UN Guiding Principles on Business and Human Rights for agreement with suppliers.

// As an energy-intensive company and a major European steel processor, the issue of sustainability is of great strategic importance to the Wuppermann Group. That is why we want to be a pioneer in CO₂ neutrality. //

Johannes Nonn, Spokesman of the Executive Board Wuppermann AG

// CORPORATE GOVERNANCE

Corporate governance at Wuppermann AG stands for responsible and value-creating corporate management and control in the long term and applies across the board to all corporate companies. It serves as the basis for transparent corporate action and thus also for the confidence of shareholders, employees, business partners, and the public in the company. The Wuppermann AG is a family-owned company and at the same time a stock corporation with special demands on the principles of corporate governance. Although Wuppermann is not a listed company, the principles of stock corporation law apply to Wuppermann AG. In addition, for Wuppermann, the traditions, values and interests of the entrepreneurial family - which is currently not operationally active in the company - are an integral part of its entrepreneurial actions and corporate identity.

ORGANISATION OF THE FAMILY OF SHAREHOLDERS

The Wuppermann family of shareholders currently consists of 96 shareholders. Members of the shareholder family are all natural entities who are shareholders, as well as their life partners, descendants (also through adoption) and children who have a parental relationship with a shareholder. According to the definition in the Articles of Association of Wuppermann AG, family members are the descendants (also by adoption) of Heinrich Theodor Wuppermann. The basis of the actions of the shareholder family and the executive bodies of Wuppermann AG is cross-generational sustainability in the economic, ecological, and social sense. The focus here is particularly on environmental protection. In the medium term, the company wants to operate on a climate-neutral basis. The aim is to

sustainably safeguard and increase the value of the common assets over the long term. The shareholder family exercises its shareholder rights at an annual general meeting. In a family charter and in the articles of association of Wuppermann AG, the entrepreneurial family sets out its values, its self-image and its relationship to the company. In 2010, a Family Shareholder Council (FAR) was created. This acts as a communicative link between the shareholders themselves and between the shareholders on the one hand, and the official bodies of Wuppermann AG on the other. A new FAR election was held in the autumn of 2019. Currently, the committee consists of eleven members of the Wuppermann family.

COMPOSITION OF THE BODIES

The shareholders authorise a nomination committee to draw up proposals for the composition of the Supervisory Board. If members of the shareholder family are active in the Management Board, the majority of the Supervisory Board will be non-family members. The shareholder family must be represented on the Supervisory Board by at least one person. If the Management Board is composed exclusively of non-family members - which has been the case since 2019 - a family member should be elected chairman of the Supervisory Board if possible. The Chairman of the Supervisory Board shall discuss possible candidates in the Supervisory Board in good time before a meeting of the Nomination Committee and submit corresponding proposals to the Nomination Committee for discussion. The Supervisory Board currently consists of six members. Three new Supervisory Board members were elected in 2021, two of whom stood for re-election. The

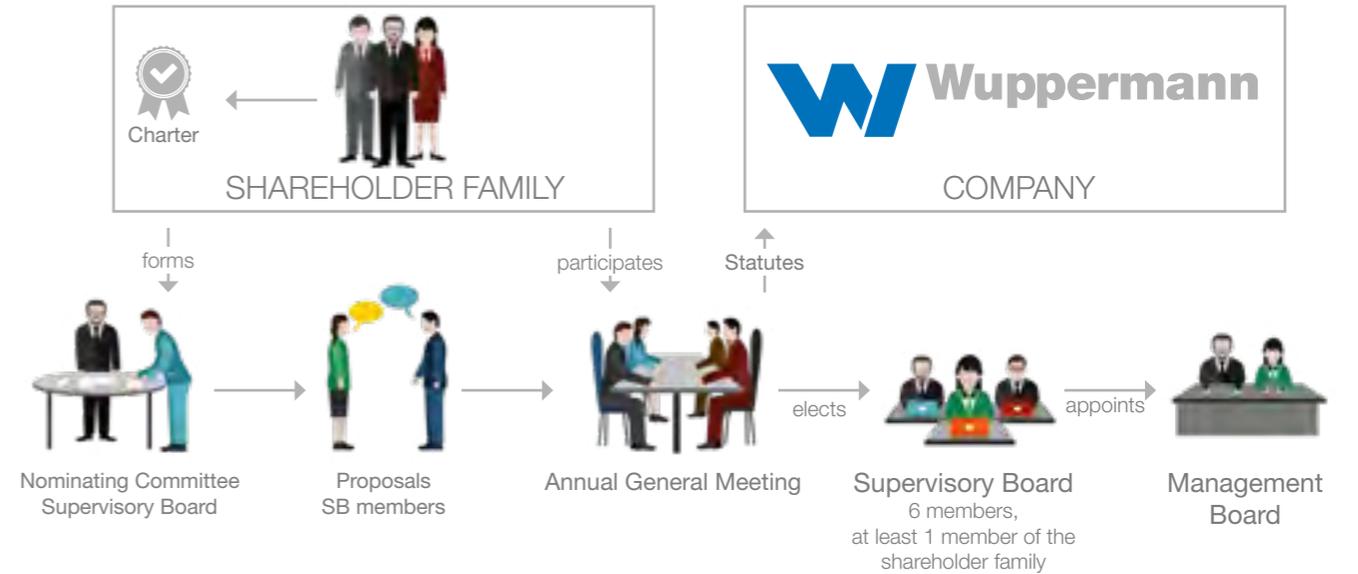
members are each appointed for five years. The Management Board is appointed by the Supervisory Board, as is customary for stock corporations. The decision on the appointment or dismissal of a family member to the Management Board shall be made by the non-family members of the Supervisory Board together with the Chairman of the Supervisory Board. If a member leaves the Management Board, he or she may move directly to the Supervisory Board, but may not stand for election as Chairman until two years have elapsed.

INFORMING THE SHAREHOLDER FAMILY

Written information is provided to the shareholders by Wuppermann AG on a regular basis, at least quarterly. Comprehensive reporting takes place at the Annual General Meeting and twice a year at a family shareholders' meeting. At these information events, the Management Board reports in the current economic situation, plans and strategic orientation.

WORKING PROCEDURES OF THE SUPERVISORY BOARD

The minimum number of meetings of the Supervisory Board is determined by Article 110 of the German Stock Corporation Act. In addition, the Supervisory Board must be convened if this appears necessary in the interests of the Company or the Management Board of a Supervisory Board members requests one in writing stating the purpose and reasons for convening it. Six Supervisory Board meetings were held in the 2021 financial year.



WORKING METHODS OF THE MANAGEMENT BOARD

Management Board meetings are held regularly, if possible fortnightly, as meetings or video conferences. In the 2021 financial year, 21 board meetings were held. The Management Board is represented vis-à-vis the public and the shareholders by the Spokesman of the Management Board. Regular reporting to the shareholders and the Supervisory Board is generally carried out jointly by the Management Board.

The Management Board uses the following main instruments to manage and control the business units, subsidiaries and holding companies:

- // Monitoring risks with the aid of a structured risk management system that takes into account the probability of occurrence and the potential economic impact of individual risks
- // Development of the Group strategy
- // Establishment of a continuous improvement program
- // Regulation of the reporting obligations and approval requirements of the Group companies

- // Issue and implementation of (Group-wide) guidelines, in particular on compliance, data protection, information security, accounting, and employee matters such as company cars and remote working
- // Definition of the Group's management principles

- // Commitment of all Group companies to annual planning concerning sales, profit and loss statement, balance sheet, investments, cash flow, and personnel
- // Monthly performance reviews of all operating Group companies, control measures as needed
- // Revision of planning for the current financial year twice a year in the so-called 1st forecast and 2nd forecast
- // Agreeing on targets and setting a performance-related remuneration component for the managing directors and senior executives of the Group companies
- // Establishment of a crisis management system that will be used, as in 2021, to mitigate the health and economic consequences of the coronavirus pandemic

CORPORATE COMPLIANCE

The Management Board achieves compliance with and implementation of the relevant statutory provisions and internal corporate guidelines within the scope of the entrepreneurial activities of the Wuppermann Group and its companies, in particular by:

- // issuing and implementing the compliance guideline as well as reviewing it regularly and, if necessary, adapting it to changed legal provisions as well as compliance training,
- // establishing an information chain from the employee via supervisors, managing directors to the Group Compliance Officer,
- // making it possible for all employees to speak directly to the Compliance Officer,
- // increasing employees' willingness to report by handling concerns confidentially and providing an internal compliance reporting address, as well as
- // performing a regular analysis of compliance risks in the Group.

The Compliance Officer is the Spokesman of the Management Board.

// DIGITISATION

Digitisation of the Wuppermann Group continues forward progress

The further digitisation of business processes and the enhancement of information security are of strategic importance to the Wuppermann Group. In times of the pandemic, many tasks are performed in the home office - effective and secure digital processes are therefore also more important than ever. In 2021, a number of key projects and measures in the area of digitisation were implemented and initiated.

PERSONNEL

Teleworking and the use of video conferencing technology have become routine. In 2021, additional modern digital tools were used for employee communication. For example, an employee app was developed that all employees can conveniently install and access on their own mobile phones. This means that communication is independent of whether employees have a PC workstation. The app, which replaces previous newsletters and is maintained in all Wuppermann languages - i.e. German, English, Dutch, Polish and Hungarian - shares internal Group corporate news as well as input from the sites. Further technical improvements and an expansion of content are planned for 2022.

DISTRIBUTION

Since mid-2021, sales in the Flat business unit have benefited from a new tool for quotation costing in SAP, replacing the previously manual costing process. On the one hand, this means an improvement in customer service, as quotations are created and sent out more quickly. On the other hand, the SAP calculator enables a high degree of automation, a continuous workflow in SAP, and standardised processes. In a follow-up project in the second half of the year, it was also possible to assign input materials to the quotation in the calculator. Here, too, this results in a higher degree of automation and a significant reduction in e-mail traffic. From now on, the association of input material with supplier as well as the associated communication between sales and material management occur centrally and completely in SAP. In addition to the increase in efficiency, in particular the transparency and traceability concerning pre-material reservations in the quotation phase were thus significantly increased. Further optimisation steps, such as automated transfer of quotation specifications during order creation, are already planned. Both are essential prerequisites for implementing the TARGET processes defined in the project for optimising the order fulfilment process - WSmart. The release of order confirmations by back office, sales, and sales management has taken place completely digitally at all locations since 2021. Order confirmations prepared by the back office are no longer printed out together with accompanying documents for checking and signature, but are made available to the selected persons in digital form via SAP on a workflow basis. The key advantage of this new work-flow, in addition to the paper saved, is the ability to release orders regardless of location. This speeds up the approval process, especially when teleworking is increasingly used. The implementation was carried out successively for each site and was completed at the end of 2021.

Process optimisation

WSmart
for order fulfilment process

A pilot project for the digital auction of declassified material was launched in cooperation with an external partner. On an online bidding platform, 2A material is offered for sale by the sales department at regular intervals. The previous time-consuming and error-prone "Excel list process" has thus been replaced by a modern solution, which has considerably increased the transparency and user-friendliness of declassification processing for the sales department.

MANAGEMENT INFORMATION SYSTEM

Reliable data and meaningful analyses are essential for successful corporate management. The implementation of the Qlik business intelligence software started as early as at the end of 2019. In 2021, a number of new reporting capabilities were added for various business units, so that Qlik now provides valuable support for management decisions in production, sales, quality management, purchasing, SCM, controlling and business development.

LOGISTICS

In 2021, external logistics handled a total of nearly 24,000 truck shipments, working with more than 90 different carriers. In order to achieve maximum transparency and optimal and, above all, efficient processing here, the Group-wide introduction of the TiContract and Transporeon software solutions was started in 2021. TiContract is freight tendering software that manages the entire freight contracting process from carrier qualification to tendering and rate management and integrates with SAP via an interface. Transporeon is used for placing freight orders and freight processing, including time slot booking and communication with carriers. It replaces the system previously used and will be deployed at the Moerdijk and Judenburg sites from the end of 2021. Expansion to the Győr, Altmünster, and Malomice sites is planned for 2022. In addition, it is planned to handle all freight invoicing via Transporeon in the future.

PRODUCTION

The paperless manufacturing project, whose Group-wide implementation was successfully launched in 2020, was driven forward. The goal of the program is to make production processes more efficient by digitally displaying all documents needed for production, such as work orders and product drawings, instead of using paper documents. WMT's tube mill in Altmünster has already been manufacturing with paperless methods for several years. This was followed in 2021 by the galvanising line at the Győr site, the galvanising line and the tube and section mill in Judenburg, and the tube mills at WPL in Malomice. Implementation at the Moerdijk site and at the slitting lines and pack winding facility in Győr also started in 2021 and is scheduled for completion in 2022.

IT SECURITY

The threat of a wide variety of cyber attacks is real, even for medium-sized companies like Wuppermann. Although previous attacks have been averted without any major negative impact, IT is attempting to further increase IT security through various projects and measures. In the "Network Security" project, the Group is investing in a so-called "Security Operation Centre" with an external partner, among other things. This involves monitoring the computers in the company network in real time. In the event of unusual activity, the IT department is quickly alerted. Also, access to the company network was additionally provided with two-factor authentication, which has increased the security of work in the home office. Improper or careless handling of e-mails and the use of insecure passwords continue to pose the greatest danger. Therefore, an awareness program was launched in 2021 in the form of an e-learning tool to further increase awareness among all employees.

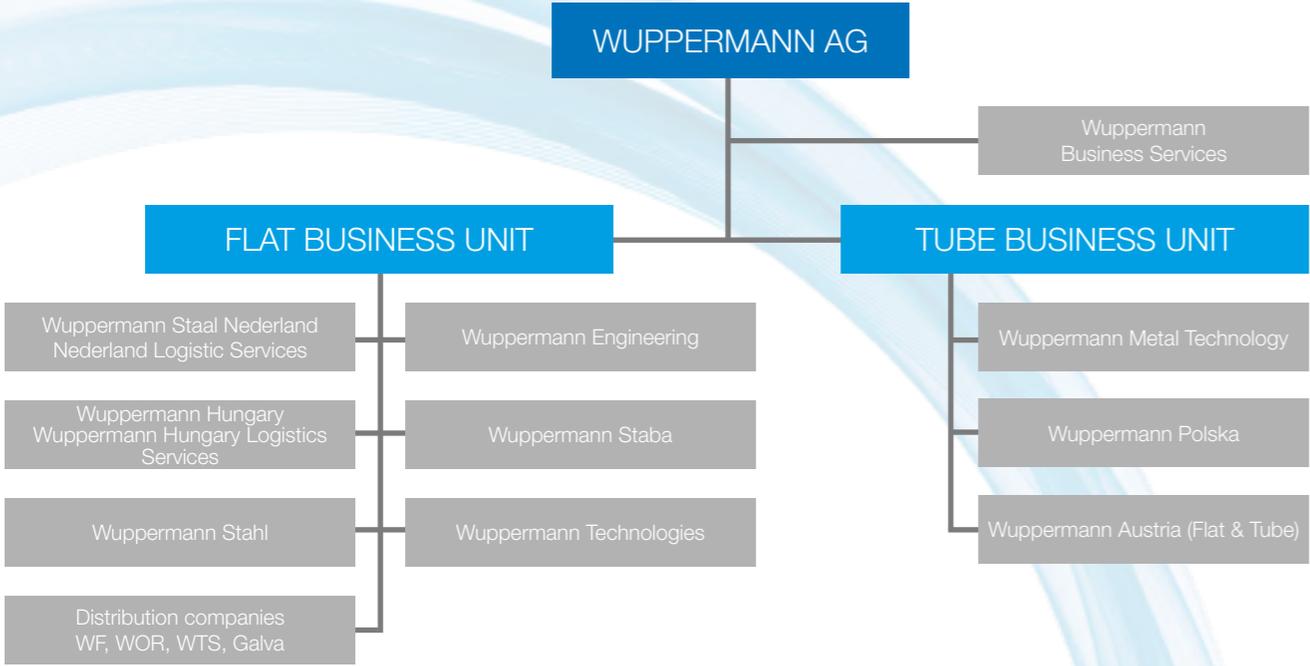
Wuppermann invests

€650,000

2021 + 2022 in IT security

// BUSINESS UNITS

The operating business is managed by the Flat and Tube business units



// OVERVIEW

FLAT BUSINESS UNIT

Earnings exceed all expectations thanks to positive market situation and process optimisations

Thanks to a very good order situation, but also to significant operational improvements at both major flat mills, the Flat business unit generated an EBITDA of €65.7 million in 2021 and produced over 1 million tonnes of strip steel. The business unit was thus well above plan and the previous year.

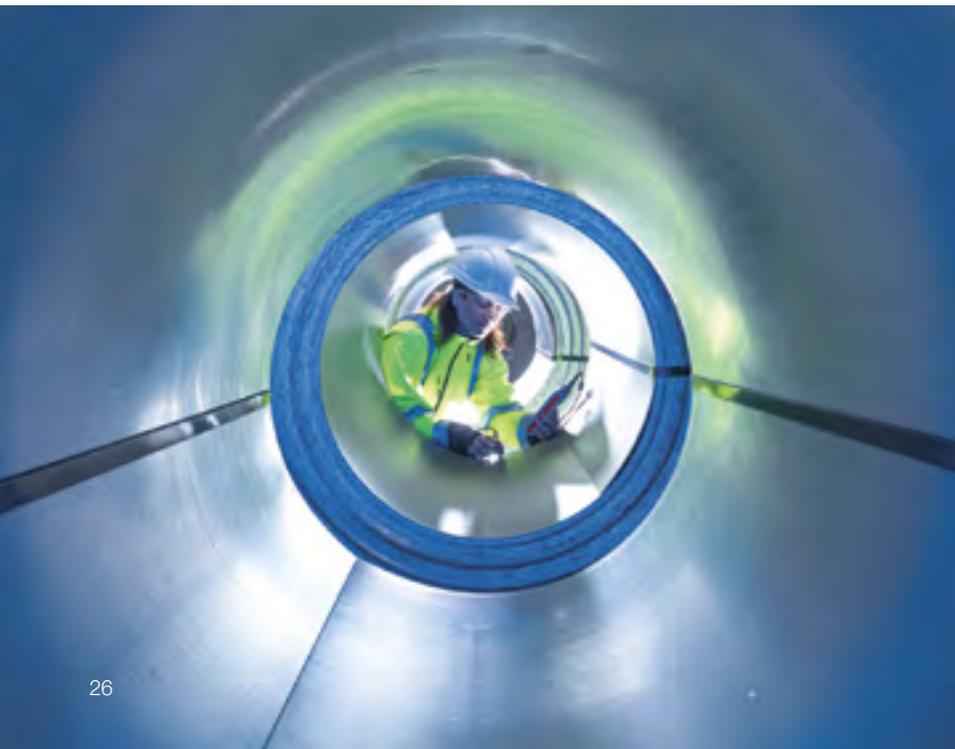
The Flat business unit has existed in its current composition since the beginning of 2020. In addition to the two large flat plants in Moerdijk and Győr with their logistics companies, the Flat business unit also includes Wuppermann Stahl GmbH (WS), Wuppermann Engineering GmbH (WE), Wuppermann Technologies B.V. (WT) and Wuppermann Staba GmbH (Staba). The basic purpose of the Flat business unit is to ensure optimum service to customers from the two production plants, to exploit synergies between the companies, to carry out joint development projects, and to promote the exchange of know-how. During 2021, the process stability of the WH plant has developed very positively. In addition, the variety of products that the plant can handle has also been further expanded. As a result, WH has now reached the level of WSN. Customers benefit directly from this, as the plants act as backups for each other and large volumes can be covered by the other site.

