



ANNUAL  
REPORT  
2022

## HIGHEST CORROSION PROTECTION WITH LOWEST CO<sub>2</sub> 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 the innovation leader in strip galvanising and offers the highest corrosion protection with the lowest CO<sub>2</sub> emissions. From 2025 onwards, we aim to achieve CO<sub>2</sub>-neutral production.

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 products are used in a wide range of industries: construction, furniture and the automotive industries, solar and energy technology, as well as in the transport sector.

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.

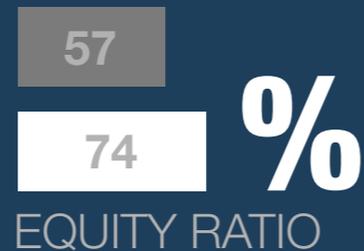
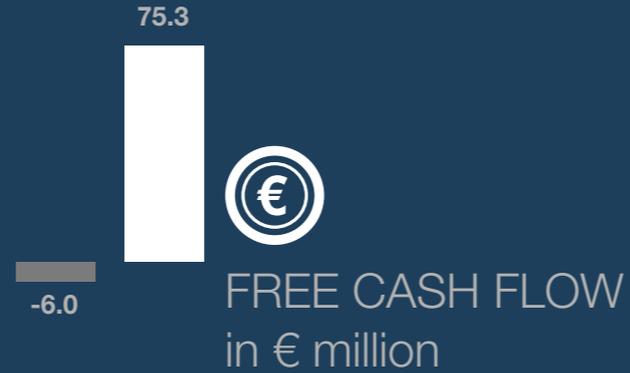
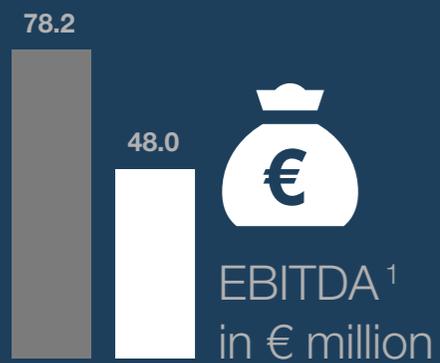
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