With the aim of achieving a better focus on all key strategic development projects, the Flat business unit's research and development activities were also merged within the Group in 2021. For this purpose, WE's competencies were integrated into Wuppermann's Hungarian site. However, WE will continue to exist as an Austrian company. As a result of this new structure, dedicated competence centers for product and process development are being created at both flat plants. With the integration of WE, the competence centre at the Győr site will take over the research and development tasks and thus also the WE employees and equipment. Development and training processes are to follow in 2022, so that by the end of 2022 the new structure should be established within the Wuppermann Group.

Both production companies can look back on more than a year of accident-free days. At the Dutch site, a high level of safety awareness had already been evident among employees in recent years, which was also reflected in the accident rate. The WH still had to report eight accidents in 2020. This positive development was made possible by stabilised processes and improved safety awareness among employees. Only Wuppermann Hungary Services GmbH (WHLS), WH's logistics services subsidiary, had to report one lost-time accident in 2021. The Hungary site was also certified

with the new ISO 45001 standard for occupational health and safety management. Of course, all flat sites had to deal with coronavirus impacts in 2021 as well. Joint hygiene concepts across business unit had to be coordinated in each case with the provisions of local legislation. In this way, the impact on employee health and operational processes was kept to a minimum.

A customer survey in 2020 showed that 72 % of all respondents in the Flat business unit were very satisfied or satisfied with the collaboration. In addition to numerous positive results, however, the survey also revealed where there is still potential for improvement. For the flat area, this concerned the following topics: Transparency in order status, short delivery time and high delivery reliability, as well as the expansion of the product portfolio. All three items received special attention in 2021. Improving the transparency of order status and overall delivery performance is one of the main goals of WSmart, a comprehensive project that is shining a light on Wuppermann's entire order fulfilment process. Due to significant delivery delays at almost all of Wuppermann's suppliers, the Flat unit was unable to achieve the OTIF targets for improving delivery performance in 2021. There is further need for action here in 2022. With series deliveries of the new WTopCor (zinc-magnesium coating) product range to the photovoltaic industry, the Flat business unit was able to expand its product portfolio in 2021.



// WUPPERMANN STAHL GMBH

Purchasing and Sales demonstrate maximum flexibility

The Wuppermann Stahl GmbH (WS) in Leverkusen is the central sales and purchasing company for Wuppermann flat products. The organisation has an operating facility in Austria and sales companies in France, Scandinavia, and Romania. At the beginning of 2021, Supply Chain Management, which had previously been part of WS, was transferred to the production plants. WS not only had to overcome the challenges this created, but also had to demonstrate the greatest possible operational flexibility in a very changeable market environment in 2021. At the same time, strategic decisions were made to optimise and digitise processes.

STEEL MARKET IN UNPRECEDENTED PRICE HIGH

The steel market experienced strong fluctuations in the year. An unprecedented price increase began before the end of the first quarter, ending in late summer with the highest price level ever. The enormous fluctuations in prices and volumes caused considerable distortions in the market. WS employees have once again demonstrated adaptability in this changeable environment: Significant delivery problems of a main supplier could be compensated with other partners. Unfortunately, by the middle of the year, a record level of supplier backlogs arose that could no longer be compensated and affected deliveries to customers. The built-up delivery backlog was reduced in the fourth quarter.

REORGANISATION OF FUNCTIONS IN SUPPLY CHAIN MANAGEMENT

At the beginning of the year, a large part of the supply chain management (SCM) functions at the Moerdijk and Győr sites were transferred from WS to Wuppermann Staal Nederland B.V. (WSN) and Wuppermann Hungary Kft. (WH). This also changed the reporting structure: The local SCM staff now report directly to the responsible technical general manager of the two production plants. The aim of this restructuring was to strengthen cooperation between SCM and production on site.

PROCESS OPTIMISATION WITH "WSMART"

Under the title "WSmart", WS is implementing a project to optimise the entire order processing process - from customer inquiry to customer payment. First, the ACTUAL state was recorded. The result: In two and a half years, orders were processed in many

different ways. After this, the optimised TARGET process was developed, which is to be implemented across departments and sites in 2022. The aim of the project is to define a manageable number of sensible process sequences through which the majority of the business can be handled as closely to the SAP standard as possible. This makes order processing more digital, faster, and more efficient.

ILLUSTRATION OF WUPPERMANN'S STRENGTH IN SUSTAINABILITY

In large part due to Wuppermann's intensified communication on this important topic, customer interest in Wuppermann's sustainability strategy is increasingly growing. WS is now also in talks with suppliers and customers for pilot projects in the field of galvanised coil with the lowest CO₂ footprint, including input materials.

// WUPPERMANN HUNGARY KFT.

WH delivers first positive operating result since foundation

Compared to the previous year, Wuppermann Hungary Kft. (WH) was able to increase production output by a quarter to 435 kilotonnes in 2021. Not only the volumes, but also the quality level (1A ratio) was at a very high level at WH in 2021, so that the targets set here were met and even exceeded. The enormous operational improvements together with the positive market situation ultimately led to a positive operating result for WH for the first time, well above plan and the previous year. With the excellent development in 2021, WH has taken a major step towards full capacity utilisation, one of the most important goals for the long-term stability and profitability of the plant.

WUPPERMANN CONTINUES TO INVEST IN THE SITE

Automation, portfolio expansions, and quality assurance are WH's investment priorities. Accordingly, a new fully automated zinc ingot batching line was put into operation in the summer. This was followed by a rebuild of the slitting line including the integration of a new rounding and the installation of a new X-ray zinc layer hot measuring system. In 2021, the planning for the new R&D competence centre was also completed, so that construction work on the building could start in the first quarter of 2022. In addition, investments will be made in further automation measures in 2022, for example in a fully automatic coil packaging machine. At the end of April 2021, WH received a visit from the

Hungarian Minister of Foreign Trade, Péter Szijjártó, who praised the positive development of the modern production site. In addition, the minister stated that the Hungarian government will support Wuppermann's investment plans with additional funding for the next five years.

INVESTMENT IN SUSTAINABILITY

With an investment volume of over €1 million, WH installed a photovoltaic system on the hall roofs in 2021. By producing its own green electricity through solar power, WH expects to save more than €200,000 in electricity costs annually. In addition, this will reduce CO₂ consumption for the Hungarian site by around 775 metric tonnes. Currently, there are already plans to expand the PV system. In

addition, other opportunities to generate our own green power are currently being explored. At the end of 2021, WH was the first Wuppermann site to successfully achieve a systematised energy management system pursuant to ISO 50001. The goal here is to continuously improve existing energy efficiency. To this end, both technical measures and strategic and organisational management approaches are implemented.

100 % WUPPERMANN

In May 2021, Wuppermann was able to acquire the shares of the European Bank for Reconstruction and Development (EBRD) in WH thanks to a greatly improved liquidity situation in the Group. As a result, WH is now fully owned by Wuppermann. The EBRD has been involved in the WH since 2015 to finance investments at the Győr site. At the same time as the shares were bought back, WH's equity was increased, which means that WH now also has a strong balance sheet.

FACTORY ASSISTANCE AT THE HIGHEST LEVEL

In March 2021, there were delays due to technical problems at the galvanising plant in Moerdijk. This also impacted deliveries with galvanised slit strip to the hardware industry. In order to still be able to guarantee this delivery at short notice, WH responded with the greatest flexibility. The first delivery to the customer by WH was made "just in time", immediately after the supply chain had been converted accordingly. Wuppermann thus demonstrated the strength of its two redundant production plants. Thus, the ability to deliver to the customer was maintained even under difficult conditions.

WHLS WITH GOOD SHIPPING OUTPUT

In 2021, the shipping output of Wuppermann Hungary Logistic Services Kft. (WHLS) was the highest since the Hungarian site was established. In addition to the commissioning of the semi-automatic packaging machine, the storage areas were also further optimised. Unfortunately, WHLS had to report an accident in 2021. To further increase occupational safety, all WHLS employees took part in cargo safety training. The biggest challenge for the WH subsidiary remains the large fluctuation. This is to be reduced with further measures, for example by fully automating coil packaging.

// WUPPERMANN STAAL NEDERLAND B.V.

WSN delivers record results in 2021

Wuppermann Staal Nederland B.V. (WSN) has been providing the Group with stability - both operationally and financially - for ten years. In 2021, Wuppermann's Dutch production site achieved excellent values for operational control variables such as the number of unplanned downtimes at the galvanising plant and the quality of the products (1A rate). Almost all production parameters were above plan. Despite delivery bottlenecks in the supply of starting materials, sales also increased significantly. This exceptional operating output, combined with very good market conditions, resulted not only in an operating profit well above plan and the previous year's figure, but also in the highest earnings since WSN was founded.

WSN2025 - THE FIRST YEAR OF THE INVESTMENT PROGRAM IS COMPLETED

WSN2025 is an investment program for the Dutch site aimed in particular at minimising the risk of breakdowns due to the increasing age of plant and equipment. The total volume of the program is over €20 million. For example, the upgrade of the water treatment system and the renovation of the cooling tower are well underway. Furthermore, the new inlet shear and the new scraper nozzles were fully planned and ordered in 2021.

CO₂-FREE POWER PROCUREMENT FROM 2022 ONWARDS

The Wuppermann Group aims to have completely CO₂-neutral production by 2025. WSN is an important part of this strategy and accordingly concluded a contract in the reporting year for the complete CO₂-free procurement of electricity based on European wind certificates for an initial period of one year beginning on 1 January 2022. For this, WSN aims for a long-term partnership with a sustainable energy

supplier and has already approached various suppliers in the Dutch energy market. In addition, solar panels are also planned on the plant roof in Moerdijk.

EXPANSION OF THE PRODUCT PORTFOLIO

In 2021, WSN completed the IATF (International Automotive Task Force) certification for supplying the automotive sector. The certificate not only qualifies the Dutch flat mill as a supplier to the automotive industry, but also demonstrates a strong commitment to product quality and quality management to other customers. In addition, the installation of the automatic zinc coating control was completed, which ensures faster and more precise control of the zinc coating. Based on this development, WSN will be able to offer tighter tolerances for zinc coatings from 2022. Test series for improving the surface by so-called dressing with "cambered" work rolls were also successful, which is important for wide strip customers who process our material into sheets.

Selected customers can already obtain this product. After the upgrade, the necessary downstream water treatment plant will have sufficient capacity to offer this improved product to all interested customers.

DIGITISATION AS PART OF THE WSN2025 ROADMAP

WSN2025 envisages further digitisation of all processes. Specific milestones that were significant for 2021 include the completion of paperless manufacturing, automated zinc shift control, and the use of "advanced analytics." The software tool uses a variety of sources to obtain data for asset condition monitoring and preventive maintenance.



SUPPLY OF STARTING MATERIALS WAS THE BIGGEST CHALLENGE

On-Time In-Full (OTIF) delivery performance was well below target throughout 2021. The main reason for this were supply bottlenecks on the part of Wuppermann's main suppliers in conjunction with a general shortage of raw materials and transport options on the market. Improving delivery performance remains one of the most important goals for WSN in 2022, in addition to implementing the planned investments and further pushing sustainable production.

NLS IMPROVES PROCESSES AGAIN
Nederland Logistic Services B.V. (NLS) is a wholly owned subsidiary of Wuppermann Industrie B.V. (WI) and is in its third year of supporting WSN in distribution and sales logistics. In 2021, too, the main focus was on process optimisation. For more efficient processes and in the sense of better ergonomics, from which the employees benefit, the warehouse management system "Rollenbank-Projekt" was implemented in cooperation with WSN.

// OVERVIEW

TUBE BUSINESS UNIT

A turbulent financial year comes to a successful close

The Tube business unit was able to increase sales and earnings and generate EBITDA of €19.5 million in 2021. Sales volumes were above plan at 159 kilotonnes, with a significant increase in tube volumes in particular. The LTI rate in the Tube business unit was 9 in 2021. This corresponds to half of the previous year.

In 2021, we continued to respond flexibly to the current development of the coronavirus pandemic at our sites. Thanks to the introduction of protective measures and an internal testing strategy, it was possible in some cases to detect illnesses with the coronavirus in the plants at an early stage and thus reduce further infections. Production stoppages were prevented at all sites. The considerate and responsible treatment of the workforce contributed to a stable situation at the plants. WA's proven testing strategy was transferred to the plant in Poland and, in addition, test kits from Austria were made available to bridge local procurement bottlenecks.

Since the outbreak of the coronavirus pandemic, we have observed an increased shortage of skilled workers at our Austrian sites. We are trying to offset this trend by taking on temporary workers in permanent positions, the "Employees Recruit Employees" campaign, and training apprentices.

On the subject of occupational safety, the business unit has made further efforts to increase occupational safety and prevent accidents. Despite a significant reduction compared to the previous year from eleven to seven accidents, the issue continues to be a focus of attention. In 2021, contractor training was prepared for all three tube mills. The goal of the evaluation process of the machines and plants was to derive concrete improvement measures, some of which have already been implemented. Further technical improvements are planned for 2022. In addition to technical plant improvements, seminars and training courses on occupational safety were also held at all sites. WMT saw a significant increase in near miss reports in 2021. Particularly during the induction of new employees, special training will also be given in the coming year to raise awareness of hazards in production.

PAPERLESS MANUFACTURING THROUGHOUT THE BUSINESS UNIT

At the end of 2015, Wuppermann launched a pilot project for paperless production at its tube line site in Altmünster. After initial successes, the project was extended to other production areas. Advantages arise from paperless production, especially in the case of last-minute changes. Error prevention is another obvious result. Since 2021, WA's entire production, including planning and administration of orders, drawings, and regulations, has been paperless. A project for paperless production was also launched at WPL in 2021, following the example of its sister plants.

Through close coordination within the business unit, we exploit synergies at all levels and establish uniform process and quality standards. Customers also benefit from this, as the joint presence

of the three companies on the market ensures optimum supply. To this end, production at WPL has already been adapted to the production flow in the sister plants in some process sections: The tooling and roller set concept of WMT and WA has been implemented at WPL, and the process sections of forming and calibration have also already been adapted to the standard of the sister plants. An important step was also the implementation of a new packaging line at tube line 2 in Poland. The new plant also improved occupational safety. Further adjustments will follow in 2022.

BUSINESS UNIT COORDINATES STANDARDISED ENERGY AUDITS

The business unit carried out standardised energy audits at all three production sites with a specialised partner and systematically identified optimisation potential for increasing energy efficiency. The novelty of the approach is that, in addition to the energy savings and costs of the measures as well as investments, the effectiveness in achieving the CO₂ neutrality targets was also included.

COURSE SET FOR FURTHER GROWTH

The Tube business unit has planned further growth for the coming years. Important prerequisites for this are the investments made in 2021 in a new tube laser and the acquisition of a new roll forming line at WA, which is scheduled to go into operation in 2023. At WPL in Poland, further technical improvements to the machinery will be pursued in the coming year.



// WUPPERMANN AUSTRIA GMBH

Judenburg well positioned for the future thanks to investments

Wuppermann Austria GmbH (WA) in Judenburg, Austria, is both a specialist for flat products with the highest level of corrosion protection and a producer of galvanised steel pipes and profiles. The year 2021 was marked by further investments in the tube sector.

NEW TUBE LASER AT WA FOR THE PHOTOVOLTAIC INDUSTRY

WA has already made a name for itself as a partner for maximum corrosion protection and special requirements in the photovoltaic industry. The site mainly produces pile-driven profiles, support tubes and C-rails made of galvanised steel for the photovoltaic industry. In July 2021, WA commissioned a new tube laser, which is used in particular for products used in the PV industry.

The new laser can now produce starting material up to 12.5 m and finished products up to 10.5 m. The new tube laser offers further advantages due to a modern camera system as well as a high-quality tool change. Thus, in addition to round and rectangular tubes, the laser also detects open profiles in the geometry via the cameras and helps with positioning and ultimately lasering. The new tool changing system enables not only laser cutting, but also drilling, reaming, countersinking, and tapping. Overall, the plant was able to achieve a higher production volume in 2021 than planned.

This enabled WA to respond to the strong demand from the photovoltaic industry in 2021 and successfully support many new inquiries as well as new projects. With the procurement of input materials via Wuppermann Hungary, the site has now established the right strategy for flexibility in this market segment.

// Thanks to our starting material strategy, we were able to manage the high level of incoming orders in the PV industry very well in 2021 and increase the input volume on the tube mill by 18 %. //

Hubert Pletz, Managing Director
Wuppermann Austria GmbH

NEW PROFILING LINE AT THE JUDENBURG SITE

In order to meet the steadily growing demand for high-quality galvanised steel profiles, Wuppermann has approved the investment in a new profiling line at its Judenburg site. The new roll forming line will complement the existing tube and roll forming line. WA will thus increase its capacity in this area by 20,000 tonnes and consistently continue the structural change to focus on tube and profile production that has been underway since 2020.

The new roll forming line will not only expand capacity, but also the product portfolio. In the future, larger profiles with more complex geometries will be offered in welded and open designs. The integrated hole punch enables inline punching and is therefore particularly economical. At the end of 2021, WA had already started to create space in the existing halls for the profiling line and to plan foundation work and other preparations. According to current plans, production is scheduled to start at the beginning of 2023.

100 %

Electricity from wind, water, and solar power

HIGH ZINC AND ZINC-MAGNESIUM COATINGS

Wuppermann Austria continues to rely on top zinc and zinc-magnesium coatings for the best possible corrosion protection in subsequent applications. In 2021, WA has continued to push the technological boundaries: Now zinc coatings of up to 1,300 g/m² or zinc-magnesium coatings of up to 1,000 g/m² can be stably produced.

WA USES 100 % GREEN ELECTRICITY

The plant in Judenburg has already been drawing 100 % of its electricity from renewable sources since the beginning of 2019. This means that the site is already completely CO₂-free in terms of electricity consumption. In 2021, the plant has now gone one step further: WA has invested in its own photovoltaic system, which will be installed in early 2022. In addition, the plant has introduced an environmental management system in accordance with ÖKOPROFIT and was certified accordingly for one year in March 2021.

POSITIVE OUTLOOK FOR 2022

In 2022, the team at the Judenburg site will focus on the construction and commissioning of the new roll forming line. This means that nothing stands in the way of a punctual production start in January 2023.

// WUPPERMANN POLSKA SP. Z O.O.

Machinery for pickled tubes expanded

In 2021, Wuppermann Polska sp. z o.o. (WPL) consistently continued the development into a producer of pickled tubes, which began in 2020, and has successfully positioned itself in the market.

IMPROVEMENT IN OCCUPATIONAL SAFETY

In 2021, the number of accidents at the Małomice site was halved from six to three, mainly due to the installation of an automated packaging line. The automatic packaging line was modelled after the line at Wuppermann Metalltechnik GmbH in Altmünster. It bundles the tubes into layers and then into finished packages. A new fence secured with electric locks, security curtains, and additional security for the roll-off device were installed and now provide a much higher standard of security.

INVESTMENTS IN PRODUCTION

Among the most important investments in 2021 was the relocation of the second production line for pickled and galvanised tubes within the production hall, which made it possible to install an additional cooling tank and a new calibration line. This investment enables WPL to produce pickled and galvanised profiles using the same technology as its sister plants in Austria. The technical improvements at the tube mill were accompanied by training of the employees with the support of the sister plants with the aim of building up corresponding competencies at WPL. In addition, a

packaging line was also ordered in 2021 for the second production line, which is scheduled for installation in mid-2022. This will further improve occupational safety in production.

INCREASE ENERGY EFFICIENCY AT THE SITE

An energy efficiency audit was conducted in 2021. Investments to reduce and optimise gas and electricity consumption are planned for 2022. Among other things, the thermal insulation of the hall walls is to be improved and high-speed doors and a system for heat recovery from the compressor room area are to be installed.

IMPACT OF THE CORONAVIRUS PANDEMIC

In 2021, WPL continued to respond flexibly to current developments in the coronavirus pandemic and has taken appropriate action. With respect to enforcement of rules to protect against in-house coronavirus infections, stronger national regulations for WPL would be desirable. So far, we have relied on good communication and understanding between employers and employees.

OUTLOOK

WPL has set its goals high for 2022: With the installation of a winder on the cutting line and the installation of an infeed on tube line 1, further investments are planned in production, which will further improve safety in the plant and the machinery.

Occupational accidents
reduced from

6 to 3



// WUPPERMANN METALLTECHNIK GMBH

WMT looks back on most successful year since plant foundation

Wuppermann Metalltechnik GmbH (WMT) in Altmünster, Austria, is a premium manufacturer of tubes, tube components, and sheet metal components of the highest quality. Despite all the turbulence, 2021 was the most successful year in the history of the plant. With its three product areas of pipes, pipe components, and system technology, WMT is also broadly and stably positioned for the future. The systems engineering business is developing into a very profitable branch of the company.

PRODUCTION INCREASE IN TUBE PRODUCTION AND IN SHEET METAL PRODUCTION

On the tube line, WMT was again able to achieve new production records in 2021. The plant not only increased its production speed, but also set a new record for tube output. In the area of tube processing, WMT was able to increase the number of tube bending parts for premium vehicles produced on the robotic bending cell. WMT has also significantly increased production output in all areas of sheet metal production. With two new press brakes, WMT was able to absorb capacity bottlenecks.

Further digitisation and automation support and improve production processes at the plant: The shop-floor display on the tube line implemented in 2020 was extended to the finishing aggregates in 2021. In addition, three collaborative welding robots are now in use. In addition, a fully automated robotic packaging system was commissioned at the roll forming line in 2021.

INCREASED SAFETY AT THE TUBE LINE

In terms of safety, the tube line was the focus at WMT in 2021. In collaboration with the Technical Inspection Association (TÜV), a large number of measures and investments were developed in an evaluation process. The safety devices specially adapted to the tube mill are largely in-house developments, such as the fully automatic doors with access authorisation for coil removal or quality control. A very innovative and safe solution was also found on the company's own initiative for coil securing on the tube mill, where WMT trainees were also able to gain a lot of knowledge and deal with the subject of occupational safety. These measures were consistently implemented by the turn of the year. In addition, a sound enclosure was installed on the flying tube line saw to minimise the noise impact on the tube mill.

PRODUCT DEVELOPMENTS

In the tube sector, WMT has further perfected the production of tubes with corner welds and made them ready for series production. The team also focused on thin-walled tubes with large diameters for hydroforming. The internal deburring of galvanised tubes for the automotive industry also represents a major development step.

Both in the tube sector and in sheet metal production, WMT has further developed interesting projects in cooperation with clients, for example in components for innovative school furniture or in the development of housings for bank service equipment.

Since 2021, WMT has also been contributing to the transport revolution and sustainability with its tubes: WMT supplies cabin tubes for electric vehicles - on customer request not only tube bending parts, but finished component parts, which are already bent in the desired shape, contain laser cutting as well as threaded holes. A start-up in Austria is developing the

CO₂-free power purchase

100 %

Green electricity from hydropower

first all-electric commercial vehicles and equipment carriers for municipal services and urban use with WMT products.

WMT OBTAINS 100 % OF ITS ELECTRICITY FROM RENEWABLE ENERGY SOURCES

At the Altmünster site, Wuppermann also relies on sustainability for its energy supply. Since January 2021, the plant has been using 100 % green electricity from hydropower. This means that the site is already completely CO₂-free in terms of electricity consumption.

The construction of a photovoltaic plant will be completed by February 2022. In order to save heating costs, the old tube production hall, which was built in 1963, was thermally updated. In the future, the waste heat from compressed air generation will be used to heat a cleaning basin for the sawing equipment.

PURCHASE OF LAND CREATES CONDITIONS FOR FURTHER GROWTH

At the end of 2020, WMT was able to create space for further growth in tube production with the purchase of a neighbouring plot of land measuring 17,500 m², thus securing its future development strategy. The purchase of the land represents an important milestone in the history of WMT in Altmünster. The aim is to build a hall complex for tube production with automated and lean logistics.

GROUP MANAGEMENT REPORT 2021

1. Group basics

1.1 Business and general conditions

For 150 years, the name Wuppermann has stood for quality in the processing and finishing of steel. Since its founding in 1872, the medium-sized family business has pursued a strategy of long-term, sustainable growth and consistent value creation in the interests of its customers, employees, and shareholders. The Wuppermann Group is active throughout Europe at five production sites in the Netherlands, Austria, Poland and Hungary, as well as in holding and sales companies in Germany, Austria, France, Sweden, and Romania. It is managed by Wuppermann AG as a holding company based in Leverkusen, which is 100% family-owned.

The product portfolio includes surface-treated flat steel products with zinc and zinc-magnesium coatings and pickled surfaces, as well as tubes, profiles, and tube components with the same surface types. Wuppermann products are used in a wide variety of industries: construction, furniture and the automotive industries, solar and energy technology, as well as in the transport sector.

As an independent family company, we want to continuously further develop Wuppermann with sustainable and future-oriented action and position ourselves as a specialised company service in the steel industry.

In the 2021 financial year, the business activities of the Wuppermann Group were organised in two business units. The Flat business unit and the Tube

business unit were supported by central functions.

The following production sites and companies are brought together in the Flat Business Unit: Wuppermann Staal Nederland B.V. (WSN) in the Netherlands and Wuppermann Hungary Kft. (WH) in Hungary as production companies, as well as the logistics company Nederland Logistic Services B.V. (NLS), which operates at the Dutch site, and the logistics company Wuppermann Hungary Logistic Services Kft. (WHLS), which operates for the Hungarian plant, (WHLS) and the sales companies Wuppermann Stahl GmbH (WS), Wuppermann France S.A.S (WF), Wuppermann Tube and Steel AB (WTS) and Wuppermann Otel România S.R.L. (WOR). Wuppermann Industrie B.V. (WI) also holds a 35 percent stake in the steel service centre Galva Metal A.Ş. in Turkey. The business unit is completed by Wuppermann Engineering GmbH (WE) and the two licensed companies Wuppermann Staba GmbH (Staba) and Wuppermann Technologies C.V. (WT).

The Tube business unit is made up of the following companies: Wuppermann Austria GmbH (WA) in Austria focuses on the production and distribution of tubes and profiles, and galvanised slit strip. Wuppermann Metalltechnik GmbH (WMT) in Austria and Wuppermann Polska sp. z o.o. (WPL) in Poland focus on the production and sale of tubes and profiles. WMT produces pickled tubes, tube assemblies, and sheet metal components. WPL manufactures black, pickled, and galvanised tubes.

The service company Wuppermann Business Services GmbH (WBS), as the central IT service company, supports the companies of the two business units and the holding companies of the Wuppermann Group. WBS and the holding companies Wuppermann Industrie B.V. (WI), Wuppermann Beteiligungsgesellschaft mbH (WBG), and Wuppermann Austria Holding GmbH (WAH) are managed by Wuppermann AG (WAG).

The strategic management of the Group is the responsibility of Wuppermann AG. The management board of WAG, headquartered in Leverkusen, defines the strategy for the Group's development and manages the business units.

In 2021, the Wuppermann Group employed an average of 819 employees (including executive bodies and trainees) and generated sales of €925,214,000 in 2021.

Changes in the Group

Wuppermann acquired shares in WH legally held by the European Bank for Reconstruction and Development (EBRD) on 26 May 2021. Due to the improved liquidity situation of the Wuppermann Group, the call option was exercised.

1.2 Research and development

The research and development competencies of the Wuppermann Group are bundled in Wuppermann Engineering GmbH (WE). Since 2020, WE has been assigned to the Flat business unit, as the focus of WE's activities is on the continuous further development of the galvanising process of the companies in the Flat business unit. The development of new products, product properties, and processes complements WE's range of services.

The core competencies of the Wuppermann Research & Development team are in the fields of metallurgy, corrosion technology, and product development. Another important focus is the formation of networks and cooperations with external knowledge providers.

Wuppermann employed 10 people in this area in 2021. The focus of WE in 2021 was on supporting WH in the further development of the zinc-magnesium alloy and the technological development of the Wuppermann Group's galvanising process. In the Flat Steel Galvanising unit in particular, we identified potential for improving the innovation process as part of our strategy development and consequently set up the integrated product & process development process of the Flat business unit in 2021. This ensures systematic identification and prioritisation of innovation projects and thus also the effective use of available resources.

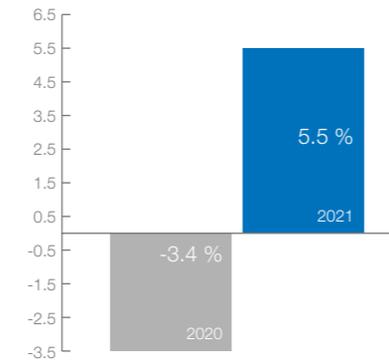
1.3 Treasury shares

On 8 May 2021, the Annual General Meeting authorised the company to acquire treasury shares up to a total of 10 % of the capital stock existing at the time of the resolution until 7 May 2026, provided that the shares acquired, together with other treasury shares held by or attributable to the Company, may at no time account for more than 10 % of the capital stock. The authorisation may be exercised by the Company in full or in partial amounts, on one or more occasions. The Company has not made use of this authorisation in 2021 and currently holds no treasury shares.

2. Economic development of the Group

2.1 Macroeconomic and industry-specific conditions

Despite the challenges posed by new covid variants and further waves of infection, the economy has certainly developed positively in most parts of the world. While global economic output contracted by 3.4% in the first pandemic year of 2020, government financial assistance, low interest rates, and a rapidly launched vaccination campaign enabled an upswing of 5.5% in 2021 (1). However, the speed of the economic recovery also brought challenges: Supply bottlenecks intensified competition for raw materials, materials, and energy, resulting in extreme price increases in some cases. Added to this are the economic policy tensions between the US and China, which have not been resolved even under the new American administration. On a geopolitical level, several ongoing conflicts are also causing uncertainty. In its forecast for the global economy, the World Bank

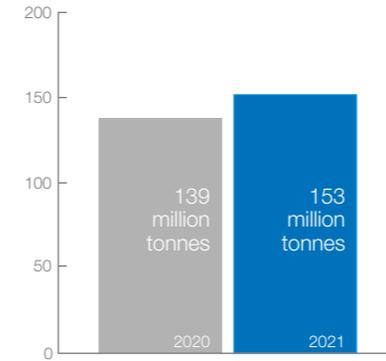


01 GROWTH GLOBAL ECONOMY

predicts a year-on-year increase of 4.1% for 2022.

Economic development in Europe and Germany was also in line with global trends. The economies of the 19 eurozone countries grew by 5.2% in 2021. For the coming year, the World Bank forecasts somewhat weaker growth of 4.2%. The German economy also grew, albeit less strongly than hoped. According to an estimate by the German Federal Statistical Office, gross domestic product (GDP) in 2021 was up 2.7% over the previous year. This was due in particular to a weak fourth quarter as a result of the fourth wave of coronavirus.

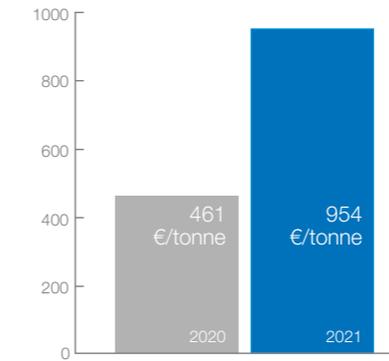
After several difficult years due to overcapacity and structural problems, the European steel industry recovered significantly in 2021. A sharp rise in demand caused supply bottlenecks for raw materials and starting materials as well as capacity problems in production and logistics, but at the same time caused steel prices to soar to unimagined heights. In their quarterly reports, the European steel producers therefore all reported significantly higher sales and profit figures. Crude steel production in Germany increased



02 CRUDE STEEL PRODUCTION EU

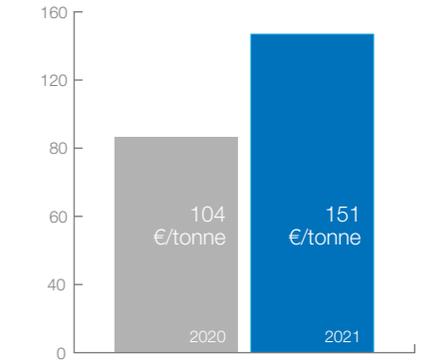
significantly to 40.1 million tonnes in 2021, according to the German Steel Federation. This represents an increase of 12.3% compared to the previous year. According to Worldsteel, 152.5 million tonnes of crude steel were produced in the EU, a remarkable 15.4% more than in 2020 (2).

Hot-rolled coil (HRC) prices, which mainly determine the level of the Wuppermann Group's cost of materials, reflect the economic situation and market conditions during the year. Due to the price explosion already mentioned, the MEPS quotation "HRC Germany low" more than doubled on average in 2021 compared to the previous year: €954/tonne compared to €461/tonne (3). During 2021, the price increased from €670/tonne in January to €1,150/tonne in August.



03 MEPS HRC GERMANY LOW

Prices for galvanised strip also reached record highs in 2021. For example, the price for the MEPS grade "HDG Germany low" averaged €1,105/tonne (previous year: €565/tonne). This increased the difference between the two quotations to a record level of €151/tonne on average (4). In the two previous years, this so-called MEPS spread was still €104/tonne.

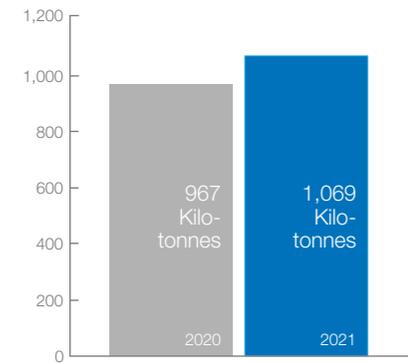


04 MEPS DELTA HDG TO HRC

2.2 Business performance and economic situation of the Group

Business performance

In the course of 2021, the global economy continued to recover from the pandemic-related slump of the previous year. Having already seen a steady upward trend in demand in the second half of 2020, demand recovered even faster than expected in 2021. A key driver of this development was the European automotive industry, where demand returned to the level seen before the start of the coronavirus pandemic. Industrial customers also recorded significant growth. Many customers were also keen to replenish their depleted inventories. This was partly offset by the shutdown of steel mill capacity in the previous year, which could only be ramped up again with a delay, with the result that overall demand for steel significantly exceeded supply. Rising raw material costs and the low availability of imported steel due to similar challenges, particularly in the Chinese market, were reflected in the price trend. The result was a doubling of the steel price within a year. 2021 was also characterised by increasing transport capacity bottle-

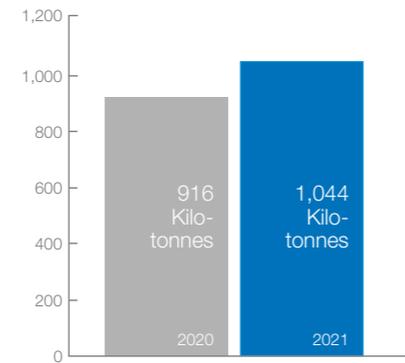


05 INCOMING ORDERS

necks, which extended well into the fourth quarter.

In this market environment, the Wuppermann Group's order intake in the 2021 financial year increased year-on-year and amounted to 1,069 kt (5). Incoming orders increased into the third quarter. The market environment only weakened in the fourth quarter. As a result of this weakening, the MEPS quotation HRC Germany low fell from its annual high in August of €1,150/tonne to €930/tonne in December.

The development of sales followed the pattern of incoming orders and therefore the planned sales volume of 994 kt of 1A material and declassified material will be exceeded in 2021 with 1,044 kt (6). Likewise, sales were also higher than the previous year's sales volume of 916 kt. Sales growth, particularly in the flat companies WSN and WH, made a major contribution to this, with growth in WH being significantly higher.



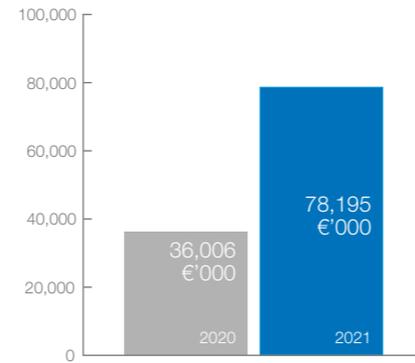
06 SALES

In this exceptional market environment, the Wuppermann Group succeeded in achieving higher sales margins compared to the previous year and to plan. Due in particular to rising sales margins, the Wuppermann Group was able to increase earnings significantly compared with the previous year and the plan.

Earnings before interest, taxes, depreciation, and amortisation (EBITDA), a key financial performance indicator, increased to €78,195,000 in 2021, thus exceeding the budget for the financial year by €33,428,000 and the previous year by €36,006,000 (7).

In addition, as a result of a low debt level, the financial result was further improved during the year. The tax rate decreased to 21% in the reporting year, as the earnings mix at Group level improved from a tax perspective due to the earnings improvement in the WH.

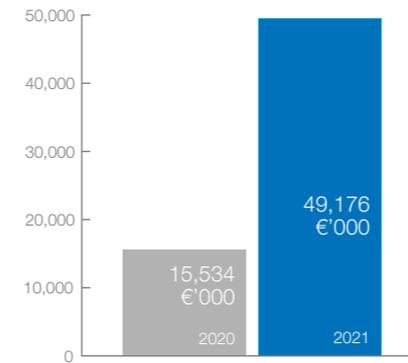
The consolidated net profit or loss for the year of €49,176,000 in the reporting year 2021 was above both the previous year's figure of €15,534,000 and above plan of €11,501,000 (8).



07 EBITDA

Free cash flow (FCF - defined as cash flow from operating and investing activities before distributions and debt service) amounted to €-5,976,000 in 2021 (9) and was significantly influenced by two offsetting effects. The high contribution to earnings had a positive effect. By contrast, the significant increase in working capital (trade accounts receivable plus inventories less trade accounts payable) due to the exceptionally high price increase had a negative impact. Due to supplier backlogs and low inventory levels into the third quarter, debt was kept at a very low level over the course of the year. As a result of the reduction in delivery backlogs and the increase in inventories in the fourth quarter, the Wuppermann Group's debt increased to €-34,987,000 at the end of the year, thus exceeding the previous year's figure.

However, we consider the Group's financial position to be significantly improved due to its earnings strength. The Group's financial targets formulated at the beginning of the year were exceeded.



08 CONSOLIDATED NET INCOME

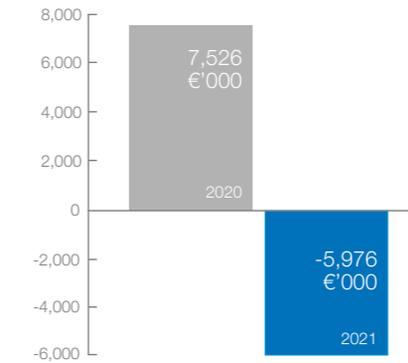
Earnings

In addition to the increased sales volume, the increased price level in particular is decisive for the sales growth in 2021. The sales revenue of €925,214,000 is thus 72% higher than the previous year's figure of €537,846,000 (10). On this basis, gross profit including the Group's other operating income also increased. After a gross profit in the previous year of €123,606,000 was achieved, the Wuppermann Group reached a value of €176,974,000 in 2021. The increase in gross profit was due in particular to improved contribution margins and higher sales volumes in an exceptionally good market environment.

The personnel costs and other operating expenses increased by 13% to €98,779,000. In particular, higher freight costs due to higher sales volumes contributed to this.

EBITDA improved to €78,195,000 as a result of the strong increase in gross profit, which significantly exceeded the rise in personnel costs and other operating expenses.

After improving the financial result by 49% to €-844,000 in the previous year, the Wuppermann Group achieved a



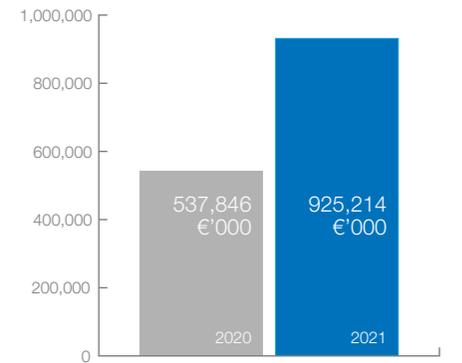
09 FREE CASH FLOW

further improvement of 40% to €-509,000 in 2021. Based on a debt-equity ratio (ratio of debt to EBITDA) of less than one throughout the year, low interest rates were realised.

The investment income of the Wuppermann Group in 2021 of €195,000 consists of the dividend payments of the non-consolidated subsidiary WOR of €89,000 and the joint venture investment in the Turkish steel service centre Galva Metal A.Ş. amounting to €106,000.

Tax expenses are expected to increase to €12,790,000 in 2021 due to the higher earnings of the Wuppermann Group (previous year: €4,849,000). The Group's tax rate has further decreased and comes to 21% in 2021 (previous year: 24%). In particular, the first-time reporting of positive corporate earnings by Wuppermann Hungary leads to a further reduction in the tax rate at Group level.

Earnings without minority interests (Wuppermann consolidated net income) amount to €43,991,000 in 2021 and are thus significantly higher than the previous year's figure of €13,415,000. WSN, as the only company with minority shareholders in



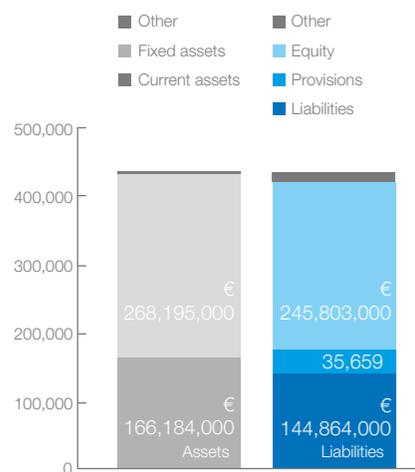
10 TURNOVER

the Wuppermann Group, was able to significantly increase its earnings and thus the share of net income attributable to minority interests also increased to €5,185,000.

All companies operating in the Flat and Tube business units were able to generate positive earnings in 2021. After a loss in 2020 of €-3,702,000, WH was able for the first time in the past financial year to turn a profit of €10,810,000. With the exception of WPL, all other production and sales companies also improved their results compared with the previous year.

In particular, WH's earnings situation improved further in 2021. WH's high result was boosted by exceptionally favourable market conditions and therefore cannot be expected in the same amount in subsequent years. However, we expect the company to continue to develop positively over the planning horizon.

The earnings situation for all companies can therefore be described as good.



11 BALANCE SHEET TOTAL 2020

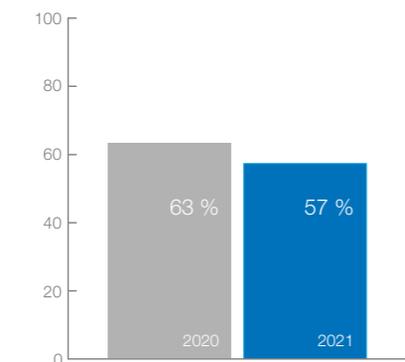
Net assets

The balance sheet total increased by €15,743,000 from €318,990,000 to €434,733,000 (11). This increase is attributable to higher current assets, higher trade accounts payable, and the significant rise in Group equity.

On the one hand, this development is due to the higher sales figures, but on the other hand, the higher price level in particular is reflected in this increase.

As planned, the goodwill resulting from the repurchase of the WH share from Welsper continued to be amortised on a straight-line basis under intangible assets in 2021. Property, plant, and equipment increased compared with the previous year. With a constant level of depreciation and amortisation, this increase was due to higher capital expenditure compared with previous years.

The largest changes occurred in the area of current assets. Inventories increased significantly compared with the previous year. With inventories up 23%, the increase from €74,513,000 to €158,474,000 is due in particular to the higher price level. Receivables and other assets increased by €36,826,000 to €107,455,000. The higher sales and

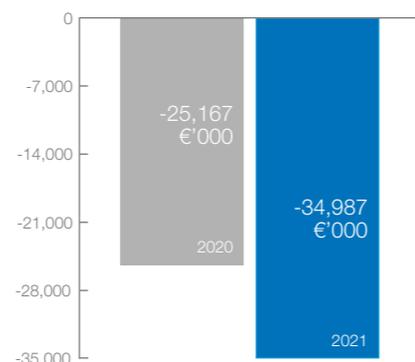


12 EQUITY RATIO

also the higher price level are reflected here accordingly. At the end of 2021, we utilised factoring in the amount of €9,612,000. At the end of the year, bank balances amounted to €2,266,000 and were thus significantly lower than the previous year's figure of €8,295,000.

The sharp increase in equity is attributable to the positive earnings trend. Equity increased by €45,715,000 year-on-year to €245,803,000 as of 31 December 2021. However, due to the sharp increase in total assets, the equity ratio fell from 63% to 57% in 2021 (12).

Liabilities to banks increased from €22,002,000 to €36,260,000. While long-term loans were almost completely repaid over the course of the year, the utilisation of overdraft facilities increased at the end of the year as a result of the increase in current assets. However, the slightly higher level of debt at the end of the year was offset by a significant increase in working capital.



13 NET FINANCIAL POSITION

The development of trade accounts payable is similar to that of trade accounts receivable. Due in particular to the higher price level, trade accounts payable increased by €51,553,000 compared with the previous year to €91,777,000. Financing liabilities from 2020 of €10,500,000, which corresponded to the quasi-equity loan from the EBRD Bank to WH, was repaid in 2021.

Provisions increased and amounted to €35,659,000 as of the reporting date. Pension provisions increased by €470,000 to €13,640,000, tax provisions increased by €3,295,000 to €6,285,000 and other provisions increased by €4,150,000 to €15,734,000. While the increase in tax provisions is attributable to the high level of deferred taxes reported in the Netherlands, the increase in other provisions is due to higher personnel provisions resulting from the good earnings performance.

The Wuppermann Group's net asset position has further improved compared to the previous year and can be described as good.

Financial position

The net financial position as of 31 December 2021 of €-34,987,000 deteriorated slightly compared to the previous year's figure of €-25,167 (13). This is mainly due to the extraordinary price increase, which raises working capital and thus capital commitment.

Cash flow from operating activities amounts to €11,345,000 in 2021. Cash flow will be positively influenced to a large extent by the strong contribution to earnings and the increase in liabilities. Above all, the exceptional contribution to earnings of €49,176,000,000 means that a positive cash flow from operating activities can be achieved despite the significant increase in inventories and receivables.

The volume of capital expenditure increased significantly in the financial year. While cash flow from investing activities was €-11,497,000 in 2020, it increased to €-17,321,000 in the 2021 financial year. This is attributable to the increase in payments for investments in property, plant and equipment, which rose by €-5,361,000 to €-16,972,000. In addition to the investment in three photovoltaic systems and down payments for the major investment in a profiling system approved in 2021, this was also due to rising expenses in connection with the "WSN 2025" action plan. The plan is to make WSN's aging strip galvanising line fit for the future in the coming years.

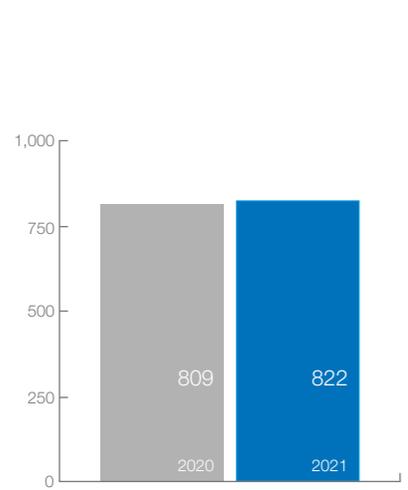
Due to the good creditworthiness development, in 2021 the Wuppermann Group repaid long-term loans in the amount of €-20,500,000 and exercised the call option to repay the quasi-equity financing of the EBRD of €-10,500,000. Both the EBRD Bank loan and the other long-term WH loans were repaid without prepayment penalty in the middle of the year. As a result of the use of the NOW rule in the wake of the coronavirus pandemic last year in the Dutch companies, no dividend could be paid to the minority shareholder Tata in 2021. In 2021, Wuppermann shareholders were paid a dividend of €-3,400,000. In total, the cash flow from financing activities amounted to €-34,850,000, signifi-

cantly higher than the previous year's level of €-5,717,000.

The cash-effective changes in cash and cash equivalents in 2021 of €-40,826,000 were significantly lower compared with the previous year at €1,809,000. In particular, the increase in current liabilities to banks is responsible for this development. The redemption of the long-term loans during the year resulted in a higher utilisation of the current account line.

The Group's financial and liquidity position has improved further in 2021 with a slight increase in debt due to the working capital development described above.

	2021 €'000	2020 €'000
1. Cash flow from operating activities	11,345	19,023
2. Cash flow from investments	-17,321	-11,497
3. Cash flow from financing activities	-34,850	-5,717
Net change in cash and cash equivalents (subtotal 1 - 3)	-40,826	1,809
Changes in cash and cash equivalents due to exchange rate movements, changes in the scope of consolidation, and changes in valuation	0	0
Cash and cash equivalents at the beginning of the period	7,333	5,524
Cash and cash equivalents at the end of the period	-33,487	7,333
4. Composition of cash and cash equivalents		
Cash and cash equivalents	2,266	8,295
Financial receivable from affiliated companies from cash pool	-993	-959
Current account liabilities to banks	-34,760	-3
Cash and cash equivalents at the end of the period	-33,487	7,333
Loan commitments	-1,500	-22,000
Other financing	0	-10,500
Net financial position	-34,987	-25,167

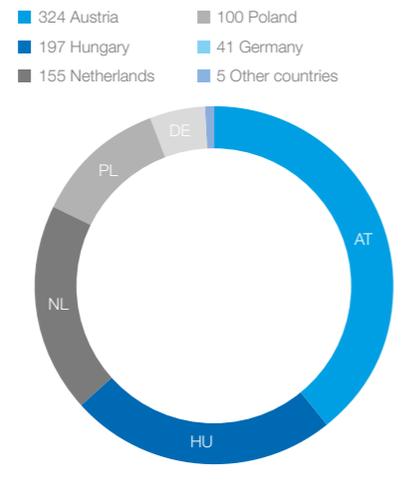


14 EMPLOYEES

2.3 Personnel

As of 31 December 2021, the Wuppermann Group employed 822 active and inactive employees (incl. trainees and executive bodies). The average number for the year was 819 (14). The average number of employees for the year is thus at a comparable level to last year (previous year: 817). The number of temporary employees increased from 65 to 87 on average over the year. This increase is primarily attributable to the rise in sales in WMT's systems engineering business and higher logistics expenses in the flat companies. All companies are aiming to take on temporary workers if employment levels are expected to continue to rise. WMT was able to hire 15 employees into permanent positions in 2021.

Of the 822 employees, 41 were employed in Germany, 155 in the Netherlands, 197 in Hungary, 100 in Poland, 324 in Austria and 5 in the rest of the world (15).

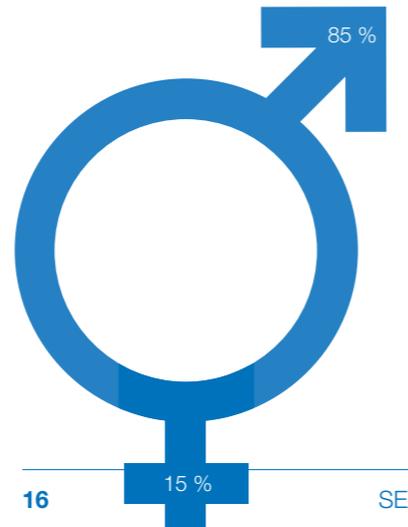


15 EMPLOYEES PER COUNTRY

The proportion of women in the Wuppermann Group in 2021 was unchanged at 15% (16). It is still difficult to recruit female employees, particularly in the production companies and in the technical areas, as the proportion of female applicants is very low. The situation is different in the service area. There, the proportion of female employees is stable at 50%.

After 2020 was dominated in HR by the challenges of the coronavirus pandemic, the subject of coronavirus stayed with us in 2021, especially at the beginning and end of the year. During the year, as a result of decreasing incidence levels and increasing vaccination rates, the workforce was able to return to the offices from teleworking, accompanied by appropriate hygiene measures. With the start of the fourth wave at the beginning of November, we reintroduced protective measures in the production environment as well as remote working. Due to last year's experience, this changeover went smoothly.

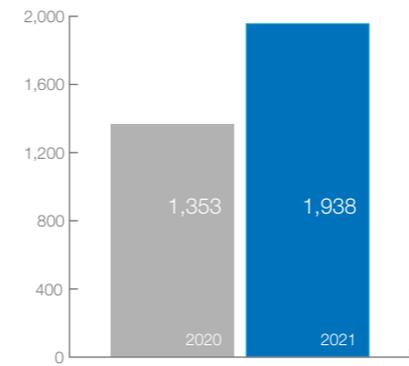
In addition to protecting employees in the wake of the coronavirus pandemic, it is of utmost importance to us to further increase the occupational



16 SEX

safety of our employees at all Wuppermann Group sites. By means of the key figures Near Misses, Medical First Aid (MEV), and Lost Time Injury (LTI), progress in this area is presented transparently.

The development of the accident frequency rate (LTI = number of accidents with lost time (1 day or more) per 1 million hours worked) is encouraging. It decreased to 5 in 2021 (previous year: 12), the lowest value in recent years. The number of accidents fell accordingly from 16 to 7. In the past financial year, the focus of accidents was again in the Tube business unit. The Flat business unit only had to record an accident in November 2021 at WH's logistics company, WHLS. Until then, the two large flat mills had been accident-free for more than 365 days over the course of the year. The number of MEV (medical first aid) has developed just as positively as the LTI rate. While there were 66 reports in 2020, the number dropped to 55 in 2021. The high level of awareness with regard to occupational safety is also reflected in the higher number of reported near misses. These are largely responsible for identifying and eliminating potential accident sites or hazards in advance.



17 NEAR MISSES

After 1,353 reports in 2020, 1,938 reports were recorded in 2021 (17). In addition, the Group invested €670,000 in occupational safety at the plants during the year.

2.4 Sustainability/Climate protection

As an energy-intensive company, the topic of sustainability is of high strategic importance for the Wuppermann Group. That is why we want to be a pioneer in CO₂ neutrality and are setting ambitious and concrete targets in climate protection: By 2025, the production of galvanised steel strip will be CO₂ neutral. In addition, the focus also lies on recycling and energy efficiency.

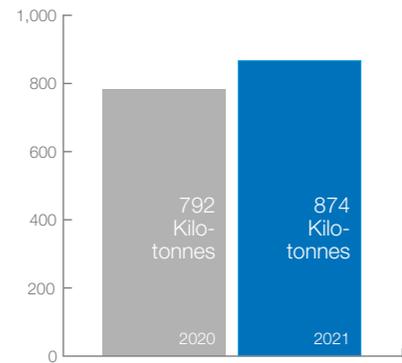
Wuppermann already commissioned an investigation of the environmental impact of the "heat-to-coat strip galvanising process" of the Wuppermann Group and the conventional cold strip galvanising process of our competitors in 2020 and a comparison of the two processes. The study was conducted by the Fraunhofer Institute for Environmental, Safety and Energy Technology. It has been demonstrated

that our process emits 31% less CO₂ than the standard galvanising process on the market, based on our largest production site in the Netherlands. At the Judenburg site in Austria, CO₂ emissions are as much as 43% lower. This demonstrates an advantage of the Wuppermann process wherever the application areas for galvanised hot strip and galvanised cold strip overlap. Per kg of galvanised strip steel, we save 57 g of CO₂ at the Moerdijk site and 78 g of CO₂ at the Judenburg site compared with the reference process. If this saving is extrapolated to the output volume of the two sites, we realise a CO₂ saving of around 40,000 tonnes per year.

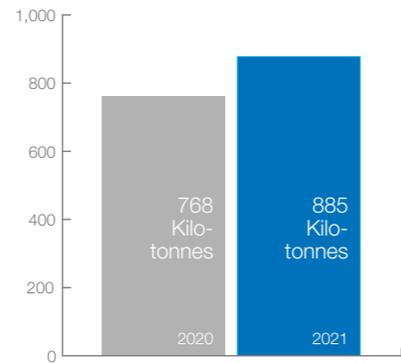
The fact that our heat-to-coat process is more environmentally friendly is essentially due to the process design. In contrast to the standard strip galvanising process, we do not use fossil fuels to heat the furnace, but only electricity. In addition, our maximum process temperature is significantly lower than the standard process, as we can avoid annealing at 750°C and only heat up to about 450°C galvanising temperature.

The environmental friendliness of the process is therefore largely determined by the CO₂ balance of the electricity used. Therefore, this is where the main leverage for reducing the CO₂ footprint can be found. Consequently, to achieve our ambitious goal, we are gradually converting our electricity mix to purchases from renewable sources. The first measures have already been implemented. For example, since the beginning of 2021, the production sites in Austria have been sourcing green electricity exclusively from hydropower. The Dutch site in Moerdijk will switch completely to electricity from wind power from 1 January 2022. This will significantly increase the CO₂ advantage over European competitors. In parallel, the company is investing in

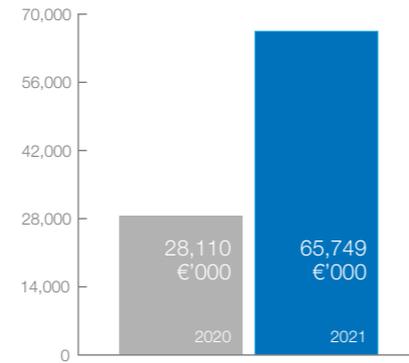
its own power generation. Wuppermann has installed photovoltaic systems with a total capacity of three megawatts at three locations in 2021. This corresponds to the electricity consumption of more than 1,700 households.



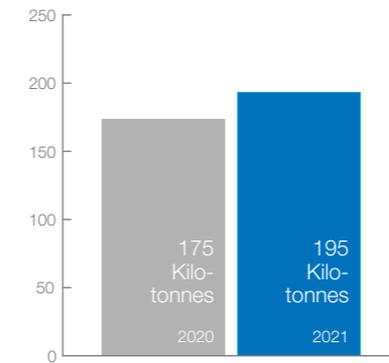
18 INCOMING ORDERS FLAT



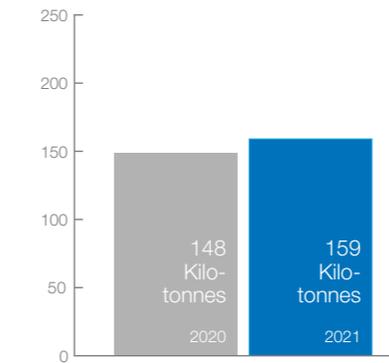
19 SALES FLAT



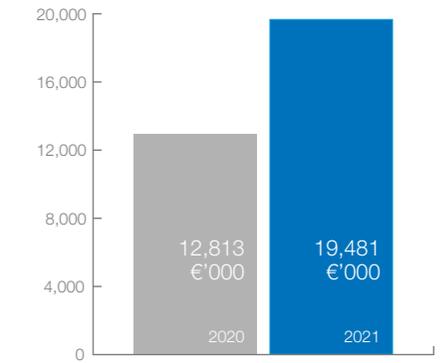
20 EBITDA FLAT



21 INCOMING ORDERS TUBE



22 SALES TUBE



23 EBITDA TUBE

2.5 Economic development of the individual business units

Flat business unit

Having already shown a clear recovery in the fourth quarter of 2020, 2021 also got off to a very promising start. At the beginning of the year, the high catch-up effect set in on the market side, resulting in sharply rising prices amid tight supply. From a MEPS quotation HRC low Germany of €560/tonne in December 2020, the value rose to €870/tonne by April 2021, then reaching its annual high of €1,150/tonne over the summer months of July and August. The price had thus more than doubled during this period. At the end of 2021, the quotation then fell slightly again and in December recorded a value of 930 €/tonne.

In line with this market environment, the business unit's order intake also developed positively. The order intake of the business unit of 874 kt (**18**) was 10% higher than the previous year's figure. While only WH recorded growth in order intake in 2020, it increased in both companies in 2021. Due to the fact that capacities were not yet fully utilised, at 23%, WH achieved significantly higher growth than its sister company WSN of 5%. A further

improvement in process and quality levels, and thus the expanded production portfolio as well as the positive market environment, contributed to the increase in order intake at WH.

On the basis of the increased order intake, the business unit's sales volumes also rose by 15% to 885 kt (**19**). The target of increasing sales to 836 kt was thus exceeded.

In the very good market environment, it was possible to increase not only volumes but also contribution margins. On the one hand, significantly higher sales margins were achieved in the short-term spot business in particular. On the other hand, the MEPS delta between galvanised hot-rolled strip (HDG) and the starting material (HRC) for the entire year showed an average value of €150/tonne compared to the previous year's value of 105 €/tonne. This was also reflected in correspondingly higher sales margins in the regular customer business.

The resulting EBITDA of the business unit in the reporting year in the amount of €65,749,000 (**20**) was thus above the previous year's figure and also above plan.

In 2020, WSN's results were still heavily influenced by the impact of the coronavirus crisis. In the current reporting year, no more state support benefits had to be claimed. With a 7% increase in sales volumes combined with higher contribution margins, the company was able to make a significantly higher contribution to Group earnings.

For the first time since its establishment, WH was able to close the year with a positive company result. Similar to WSN, this development was driven by higher sales volumes and significantly increased contribution margins. This was possible due to the good market environment, but product quality, as measured by the 1A ratio of the production facilities, also improved further.

Both companies also realised further savings this year in the Wuppermann Stark improvement program.

WS - as the central purchasing and sales company for the companies of the Flat business unit - was able to close good deals for the production companies on both the purchasing and sales sides. The biggest challenge for WS was securing the supply of materials to the production companies.

After carrying out a major investment, one of the Group's major suppliers had major problems with the commissioning of the plant and thus generated high delivery backlogs for several months. It was not until the final quarter of the year that the situation eased and inventories at the production companies returned to a normal level. In addition, the available transport capacity became increasingly scarce in the second half of the year. A lack of loading space capacity due to a shortage of truck drivers in the face of rising demand for transport led to higher prices and increased internal expenditure to safeguard customer supplies.

Tube business unit

Rising starting material prices affected the Tube business unit in equal measure. In the first half of 2021, prices for welded tubes therefore also rose continuously. For the three Tube sites in WA, WMT and WPL, this meant ensuring high capacity utilisation in a seller-friendly market while maintaining high sales margins. The WA and WMT in particular were able to achieve this goal. WPL, with its strong dependence on the construction industry and the price-sensitive market in Poland, was unable to benefit from the positive

market environment to the extent expected.

The business unit's order intake could be increased from 175 kt to 195 kt (**21**) in 2021. In addition, WMT's Systems Engineering division was able to repeat the high order intake of the previous year of €19,046,000 to €27,699,000. For WMT, this means a doubling of the order intake over the last four years.

Sales volumes also increased in the past financial year. Whereas in the previous year, sales of 148 kt were achieved, this was further increased to 159 kt (**22**) in 2021. WA in particular was able to contribute to this with a volume growth of 5 kt, with WA Flat sales down by 2 kt and tube volumes up by 7 kt.

The units EBITDA improved significantly to €19,481,000 in 2021 (**23**). The main positive factors were the increase in demand and the upward trend in sales margins. WMT in particular contributed to this with an increase in earnings of 66%. WMT's earnings are divided into contributions to earnings from the Tube business unit and systems technology activities. The Tube unit benefited above-average from the positive market environment,

which is why we expect this to be a one-time effect on earnings. By contrast, we attribute the increase in sales and earnings in the Systems Engineering business to a sustained expansion of business.

WA increased its earnings contributions in both the flat and tube segments. While the tube result was mainly driven by an increase in sales volumes, a higher contribution margin level was achieved in the flat products business. WPL, as the smallest company in the tube sector, was unable to sell the high starting material prices to customers with corresponding sales margins, so that the earnings level could not be improved.

3. Forecast, opportunity and risk report

3.1 Opportunity and risk report

Risk management at Wuppermann comprises all measures for the systematic identification, analysis, assessment, monitoring, and control of opportunities and risks. Due to its integration into the controlling processes it is an integral part of value-

based management in the Group.

Active opportunity and risk management serve both to secure the company's long-term existence and to increase its value and thus represent a key success factor for the Wuppermann Group.

The standardised opportunity and risk management process is documented in a Group-wide manual. This ensures that the management board and Supervisory Board are informed in a timely and structured manner about the Group's current opportunity and risk situation. The organisational anchoring in the Corporate Controlling department enables opportunity and risk management to be actively integrated into the planning and reporting process.

In the 2021 financial year, the Management Board again reported to the Supervisory Board at each meeting on the respective status of the opportunities and risks facing the Wuppermann Group. Despite the comprehensive analysis, however, the occurrence of risks cannot be systematically ruled out, nor can the realisation of opportunities be systematically ensured. Rather, the goal is the ongoing, transparent, and controlled management of opportunities and risks. We are therefore continuously developing the Wuppermann Group's risk management system.

Opportunity Report:

At Wuppermann, we view possible positive deviations from the forecast or a target due to future events or developments as opportunities. Accordingly, opportunity management comprises the systematic handling of these opportunities and potentials in the Group. Due to the linking of the planning and reporting processes in controlling with the strategy processes,

opportunity management is an important component of operational and strategic corporate management.

The strategic realignment started in 2020 as part of the strategy process, with a stronger focus on the respective activities in the Flat and Tube business units, offers us the opportunity to create organisational framework conditions to influence and improve the performance of each business in a more targeted way.

By consistently "back to back hedging" of sales volumes through appropriate material procurement, the Wuppermann Group was able to take advantage of opportunities arising in a market environment of continuously rising market prices in 2021. WS sales were able to realise exceptionally high sales margins on the basis of agreed binding supplier quotas and conditions when selling.

The continuous development and implementation of digital solutions offer a wide range of opportunities, which the Wuppermann Group uses to drive forward the digital transformation. In 2021, for example, the core process "order processing" was analysed as part of the WSmart project that was launched and, with external support, presented in a "target vision". By standardising and fully managing this process in SAP, we are aiming for higher productivity in the administrative area, greater customer loyalty, higher delivery reliability, shorter delivery times, and more transparency about order status.

The transformation to climate neutrality progressed further in 2021 and opens up good opportunities for us. Strong customer interest in climate-friendly steel products is also further driven by steelmakers' efforts to produce "green steel". We want to help shape this

market development accordingly with our goal of climate-neutral production by 2025.

In addition, opportunities arise from the implementation of measures by the companies that are defined and adopted in the annual planning cycle. At this point we could mention the further development of the product quality of the zinc magnesium coating of the company WH as well as a further expansion of the cost saving program Wuppermann Stark towards a continuous improvement program, which also takes into account improvements in productivity and quality.

Targeted investment in the technical capabilities of our production sites will create further opportunities. In 2021, an investment by WA in a profiling line with automatic packaging line of €13,000,000 at the Judenburg site was positively decided. It is to be installed in 2022 and start producing in 2023 in order to be able to accompany the growing demand from the photovoltaic industry and to open up new business units and sales markets for WA.

Risk Report:

At Wuppermann, we generally understand risks to mean threatening events or developments with a negative impact on our ability to achieve our corporate goals. Risk management at Wuppermann comprises all measures that ensure a systematic and transparent approach to risks. Integration into the Group's planning and reporting process is an important component of a functioning risk management system. In addition, the organisational anchoring of risk management in controlling offers an integrated and holistic design.

With its structured process, the

Wuppermann Group's risk management system helps to ensure that there are still no risks that could jeopardise the company's continued existence. Compared with the previous year, the overall risk situation resulting from the analysis and assessment of individual risks has improved.

In addition to regular reporting by the Management Board to the Supervisory Board, in which a strong focus is placed on risks that could jeopardise the company as a going concern, the topic of risk management was included at quarterly intervals in 2021 as a fixed component of the results discussions with the executives of the Wuppermann Group. The risk inventory integrated as part of the planning process covers the entire three-year planning horizon. At this point, we also consider macroeconomic risks and other external influences that have a more economic character.

The risk assessment of identified risks is carried out on a Group-wide basis in accordance with central requirements. We assess our risks on the basis of forecast probabilities of occurrence and loss amounts. A probability of occurrence of less than 25% corresponds to a classification as "unlikely", between 26% and 50% corresponds to a classification as "possible", between 51% and 75% corresponds to a classification as "probable", and from a probability of occurrence of more than 75% the assessment is "very probable". Secondly, we assess the risks in terms of potential economic impact using the scales "low" (< €250,000), "medium" (€250,000 - €1,000,000), "high" (€1,000,000 - €5,000,000) and "very high" (> €5,000,000).

The risk assessment always follows the net method. Effective, realised measures are taken into account in the

monetary valuation and reduce the "gross value" of the risk without measures accordingly.

We try to prevent the negative effects of risks at Wuppermann by living a functioning risk management system and providing appropriate early warning indicators. We do not enter into any transactions that violate our risk policy principles.

Risks are transferred if the financial risk can be transferred by taking out insurance. As a central service provider, Wuppermann AG transferred risks to insurers throughout the Group in the reporting year. In line with the Group's risk-bearing capacity, we agree appropriate deductibles for the individual insurance policies.

We have bundled the risks relevant to the Wuppermann Group into various categories:

// Risks from external conditions (environment/events/legal/compliance)

// Financial risks/Administration/Personnel

// Operational risks (sales/SCM/production)

Risks from external framework conditions

If there is a lack of positive stimulus from the global economy and in particular from the markets that are important for Wuppermann, there are economic risks for the Group. We continuously monitor changes in country-specific conditions in order to be able to initiate risk minimisation measures at an early stage if necessary.

The outlook for global economic growth continues to be characterised by major uncertainties. The further

course of the coronavirus pandemic, new virus mutations, and the development of vaccination rates are unpredictable, so such developments may strongly influence our business activities.

In addition, many geopolitical challenges also exist. Increasing protectionism, trade policy conflicts, and the escalation of global crisis hot spots show that there are currently many imponderables.

Supply bottlenecks, raw material shortages and rising prices, as we have seen in many industries in 2021, may also lead to slower growth.

With the start of the war in Ukraine and the resulting sanctions against Russia, this risk has materialised. As this war may have a very high and far-reaching impact on the economic development of the Wuppermann Group, explicit reference is made to this in the forecast report for 2022.

Financial risks/Administration/Personnel

One of the central tasks of Wuppermann AG is to coordinate and ensure the financial requirements within the Group. To ensure solvency at all times, we maintain appropriate liquid funds on the basis of rolling monthly liquidity planning. Within the framework of cash pooling, funds are passed on to the companies as required. To this end, we optimise Group financing and limit financial risks.

As of 31 December 2021, cash and cash equivalents amounted to €2,266,000, freely available and unused credit lines to €25,241,000, and free factoring volume to €30,388,000. The Group's net financial liability amounted to €-34,987,000.

In the middle of the year, the syndicated financing of €60,000,000 was extended by two years. In addition, factoring is still available up to €40,000,000. In the current year, the long-term loans of WH of €20,500,000 was repaid and the EBRD's investment in WH, reported as a loan at Group level, of €10,500,000 was also repaid.

The occurrence of financial risks is unlikely and these risks have a medium impact.

Default risk:

In order to prevent default risks in the supply and service business, accounts receivable are continuously monitored by the Group companies. In addition, trade credit insurance is taken out.

The occurrence of this risk is possible with a lower impact.

Financing risks:

The Group uses derivatives to secure favourable financing. Interest rate hedges amounting to €1,500,000 are currently in place. The hedges are concluded synchronously with the underlying transaction.

To reduce the existing exchange rate risk from transactions not concluded in euros, forward exchange contracts are concluded by the subsidiary WS for each order. As of 31 December 2021, there were no forward exchange contracts.

As part of the syndicated financing concluded in 2019 and extended in 2021, agreements have been concluded with banks stipulating that the ratio of financial liabilities to EBITDA in the consolidated financial statements will not exceed 325% at the respective balance sheet date. As of 31 December 2021, the gearing ratio was less than 100% and thus well below this limit.

We control the risk of not meeting certain financial ratios by means of active liquidity management.

The formation of valuation units in accordance with section 254 of the HGB does not result in any negative effects from the financial instruments in the Group.

There is a risk that subsidies for the plant in Hungary will have to be repaid if the agreed employment figure is not met. The minimum number of employees is 173 at the Győr site. This agreement is valid until 2023. As of 31 December 2021, a total of 197 people were employed at the site. If staffing levels fall short, only a pro rata repayment of the subsidy would be required.

Overall, we assess the occurrence of financing risks as unlikely with low impact.

Personnel risks:

To achieve sustainable economic success, Wuppermann needs committed and highly qualified employees in all companies. The main risks here are not finding top performers for vacant positions or losing competent job holders. Temporary staff shortages may also occur due to the pandemic. Protecting the health of employees is a top priority. We are trying to counter the pandemic risks with clear hygiene specifications, the option of working from home, the strict separation of production shifts, and other measures.

Our positioning as an attractive employer must be strengthened. Considered measures are in the area of in-company training and in the timely identification of further development opportunities within the Group. A particular challenge in the coming years will be covering the

personnel requirements for skilled workers arising from the planned investments and also creating a contingency plan for the age-related departure of experienced employees, top performers, and managers early on.

The focus on the topic of occupational safety by means of the top key figure LTI rate is intensively supported by the reporting and evaluation of near misses and accidents with medical first aid. The accident pyramid, which sets the severity and frequency of occupational accidents in relation to each other, creates the necessary transparency to continuously and sustainably increase occupational safety through targeted measures.

The occurrence of personnel risks is unlikely with medium impact.

Information Security Risks:

Information security risks are becoming increasingly important in the Group. Wuppermann's IT-supported business processes are exposed to various information security risks. Ongoing digitisation and the associated further IT integration of business processes require that the resulting risks be further minimised.

Risks exist with regard to unauthorised access to sensitive electronic corporate data and with regard to the lack of system availability as a result of disruptions and disasters. The number of attacks on IT infrastructure continues to increase. We counter the risk of unauthorised access to company data by using firewall systems and other measures as part of the ERDIS (Enhanced Information Security) program. In addition, security is enhanced by restrictively assigning access authorisations to systems and information and by maintaining backup versions of critical data assets.

The number of attacks on our IT infrastructure continues to increase. Protecting production against unauthorised access, sabotage, espionage, and blackmail has the highest priority.

WBS has therefore concluded a multi-year agreement with external specialists in 2021. The services provided by the "Cyber Defence Centre" include the following

// ongoing monitoring of all IT systems of the Wuppermann Group,

// systematic identification and removal of security gaps, and

// emergency support.

The further sensitisation of our employees in dealing with IT risks and also the handling of business-relevant information has also become a particular focus. We are trying to reach our employees and further increase information security with internal awareness training and intensified communication on the subject of IT risks. Since the end of 2021, we have therefore been using an e-learning program on information security throughout the Group.

We will make investments in the Wuppermann ERDIS program in 2021 and 2022 amounting to €643,000 to increase information security. We also have insurance to protect against the consequences of "cybercrime".

The probability of occurrence of risks with regard to information security is classified as probable with medium impact.

Operational risks

Sales risks:

The economic risks described in the section "General economic risks" may restrict our activities and thus lead to sales risks. In addition to economic risks, availability of material remains a key issue. Furthermore, the availability of transport space can also lead to problems in shipping logistics. In addition, the further impact of the coronavirus pandemic may lead to additional sales risks.

The operational planning for 2022 envisages a slight increase in the sales figures for our services and products. The further growth of WH, particularly in the Eastern European market, and the placement of increasing zinc-magnesium volumes in the market are the main challenges here. The basis for this development should be our stable and long-standing customer relationships and the high level of technical expertise of the Wuppermann companies.

The probability of occurrence of sales risks is possible with high impact.

Procurement risks:

In order to manufacture our high-quality products, we need input materials, but also energy and freight capacity. Purchase prices can fluctuate significantly depending on the market situation. The risk from strongly fluctuating purchase prices must be passed on to the customer as far as possible by adjusting sales prices accordingly. Suppliers may also fail, thus jeopardising the optimal supply of our production and thus our customers.

Measures to reduce the procurement risk for the Group include the establishment of alternative suppliers in order to reduce dependence on

individual suppliers. The WSmart project, with a focus on digitising the order fulfilment process while creating more transparency, will give us faster ways to act.

Current challenges are reflected in particular in the risk of sharply rising energy prices and the shortage of freight capacities. We are countering rising energy prices by investing in our own energy generation and structured procurement via corresponding forward transactions. We were able to counter this risk last year by introducing a cloud-based platform for transport procurement and management with access to the world's largest network of shippers and carriers.

The probability of occurrence of procurement risks is possible with high impact.

Production risks:

Property damage and business disruptions as well as risks from unexpected output and quality problems can occur at any time. In addition to costs for damage repair, there is above all the risk of business disruption, which can lead to prolonged production downtimes. With preventive maintenance and the further qualification of our employees as well as a stock of spare parts, we try to keep the risk at the lowest possible level. WSN has initiated the "WSN 2025" investment program with the aim of making the aging plant fit for the future. Appropriate insurance policies have been taken out for all production companies to minimise financial losses in the event of an emergency.

The further development of coronavirus will have to be observed. Now that the hygiene concepts of the companies have worked in 2020 and 2021, even with rising infection rates, and production interruptions in the form of

shift cancellations or plant closures have been prevented, we believe we are set up well.

The probability of occurrence of production risks is possible with medium impact.

Environmental risks:

In our manufacturing companies, there is a risk of air and water pollution. The Group companies are also subject to various governmental requirements and laws in the respective countries in environmental matters. To minimise the risk, we continuously invest in the maintenance and refurbishment of our plants. We therefore assume that the obligations possibly arising from environmental risks will not have a material impact on the financial position or consolidated earnings. Sufficient insurance policies have also been taken out for all companies.

The occurrence of environmental risks is classified as unlikely with a low impact.

Risks of the Flat business unit

The prices of many commodities have risen sharply in 2021. This is due to a variety of bottlenecks. This resulted in a steel boom, which led to a significant increase in sales volumes and sales margins for the Flat products business unit in the past year. A slowdown in the economy due to the coronavirus pandemic, government intervention in the market in the form of protective tariffs or trade restrictions, or bottlenecks in the supply chain of steel producers could lead to distortions.

For the Flat business unit, there is therefore a risk of not achieving its sales and thus earnings targets due to fluctuating demand. Wuppermann counters these risks by concentrating on demanding market segments with

lower volatility and maintaining long-term customer and supplier relationships.

In the event of a deterioration in the overall economic situation, the risk from customer insolvencies also increases. Efforts are being made to minimise the risk of bad debts through intensive monitoring and the conclusion of trade credit insurance policies.

On the procurement side, risks arise from strongly fluctuating starting material prices and the unavailability of the right materials at the desired time. We attempt to mitigate the price risk by structuring our customer contracts accordingly and stipulating that sales volumes be hedged "back-to-back". Greater attention will need to be paid to the availability of transportation in 2022 in order to address the shortage of capacity accordingly. Major challenges arise from sharply rising energy prices for our energy-intensive production in the Flat business unit. In addition, our focus lies on shifting toward climate neutrality. In doing so, we rely on sufficient renewable electricity available at competitive prices.

Continuous optimisation of our supply chain activities gives us more room for manoeuvre to meet our customers' needs in the best possible way. We are also making targeted investments to continuously increase the supply of electricity from our own generation.

Market uncertainties on the sales and procurement side, as well as risks to earnings and margins, are therefore among the main risks to the economic development of the Flat business unit.

The probability of occurrence of risks in the Flat business unit is assessed as

possible with a high impact on earnings from the risks.

Risks of the Tube business unit

We continue to assess the development of the core markets of the Tube business unit as more stable compared to the Flat business unit. 2021 was also characterised by volume growth and higher sales margins. A stabilisation of demand at the high level we have also assumed in the 2022 plan represents a risk. We are attempting to counter this by opening up new areas of business and further merging the activities of the Tube business unit.

Due to the close integration of the two business units on the procurement side, the risks of the Flat business unit can be applied to the Tube business unit in a similar way. The Tube business unit can positively influence the supply situation by means of forward-looking warehousing and sensible supplements via spot purchasing transactions. In 2021, despite the supply disruptions to the Flat business unit, supply to the Tube business unit was ensured at all times. WH was able to make a significant contribution to the supply of pickled slit strip to the tube mills.

The focus on demanding market segments begun in the Tube business unit in recent years, the continuous further development of production processes, and the cultivation of long-term customer relationships are to be seen as key to growth. The major investment in WA adopted in 2021 offers the opportunity to generate additional sales in new segments and thus achieve rising earnings. However, the investment also comes with risks: Starting with employee recruitment, to risks in the start-up phase of the new production line, to customer acquisition

and thus the successful realisation of the assumed profitability of the investment.

Due to the good payment behaviour of our customers, we see a relatively low risk of non-payment in the Tube business unit. In addition, this is covered by trade credit insurance.

The probability of occurrence of risks in the Tube business unit is classified as possible with a high impact on earnings.

Liability risks from the sale of the Systems Engineering business unit:

As part of the sale of the Systems Engineering companies in 2017, standard market guarantees and compensation arrangements were agreed with the buyer. The latter also include customary coverages and statutes of limitations. Wuppermann has subjected every issued guarantee to careful review with the involvement of all key knowledge bearers. No warranty claim was filed by the new owner in 2021.

Overall, the risk of a claim by the buyer against Wuppermann under the purchase agreement is classified as unlikely with a low impact.

3.2 Forecast report

For the 2022 financial year, we have assumed a normalisation of market demand as part of our planning. However, uncertainties exist with regard to the development of the economic environment of our businesses due to, among other things:

// the war in Ukraine and the resulting sanctions against Russia,

// the future course of the coronavirus pandemic,

// the availability of input materials, in particular hot-rolled strip as the main input material for our products and

// the price volatility and level of input material prices.

The overall positive outlook for 2022 may be clouded by the factors mentioned. It can be assumed that, due to the aforementioned uncertainties, deviations from the plan are also to be expected in 2022. Reliable planning, especially for our cyclical businesses, is not always possible.

The high level of earnings in 2021 cannot be carried over to the 2022 financial year. The steel boom we experienced in 2021 cannot be continued. We are attempting to counter the planned decline in margins with sales growth in order to improve our earnings in structural terms. One focus will be to continue to drive forward the positive development of WH's operating indicators in 2021 in 2022. The high quality standard achieved in the meantime as well as the further development of the zinc-magnesium coating are to be seen as the basis here.

The Wuppermann Group's sales volume is expected to increase to 1,134 kt compared to 2021 in the uncertain market environment. Planned EBITDA for 2022 is below the level of 2021, due in particular to the exceptionally positive market environment. We are planning an EBITDA for 2022 of €41,960,000.

After the disbursements for investments in 2021 of €16,972,000 increased significantly over the previous year, we are planning a further increase for 2022. Capital expenditures for the 2022 financial year are planned

at €16,198,000. In addition, the major investment by WA released in 2021 will lead to further outflows and increase the planned cash outflow for investments to €28,596,000, which is thus above the planned level of depreciation and amortisation for the companies of €17,293,000.

After 2021 was characterised by very high price increases, which led to an increase in net financial debt at the end of the year despite the exceptionally high earnings, we are planning for a slight reduction in debt in 2022. This reduction in debt is based on the assumption of falling material prices in the second half of 2022. Free cash flow for 2022 is expected to be €52,228,000 based on the assumed decline in prices.

Following the outbreak of war in Ukraine, the economic impact on the Wuppermann Group is not yet foreseeable at present. The planning does not include, among other things, effects on the Wuppermann Group's customer and supplier relationships in Ukraine and Russia. In addition, it can be assumed that the procurement of starting materials, energy, and transport capacities will become significantly more expensive. As a result, the Wuppermann Group's planned earnings may be significantly negatively impacted and financing requirements may increase. Other global economic consequences of this war are also not included in the planning.

Leverkusen, 18 March 2022 Wuppermann AG, Management Board

John Nonn

Dr. Arndt Laßmann

ANNUAL FINANCIAL STATEMENTS GROUP

Profit and loss statement

IN €'000	2021	2020
1. Revenues	925,214	537,846
2. Decrease/increase in inventories of finished goods and work in progress	37,527	-7,865
3. Other activated net performance	81	48
4. Other operating income	2,691	6,368
	965,513	536,397
5. Cost of materials		
a) Cost of raw materials, consumables and supplies, and purchased goods	-761,638	-395,669
b) Cost of purchased services	-26,901	-17,122
	-788,539	-412,791
6. Personnel expenses		
a) Wages and salaries	-43,080	-38,678
b) Social security contributions and expenses for pensions and other benefits	-9,783	-9,337
(thereof for pensions: €1,365,000; previous year: €1,293,000)		
	-52,862	-48,015
7. Depreciations on intangible fixed assets of property, plant and equipment	-15,915	-14,989
8. Other operating expenses	-45,916	-39,585
9. Income from investments	195	210
10. Other interest and similar income	8	13
(thereof for pensions: €0; previous year: €0)		
11. Interest and similar expenses	-517	-857
(thereof from accrued interest: €317,000; previous year: €341,000)		
(thereof in affiliated companies: €0; previous year: €1,000)		
12. Taxes from income and from earnings	-12,790	-4,849
(thereof expense from the change in recognised deferred taxes: €4,265,000; previous year income: €516,000)		
13. Consolidated net income	49,176	15,534
14. Share of net income attributable to non-controlling interests	-5,185	-2,119
15. Share of net income attributable to Wuppermann Group	43,991	13,415
16. Profit carried forward from the previous year	113,578	105,530
17. Withdrawal/allocation from/to other profit reserves	13,914	-1,541
18. Consolidated balance sheet profit	171,483	116,978

Consolidated balance sheet

ASSETS IN €'000	31.12.2021	31.12.2020
A. FIXED ASSETS		
I. Intangible assets		
1. Concessions, industrial property rights, and similar rights and assets as well as licences to such rights and assets acquired for consideration	744	581
2. Goodwill	9,359	10,746
	10,103	11,327
II. Property, plant, and equipment		
1. Land, land rights, and buildings, including buildings on third-party land	56,780	58,366
2. Technical equipment and machinery	79,729	80,745
3. Other equipment, factory, and office equipment	9,143	9,855
4. Advance payments and assets under construction	8,066	2,473
	153,718	151,439
III. Financial assets		
1. Shares in affiliated companies	32	32
2. Shares in associated companies	2,331	2,331
	2,363	2,363
	166,184	165,129
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials and supplies	87,407	40,981
2. Work in progress, unfinished services	14,847	8,227
3. Finished products and goods	56,220	25,305
	158,474	74,513
II. Receivables and other assets		
1. Trade receivables	87,964	42,339
2. Receivables from affiliated companies	1	0
3. Other assets	19,490	28,290
	107,455	70,629
III. Cash on hand and bank balances	2,266	8,295
	268,195	153,437
C. PREPAID EXPENSES	354	424
	434,733	318,990

LIABILITIES IN €'000	31.12.2021	31.12.2020
A. EQUITY		
I. Subscribed capital	21,285	21,285
II. Capital reserve	269	269
III. Retained earnings	32,365	46,279
IV. Consolidated retained earnings	171,483	116,978
V. Equity difference from currency translation	-718	-657
VI. Non-controlling interests	21,119	15,934
	245,803	200,088
B. SPECIAL ITEM FOR INVESTMENT GRANTS AND ADDITIONS TO FIXED ASSETS	8,013	8,494
C. PROVISIONS		
1. Provisions for pensions and similar obligations	13,640	13,170
2. Tax provisions	6,285	2,990
3. Other accrued liabilities	15,734	11,584
	35,659	27,744
D. LIABILITIES		
1. Liabilities to banks	36,260	22,002
2. Advance payments received on orders	1,901	0
3. Trade accounts payable	91,777	40,224
4. Liabilities to affiliated companies	993	959
5. Liabilities from financing	0	10,500
6. Other liabilities (of which from taxes: €6,103,000; previous year: €4,120,000) (of which for social security: €920,000; previous year: €889,000)	9,933	8,843
	140,864	82,528
E. PREPAID EXPENSES	29	38
F. DEFERRED TAX LIABILITIES	4,365	98
	434,733	318,990

Development of the Group fixed assets 2021

IN €'000	Acquisition and production costs						Accumulated depreciation					Carrying amounts		
	01.01.2021	Acquisitions	Transfers	Disposals	Exchange rate differences	31.12.2021	01.01.2021	Adaptation of carry-forward values	Acquisitions	Disposals	Exchange rate differences	31.12.2021	31.12.2021	31.12.2020
I. Intangible assets														
1. Concessions, industrial property rights and similar rights and assets acquired against payment, as well as licenses to such rights and assets	6,847	313	142	27	-22	7,253	6,266	-2	294	27	-22	6,509	744	581
2. Goodwill	15,105	0	0	0	0	15,105	4,360	0	1,387	0	0	5,746	9,359	10,746
	21,952	313	142	27	-22	22,359	10,626	-2	1,681	27	-22	12,256	10,103	11,327
II. Property, plant, and equipment														
1. Land, land rights, and buildings, including buildings on third-party land	97,896	1,188	311	0	-15	99,380	39,530	329	2,751	0	-10	42,600	56,780	58,366
2. Technical equipment and machinery	205,826	6,161	1,464	0	-50	213,401	125,081	-139	8,764	0	-34	133,672	79,729	80,745
3. Other equipment, factory, and office equipment	33,248	1,974	137	885	-4	34,470	23,393	4	2,720	786	-3	25,328	9,143	9,855
4. Advance payments and assets under construction	2,473	7,648	-2,054	0	-1	8,066	0	0	0	0	0	0	8,066	2,473
	339,443	16,972	-142	885	-70	355,317	188,004	195	14,235	786	-47	201,600	153,718	151,439
III. Financial assets														
1. Shares in affiliated companies	32	0	0	0	0	32	0	0	0	0	0	0	32	32
2. Shares in associated companies	2,732	0	0	0	0	2,732	401	0	0	0	0	401	2,331	2,331
	2,764	0	0	0	0	2,764	401	0	0	0	0	401	2,363	2,363
	364,159	17,284	0	912	-91	380,440	199,031	193	15,915	813	-69	214,257	166,184	165,129

Consolidated Statement of Changes in Equity

IN €'000	Equity of Wuppermann AG													Non-controlling interests			Group equity	
	Subscribed capital			Reserves							Equity difference from currency translation	Profit carried forward	Consolidated net income attributable to the parent company	Total	Non-controlling interests before currency translation differences and net income for the year	Profit for the year attributable to non-controlling interests	Total	Total
	Subscribed capital	Own shares	Total	capital reserve		Total	legal reserve	other Retained earnings	Total	Total								
				Article 272 para. 2 No. 1-3 HGB	Article 272 para. 2 No. 4 HGB													
31.12.2020	21,285	0	21,285	0	269	269	1,859	44,420	46,279	46,548	-657	103,564	13,414	184,154	13,814	2,120	15,934	200,088
1. Consolidated net income			0			0			0	0			43,991	43,991		5,185	5,185	49,176
2. Withdrawal of treasury stock			0			0			0	0				0			0	0
3. Distribution to shareholders			0			0			0	0		-3,400		-3,400			0	-3,400
Reclassification of the remaining consolidated net income for the previous year			0			0			0	0		13,414	-13,414	0	0	0	0	0
4. Change in other retained earnings			0			0		-13,914	-13,914	-13,914		13,914		0			0	0
5. Currency conversion			0			0			0	0	-61			-61			0	-61
As of 31 December 2021	21,285	0	21,285	0	269	269	1,859	30,506	32,365	32,634	-718	127,492	43,991	224,684	13,814	7,305	21,119	245,803

Net financial positions

IN €'000	2021	2020
1. Cash flow from operating activities	11,345	19,023
2. Cash flow from investments	-17,321	-11,497
3. Cash flow from financing activities	-34,850	-5,717
Changes in cash and cash equivalents (Subtotal 1 - 3)	-40,826	1,809
Exchange rate, consolidation group, and valuation-related changes in cash and cash equivalents	0	0
Cash and cash equivalents at the beginning of the period	7,333	5,524
Cash and cash equivalents at the end of the period	-33,487	7,333
4. Composition of cash and cash equivalents		
Cash and cash equivalents	2,266	8,295
Financial receivable from affiliated companies from cash pool	-993	-959
Current account liabilities to banks	-34,760	-3
Cash and cash equivalents at the end of the period	-33,487	7,333
Loan commitments	-1,500	-22,000
Other financing	0	-10,500
Net financial position	-34,987	-25,167

Consolidated Cash Flow Statement

IN €'000	2021	Previous year	Change	
Current business activity				
1.	Net profit/loss for the period (consolidated net profit/loss including non-controlling interests)	+49,176	+15,534	+33,642
+/-	2. Depreciation/write-ups of fixed assets	+15,915	+14,999	+916
+/-	3. Increase/decrease in provisions	+4,620	+1,149	+3,471
+/-	4. Other non-cash expenses/income	-61	-46	-15
-/+	5. Increase/decrease in inventories, trade receivables, and other assets not attributable to investing or financing activities	-121,201	-20,736	-100,465
+/-	6. Increase/decrease in trade accounts payable and other liabilities not attributable to investing or financing activities	+54,534	+5,000	+49,534
-/+	7. Gain/loss on disposal of non-current assets	+84	-40	+124
+/-	8. Interest expense/interest income	+509	+844	-335
-	9. Other income from investments	-195	-210	+15
+/-	10. Income tax expense/income	+12,790	+4,849	+7,941
-/+	11. Income tax payments	-4,827	-2,320	-2,507
=	12. Cash flow from operating activities	+11,345	+19,023	-7,678
Investment activities				
	13. Proceeds from disposals of intangible assets	0		0
-	14. Payments for investments in intangible assets	-313	-160	-153
+	15. Proceeds from disposals of property, plant, and equipment	-21	+261	-282
-	16. Payments made for investments in property, plant, and equipment	-16,972	-11,611	-5,361
-	17. Cash outflows due to cash investments as part of short-term financial planning	-1	0	-1
+	18. Interest received	+8	+13	-5
+/-	19. Currency differences fixed assets	-22	0	-22
=	20. Cash flow from investments	-17,321	-11,497	-5,824
Financing activities				
-	21. Cash outflows from the redemption of bonds and (financial) loans	-31,000	-3,083	-27,917
+/-	22. Payments received/made from/to company owners and minority shareholders	-3,400	-2,425	-975
+	23. Proceeds from received grants/ subsidies	+615	+307	+308
-	24. Disbursements in connection with expenses of exceptional magnitude or exceptional significance	-548	0	-548
-	25. Interest paid	-517	-516	-1
=	26. Cash flow from financing activities	-34,850	-5,717	-29,133
Cash-effective changes in cash and cash equivalents				
	27. Cash and cash equivalents at the beginning of the period	+7,333	+5,524	+1,809
	28. Exchange rate and valuation-related changes in cash and cash equivalents	+6	0	+6
	29. Changes in the scope of consolidation	0	0	0
Cash and cash equivalents at the end of the period				
		-33,487	+7,333	-40,820

CONSOLIDATED ANNEX AS OF 31 DECEMBER 2021

General notes

Wuppermann AG has its registered office in Leverkusen and is entered in the Commercial Register at Cologne Local Court (HRB 49708).

These consolidated financial statements have been prepared in accordance with German commercial law, the German Stock Corporation Act (AktG), and the supplementary provisions of the Articles of Association.

The income statement has been prepared using the nature of expense method.

The consolidated financial statements consist of the consolidated balance sheet, the consolidated income statement, the notes to the consolidated financial statements, the consolidated cash flow statement, the consolidated statement of changes in equity and the group management report.

The consolidated financial statements are prepared on the assumption that the company will continue as a going concern.

In order to present the financing situation, the balance sheet has been supplemented by the item "Liabilities from financing".

In the financial year, the liability was repaid down to zero.

Scope of consolidation and reporting date

Wuppermann AG, as the head of the Group, prepares the consolidated financial statements for both the smallest and the largest sets of consolidated companies.

There were no changes to the companies included in the consolidated financial statements in the 2021 financial year.

The following companies are included in the consolidated financial statements as of 31 December 2021:

Share of capital (direct and indirect) %	
Wuppermann Austria GmbH , Judenburg/AT	100
Wuppermann Austria Holding GmbH , Altmünster/AT	100
Wuppermann Beteiligungsgesellschaft mbH , Leverkusen/DE	100
Wuppermann Business Services GmbH , Altmünster/AT	100
Wuppermann Engineering GmbH , Judenburg/AT	100
Wuppermann France SAS , Rueil Mamaison /FR	100
Wuppermann Hungary Kft. , Gönyű/HU	100
Wuppermann Hungary Logistics Services Kft. , Gönyű/HU	100
Wuppermann Industrie B.V. , Moerdijk/NL	100
Wuppermann Metalltechnik GmbH , Altmünster/AT	100
Wuppermann Polska sp. z o.o. , Małomice/PL	100
Wuppermann Staal Nederland B.V. , Moerdijk/NL	70
Wuppermann Staba GmbH , Leverkusen/DE	100
Wuppermann Stahl GmbH , Leverkusen/DE	100
Wuppermann Technologies C.V. , Moerdijk/NL	100
Wuppermann Tube and Steel AB , Askim/SE	100
Nederland Logistic Services B.V. , Moerdijk/NL	100

The balance sheet date of all companies included in the consolidated financial statements is 31 December 2021.

As in the previous year, the associated company Galva Metal A.Ş., Kocaeli, TR (Galva) (35.0%), is not included in the consolidated financial statements using the equity method due to its minor importance. As of 31 December 2021, the equity is €3,590,000; the net result for 2021 is €1,783,000.

The company Wuppermann Otel România S.R.L., Bucharest, RO, (WOR) (share: 100% in the previous year 99.97%) is not included in the consolidated financial statements - as in previous years - because its sales only amount to €148,000. As of 31 December 2021, equity amounts to €1,050,000; the net result for 2021 is €82,000.

Accounting and valuation principles

The financial statements of the companies incorporated in the Wuppermann AG consolidated financial statements have been drawn up in line with uniform accounting and valuation principles.

The realisation and imparity principles were observed; assets were valued at no more than acquisition or production cost.

Intangible assets and property, plant, and equipment

Intangible assets, as well as property, plant, and equipment and financial assets are valued at acquisition or production cost, taking into account depreciation and amortisation. Depreciation is calculated using the straight-line method. Depreciation is

charged over the expected useful life in accordance with standard industry or official depreciation tables. Low-value assets with acquisition costs of up to €800.00 and hardware and software are written off in full in the year of acquisition in accordance with tax regulations. Differences on the assets side from consolidation transactions after 31 December 2009 are capitalised and depreciated over a period of 10 years as a result of our experience on the product life cycle and duration of the industry.

The depreciation periods in the Wuppermann Group are as follows:

Intangible assets (excluding goodwill)	3-4 years
Goodwill	10 years
Land, land rights and buildings including buildings on third-party land	33 years
Technical equipment and machinery	10-20 years
Other equipment, factory and office equipment	3-10 years

Financial assets

Financial assets are evaluated at acquisition cost. Depreciations are made at the lower fair value if the value reduction is permanent. Interest-free loans are recognised at their present value.

Current assets

Inventories are measured at the lower of cost and net realisable value at the balance sheet date. In addition to direct costs, the cost of finished goods and work in progress also includes an appropriate share of the necessary material and production overheads as well as production-related depreciation. The valuation corresponds to the capitalised production costs. Interest on borrowings and selling expenses are not capitalised. Raw materials and supplies are valued using the moving average price method, taking into account the lower of cost or market principle. Valuation adjustments are made for inventory risks resulting from increased storage periods or reduced usability, as well as for loss-free valuation.

Receivables and other assets are posted at notional values minus the value discounts for individual risks and for the general credit risk.

Receivables that have been legally assigned to a factor and for which the factoring company has assumed the default risk are not listed in the balance sheet.

Cash and cash equivalents

Cash and cash equivalents are carried at nominal value.

Prepaid expenses

Prepaid expenses are used to allocate expenses on an accrual basis. In accordance with Article 250 para. 1 HGB, expenditures prior to the balance sheet date that represent expenses for a certain period after that date are deferred as prepaid expenses.

Deferred taxes

As in the previous year, only overhangs of deferred tax liabilities on time-limited and taxable differences between the valuations of assets and debts are posted in the trade balance and the tax balance.

Deferred tax assets arise mainly from differences in the value of provisions. A large proportion of the taxes on the liabilities side relate to the valuation of inventories.

Special item for investment grants and subsidies for fixed assets

Investment grants are not deducted from assets, but posted on the liabilities side. The special item is reversed over the term of the assets concerned.

Pension provisions

Liabilities from pension pledges are determined according to the projected unit credit method. Future salary and pension adjustments are taken into account. The valuation of pension provisions is based on the 2018 G mortality tables by Klaus Heubeck. The remuneration adjustment was set at 0.00%, the pension dynamic at 1.75% and other dynamics at 1%. No

fluctuation is taken into account. The discount rate used to calculate the obligation cost is 1.87% (10-year average). The interest rate used to determine the distribution-restricted difference in accordance with Article 253 para. 6 HGB is 1.35% (7-year average).

The obligations arising from the severance payment scheme in Austria are also calculated using the projected unit credit method based on the 2018 G mortality tables by Klaus Heubeck and an interest rate of 1.90% (10-year average). A salary dynamic of 2.5% is taken into account here.

Interest effects are reported in net interest income.

In accordance with Article 246 para. 2 sentence 2 HGB, claims under reinsurance policies are offset against the settlement amount of the pension obligations in the amount of the fair value. The fair value of the actuarial reserve of the reinsurance policies corresponds to the acquisition cost. These reinsurance policies are assigned to the respective beneficiaries so that they are not accessible to all their creditors and may only be used to settle the debts.

Other accrued liabilities

Other provisions are recognised at the settlement amount deemed necessary in accordance with prudent business judgement. Other provisions with a remaining term of more than one year are discounted at the average interest rate of the past seven years corresponding to their remaining term, taking into account price and cost increases.

Depending on the length of service, Wuppermann makes anniversary payments. The obligation was generally determined using the 2018 G mortality tables by Klaus Heubeck and an interest rate of 1.87% (10-year average). The end date of employment was assumed to be age 65 for both women and men. A fluctuation discount of five years, a salary dynamic of 2.5% and a social security rate of around 20% were taken into account.

Liabilities

Liabilities are recognised at the settlement amounts.

Accrual and deferral items

Deferred income is used to accrue income on an accrual basis. In accordance with Article 250 para. 2 HGB, income prior to the balance sheet date that represents income for a certain period after that date is deferred as prepaid income.

Revenues

Revenues from the sale, rental or leasing of products and from the provision of services are reported after deduction of sales deductions and value-added tax.

Revenue is recognised when the service has been rendered or when the price risk has passed to the debtor of the cash consideration.

Currency conversion

Balance sheets prepared in foreign currencies are translated at closing rates. All balance sheet items of the consolidated foreign Group companies, with the exception of shareholders' equity (excluding net income), which is translated at historical rates, were translated into euros using the respective average spot exchange rate at the balance sheet date. Differences arising from the translation of equity due to changes in exchange rates compared with the previous year have been treated as equity differences from currency translation with no effect on profit or loss.

Expenses and income were translated at the average exchange rates for the year. The annual results of the translated profit and loss statements were transferred to the balance sheets and the differences to the closing rate translation were treated as equity differences from currency translation without affecting profit or loss.

The main exchange rates relate to:

		31.12.2021		31.12.2020	
		Exchange rate cut-off date	D-rate	Exchange rate cut-off date	D-rate
Country	Currency	for €1	for €1	for €1	for €1
Poland	PLN	4.5969	4.5720	4.5597	4.4680
Sweden	SEK	10.2502	10.1562	10.0343	10.4815

Consolidation principles

For acquisitions up to 31 December 2009, capital consolidation is performed using the book value method (Article para.1 sentence 2 No. 1 HGB old version) by offsetting the book values of the shares against the equity of the consolidated subsidiaries attributable to the Group at the time of initial consolidation.

For acquisitions after 31 December 2009, capital consolidation is performed using the purchase method, whereby all net assets are measured at fair value as part of the initial consolidation (revaluation method).

Any difference remaining after offsetting is shown in the consolidated balance sheet as goodwill if it arises on the assets side and under the item "Difference arising from capital consolidation" after equity if it arises on the liabilities side.

To the extent that further shares in a subsidiary are acquired (increase) or disposed of (decrease) after control has been obtained without losing the status as a subsidiary, these transactions are considered to be acquisitions or disposals.

All receivables, accruals, liabilities, and deferred income between the companies included in the consolidated financial statements are offset against each other. Elimination also includes the omission of the related notes on assets and liabilities in the consolidated balance sheet or notes to the consolidated financial statements, as well as other disclosures in the notes to the consolidated financial statements.

Currency translation differences arising from the translation of foreign financial statements and from the consolidation of investments and liabilities are recognised directly in equity and included in the item equity difference from currency translation.

All profits and losses from intercompany transactions are eliminated, as is income from investments in consolidated companies. Intercompany sales and other intercompany income are offset against the expenses attributable to them.

Notes to the consolidated balance sheet

Fixed assets

Intangible assets and property, plant and equipment

Changes in the individual fixed asset items, including depreciation and amortisation for the financial year, are presented in the asset analysis, which forms part of the notes to the consolidated financial statements and is attached as an appendix to these notes. In the current financial year, the carryforward values of accumulated depreciation were adjusted due to consolidation measures.

Financial assets

The Company holds equity interests in companies in which the shareholding serves to establish a permanent connection.

Changes in the individual items of financial assets, including depreciation and amortisation for the financial year, are presented in the statement of changes in non-current assets, which forms part of the notes to the consolidated financial statements and is attached as an appendix to these notes.

Current assets

Inventories

Accumulated write-downs of inventories amount to €6,535,000.

Receivables and other assets

Impairment losses of €79,000 were recognised for individual risks and €0 for the general credit risk.

IN €'000	31.12.2021	31.12.2020
Trade receivables	87,965	42,339
thereof with a remaining term of more than one year		
of which against affiliated companies	1	0
Other assets	19,490	28,290
thereof with a remaining term of more than one year	4,153	3,820
	107,455	70,629

Since June 2018, receivables have been sold without recourse. In agreement with the bank, receivables with a value of €9,612,000 were sold in the financial year.

Other assets include claims from reinsurance policies that cannot be offset of €4,142,000 (previous year: €3,808,000) and from taxes of €9,920,000 (previous year: €2,431,000)

Deferred taxes

Deferred tax liabilities are mainly attributable to taxable differences in the value of property, plant, and equipment and differences in the value of inventories. Deferred tax assets offset mainly result from different valuations within pension provisions and other provisions.

The items according to Article 306 HGB were merged with the items according to Article 274 HGB.

Deferred tax assets and liabilities are netted.

The tax rates used for the valuation vary between 9% and 26%.

As of 31 December 2020, deferred tax assets of €1,056,000 and deferred tax liabilities of €1,154,000 were netted. In the 2021 financial year, the amount of deferred tax assets increased by €327,000 to €1,383,000. Deferred tax liabilities increased by €4,594,000 to €5,748,000, resulting in a net deferred tax liability of €4,365,000 as of 31 December.

Equity

The share capital of Wuppermann AG is divided into 4,250,000 (€21,285,000) no-par value shares (notional value €5,00823).

The subscribed capital of €21,285,000 reported in the consolidated balance sheet (previous year: €21,285,000 after offsetting against treasury stock), the capital reserve of €269,000 (previous year: €269,000) and retained earnings of €32,365,000 (previous year: €46,279,000) are consistent with the disclosure in the separate financial statements of the AG.

An amount of €13,914,000 was withdrawn from other retained earnings.

The equity generated amounts to €32,365,000 (retained earnings) and €171,484,000 (consolidated retained earnings) (previous year: €116,978,000). With regard to the development of equity, reference is made to the consolidated statement of changes in equity.

Special item for investment grants and subsidies for fixed assets

The investment grants (government grants) of €8,013,000 (previous year: €8,494,000) are not deducted from the acquisition costs of the corresponding assets on the assets side of the balance sheets of four (previous year: two) subsidiaries, but are shown separately on the liabilities side. The grants are released pro rata in accordance with the respective useful lives.

Pension provisions

The difference between the valuation using the 10-year average interest rate and the valuation using the 7-year average interest rate in accordance with Article 253 para. HGB amounts to €197,000 as of 31 December 2021 (previous year: €349,000).

In accordance with Article 246 para. 2 sentence 2 HGB, claims from reinsurance policies amounting to €356,000 (fair value) were offset against the settlement amount of the pension obligations in the same amount.

Non-offsettable asset values from reinsurance policies are recognised in an amount of €4,142,000 (previous year: €3,808,000) under other assets.

Tax provisions

The expense for the current assessment year is reported. The obligations arising from the assessments issued are reported under liabilities.

Other accrued liabilities

In the financial year, other provisions mainly relate to obligations from performance-related remuneration, bonuses and commissions of €8,173,000 (€1,352,000), provisions for outstanding invoices of €2,091,000, and provisions for company anniversaries of €1,718,000. In addition, provisions of €846,000 are recognised for annual leave not taken and €425,000 for overtime.

Liabilities

The remaining terms of the Group's liabilities are shown in detail in the following schedule of liabilities. (see table below).

As in the previous year, liabilities to affiliated companies relate to financing.

Wuppermann AG entered into a syndicated loan agreement with a consortium of banks on 28 June 2019. This agreement includes a credit line of up to €60 million and has a term until 27 June 2022.

On 5 July 2021, the term of the contract was extended by two years.

A further credit line of €10.5 million relates to a repayment loan from DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, dated 19 August 2014. This loan is valued at €1.5 million as of 31 December 2021. Wuppermann Stahl GmbH has assigned a claim to this loan.

STATEMENT OF CHANGES IN LIABILITIES IN €'000	Remaining term			Total	
	up to 1 year	more than 1 year	thereof over 5 years	31.12.2021	31.12.2020
Liabilities to banks	36,260	0	0	36,260	22,002
(previous year)	10,002	12,000	0	0	0
Trade accounts payable	91,777	0	0	91,777	40,224
(previous year)	40,224	0	0	0	0
Liabilities to affiliated companies	993	0	0	993	959
(previous year)	959	0	0	0	0
Liabilities from financing	0	0	0	0	10,500
(previous year)	0	10,500	0	0	0
Liabilities from advance payments received	1,901	0	0	1,901	0
(previous year)	0	0	0	0	0
Other liabilities	9,933	0	0	9,933	8,843
(previous year)	8,843	0	0	0	0
	140,864	0	0	140,864	82,528
	60,028	22,500	0	0	0

Contingent liabilities

According to the following list, Wuppermann AG and Wuppermann Industrie B.V. have assumed various payment guarantees in favour of suppliers of the subsidiaries, banks, and a public authority (see table below):

Due to the solid earnings and liquidity situation in the Wuppermann Group, the risk of utilisation is considered to be low.

As part of the sale of the Systems Engineering business unit in 2017, standard market warranties and indemnification provisions were agreed with the purchaser. The latter also include customary coverages and statutes of limitations. Wuppermann has subjected every warranty given to careful review with the involvement of all key sources of knowledge, so that the risk of buyers making a claim against Wuppermann under the purchase agreement is considered to be low.

Other financial commitments

The Group has other financial obligations from rental and lease agreements for the coming years of €2,119,000 (previous year: €432,000) to third parties.

The financial obligations to third parties arising from investment projects already started and the purchase of raw materials are within the normal scope of business.

Derivative financial instruments

Wuppermann counters risks from exchange rate fluctuations and interest rate changes by entering into derivative financial instruments. The hedges are in each case carried out within the framework of micro-hedges. The derivative financial instruments are combined with the hedged underlying transaction to form valuation units in accordance with Article 254 HGB. The valuation units are recognised in the balance sheet using the net hedge presentation method.

The effectiveness of the valuation unit is ensured both prospectively and retrospectively by the Wuppermann Group's risk management ("critical terms match method"). With regard to the effectiveness of hedging relationships, we draw attention to the fundamental matching of volumes and maturities of underlying transactions and hedging instruments. The valuation units formed taking into account the hedging transactions are updated monthly.

The fair values of forward exchange contracts are calculated on the basis of the closing rate at the hedging rate. The fair values of interest rate swaps are determined by discounting the expected future cash flows over the remaining term of the contract on the basis of current market interest rates and the yield curve or on the basis of quoted prices. The market values are based in each case on internal calculations or bank valuations.

No forward exchange contracts were concluded in the 2021 financial year.

In order to hedge against rising long-term interest rates, interest rate swaps with a nominal value of €1,500,000 were in place as of the reporting date. The agreements are aligned with loan repayments and expire on 30 June 2022.

The fair value amounts to €-5,000 as of the reporting date.

Transactions not included in the balance sheet

Wuppermann Stahl GmbH has been forfeiting with Commerzfactoring GmbH, Mainz/DE since 22 June 2018, and additionally factoring with Raiffeisenlandesbank Oberösterreich AG, Linz/A since 15 July 2019. The purpose of the sale is to generate cash more quickly. No risks arise from the transaction.

As of 31 December 2021, receivables of €9,612,000 have been sold.

Notes to the profit and loss statement

The breakdown of sales revenue is as follows:

Revenues Group	2021 €'000	2020 €'000
by business units		
Flat	700,871	389,914
Tube	224,277	147,804
Service	66	128
	925,214	537,846
by region		
Germany	264,629	150,408
Other EU countries	610,830	354,721
Other	49,755	32,717
	925,214	537,846

Since the current year, a delivery-related breakdown of sales has been made according to the location of customers. Previously, sales were broken down by the location of the selling company.

Contingent liabilities						
Guarantor	by order/ in favour	Aval - Heading	Customer/supplier	Expiry date	Guarantee amount as of 12/31/2021 in €'000	Utilisation as of 31.12.2021 in €'000
WAG	WPL	Payment guarantee	US Steel, Kosice, Slovakia	30.12.2022	8,000	3,684
WAG	WH	Payment guarantee	Voestalpine Steel Ltd	31.03.2022	22,000	6,070
WAG	WA/WSN/WH	Payment guarantee	Trafigura PTE	30.04.2022	2,500	2,500
WAG	WH	Payment guarantee	Valtec Italia SRL	30.06.2022	700	0
WAG	WH	Payment guarantee	Glencore Intern. INC	31.08.2022	1,000	0
WAG	WS	Down payment guarantee (customer)	Voit Automotive GmbH	30.12.2022	100	49
WAG	WPL	Payment guarantee	Liberty Commercial PL SP.Z.o.o.	30.11.2022	1,000	
Bank Cobra	WS	Guarantee - financing	Commerzfactoring GmbH	Unlimited	1,000	
					36,300	12,303
					THUF	THUF
WI	WH	Guarantee	Hungarian Ministry for Foreign Affairs and Trade	30.09.2022	2,930,460	0

WAG - Wuppermann AG
 WA - Wuppermann Austria GmbH
 WI - Wuppermann Industrie B.V.
 WH - Wuppermann Hungary Kft.
 WPL - Wuppermann Polska sp. z o.o.
 WS - Wuppermann Steel GmbH
 WSN - Wuppermann Staal Nederland B.V.

Extraordinary income and expenses and income and expenses from currency effects
Other operating income includes extraordinary income from subsidies amounting to €615,000 (previous year: €2,064,000). There is income from exchange rate differences amounting to €681,000 (previous year: €459,000).

Exchange rate losses amounting to €586,000 (previous year: €751,000) are recognised as expenditures.

Income and expenses relating to other periods

Income relating to other periods includes the reversal of other provisions of €712,000.

Interest and similar expenses and income

The expenses include the interest portion of the addition to pension provisions of €317,000, which was netted with the income from plan assets of €106,000.

Income from investments

IN €'000	31.12.2021	31.12.2020
Income from investments	195	210
of which against affiliated companies	89	210
	195	210

Other information

Transactions with related parties

No legal transactions were concluded with related parties at conditions not in line with the market during the financial year.

Cash flow statement

IN €'000	2021	2020
Cash and cash equivalents	2,266	8,295
Financial liabilities to affiliated companies from cash pooling	-993	-959
Current liabilities to banks	-34,760	-3
Cash and cash equivalents at the end of the period	-33,487	7,333

Cash and cash equivalents comprise cash and cash equivalents less liabilities to banks due at any time and other short-term borrowings that are part of the disposition of cash and cash equivalents.

Cash and cash equivalents break down as follows (see table above).

Exemption provision of Article 264 para. 3 HGB

Wuppermann Stahl GmbH, Wuppermann Beteiligungsgesellschaft mbH and Wuppermann Staba GmbH (all located in Leverkusen), which are each included in the consolidated financial statements of Wuppermann AG, make use of the exemption provision pursuant to Article 264 para. 3 HGB.

Management Board

The following gentlemen were appointed members of the management board of the Group parent company Wuppermann AG:

Johannes Nonn, Engineer, Königswinter/Germany, Member of the Management Board, Spokesman of the Management Board of Wuppermann AG, Areas of responsibility: Sales, Purchasing, Supply Chain Management, Human Resources and Social Affairs, Public Relations, Business Development, Production Flat and Tube, as well as for Research and Development.

Dr. Arndt Laßmann, Businessman, Düsseldorf/Germany, Member of the Management Board of Wuppermann AG, areas of responsibility: Controlling/Finance and Accounting, IT, Law.

Total remuneration of the Management Board

A disclosure is not made with reference to Article 314 para. 3 sentence 2 in conjunction with Article 286 para. 4 HGB.

Supervisory Board

The Annual General Meeting elected the following people to the Supervisory Board of Wuppermann AG until the end of the Annual General Meeting that resolves on the formal approval of the actions of the Supervisory Board for the 2025 financial year:

1. Dr. C. L. Theodor Wuppermann, Chairman of the Supervisory Board, businessman, resident in St. Augustin.
2. Dr. Silke Landwehrmann, Vice Chairwoman, Managing Director of Aufam Asset Management GmbH, resident in Düsseldorf.
3. Mr. Jan Philipp Wuppermann, MBA, Managing Partner of BÜFA Beteiligungen GmbH, resident in Berlin.

Furthermore, the Annual General Meeting elected the following people to the Supervisory Board of Wuppermann AG until the end of the Annual General Meeting that resolves on the formal approval of the actions of the Supervisory Board for the financial year 2023:

4. Dipl.-Volksw. Peter Bosbach, self-employed consultant, resident in Herdorf.
5. Mr. Bernd Wehling, industrial clerk, resident in Altmünster, Austria.
6. Drs. Max Wuppermann, M.A.-businessman, resident in Odenthal.

Dr.-Ing Gustav Theodor Wuppermann, Leverkusen, is Honorary Chairman of the Supervisory Board. (deceased 20.01.2022)

Total remuneration of the Supervisory Board

The remuneration of the Supervisory Board of Wuppermann AG amounted to €188,000.

Total remuneration of former managing directors and members of the Management Board of Wuppermann AG

Remuneration for former members of the management and the Management Board of Wuppermann AG and their surviving dependants amounted to €1,495,000.

Pension provisions for former members of management and the Management Board of Wuppermann AG and their surviving dependants amount to €730,000 as of 31 December 2021.

Auditor's fee

The fees of the Group auditor incurred in the financial year amount to EUR 121,000 for services rendered by the domestic auditor in connection with the annual and consolidated financial statements as of 31 December 2021.

Employees

Average number of employees in the Group during the financial year:

Employees	31.12.2021
female employees	120
male employees	667
	787

In addition, an average of twelve apprentices and two executive bodies were employed.

Special events after the end of the financial year

The outbreak of war in Ukraine and further possible sanctions against Russia currently pose risks to the economic development of our Group that cannot be assessed. Thus, an increase in energy and raw material prices can already be seen.

Proposal for the appropriation of profits of the parent company

The financial year 2021 of Wuppermann AG closed with a net profit of €10,057,000. At the time of preparation of the annual financial statements, €13,914,000 was withdrawn from other retained earnings.

The Management Board of Wuppermann AG proposes to distribute a dividend of €4.14 per share from the retained earnings of €23,971,000.

Leverkusen, 18 March 2022

Wuppermann AG

Management Board

John Nonn

Dr. Arndt Laßmann

AUDITOR'S REPORT OF THE INDEPENDENT AUDITOR

To Wuppermann AG, Leverkusen

AUDIT OPINIONS

We have audited the consolidated financial statements of Wuppermann AG, Leverkusen, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January to 31 December 2021, and the notes to the consolidated financial statements, including a description of the accounting policies. We have also audited the Group management report of Wuppermann AG for the financial year from 1 January to 31 December 2021.

In our opinion, based on the findings of our audit,

// the attached consolidated financial statements comply in all material respects with the financial position of the Group as of 31 December 2021, and its financial performance for the financial year from 1 January to 31 December 2021, in accordance with German principles of proper accounting; and

// the accompanying Group management report as a whole provides a fair view of the Group's position. In all material respects, this Group Management Report is consistent with the consolidated financial statements, complies with German legal requirements, and accurately presents the opportunities and risks of future development.

Pursuant to Article 322 para. 3 sentence 1 HGB we declare that our audit did not result in any objections concerning the propriety of the consolidated annual financial report and the consolidated management report.

BASIS FOR THE AUDIT FINDINGS

We conducted our audit of the consolidated financial statements and the group management report in accordance with Article 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under those provisions and standards is further described in the "Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Group Management Report" section of our auditor's report. We are independent of the Group companies in accordance with German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements and the group management report.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The legal representatives are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with German principles of proper accounting and for such internal control as the legal representatives determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Furthermore, the legal representatives are responsible for such internal control as the legal representatives determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for preparing the financial statements on the basis of the going concern principle, unless factual or legal circumstances prevent this.

In addition, the legal representatives are responsible for the preparation of the Group management report, which as a whole provides a suitable view of the Group's position, is consistent in all material respects with the consolidated financial statements, complies with German legal requirements, and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the arrangements and measures (systems) that they have determined are necessary to enable the preparation of a group management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the Group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the Group management report.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Group management report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and the audit findings, complies with German legal requirements, and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the consolidated financial statements and the Group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Article 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) will always detect a material misstatement. Misstatements can arise from violations or inaccuracies and are considered material if they could reasonably be expected, individually or in the aggregate, to influence the economic decisions of users taken on the basis of these consolidated financial statements and the Group management report.

During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore,

// we identify and assess the risks of material misstatement of the consolidated financial statements and the Group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk that material misstatements will not be detected is higher for noncompliance than for inaccuracy because noncompliance may involve fraudulent collusion, forgery, intentional omissions, misleading representations, or override of internal controls.

// we obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and actions relevant to the audit of the Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems.

// we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

// we draw conclusions about the appropriateness of the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the group management report or, if such disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances may result in the Group being unable to continue as a going concern.

// we assess the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in such a way that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with German principles of proper accounting.

// we obtain sufficient appropriate audit evidence regarding the accounting information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the Group management report. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.

// we assess the consistency of the Group management report with the consolidated financial statements, its compliance with the law and the understanding of the Group's position given by it.

// we perform audit procedures on the forward-looking statements made by management in the Group management report. On the basis of sufficient appropriate audit evidence, we in particular verify the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We discuss with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during our audit.

Düsseldorf, 18 March 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Antje Schlotter
Certified Public
Accountant

Reza Bigdeli
Certified Public
Accountant

PUBLISHING DETAILS

Publisher:
Wuppermann AG
Ottostraße 5
D-51381 Leverkusen

Registered office of the company: Leverkusen
Register Court:: Cologne HRB 49708

Management Board:
Johannes Nonn (Spokesman)
Dr. Arndt Laßmann

Chairman of the Supervisory Board:
Dr. C. L. Theodor Wuppermann

Responsible (i. S. d. P.):
Johannes Nonn, Wuppermann AG

Editorial:
Janet Dunkel, Wuppermann AG
Sabine Kuhnert, Wuppermann AG
Kai Marwig, Wuppermann AG

Photos:
Wuppermann AG
iStock (title, 2/3, 8/9, 10/11, 20, 24, 26, 34, 42, 62, 72)
AdobeStock (16/17,18/19, 21, 22/23, 36/37)

Design:
DIGIBOX GmbH, Düsseldorf

Production:
Graphic Workshop Printing and Publishing House Gebrüder
Kopp GmbH & CO.KG, Cologne

To simplify the language, we have used the masculine form in our annual report. All information always refers to people of both sexes, regardless of the wording. Thank you for your understanding.

Do you have any questions or suggestions regarding the annual report? Then write us an e-mail to info@wuppermann.com.



Wuppermann AG

Ottostraße 5

D-51381 Leverkusen

Phone +49 (0) 21 71 50 00 800

Fax +49 (0) 21 71 50 00 802

info@wuppermann.com

www.wuppermann.com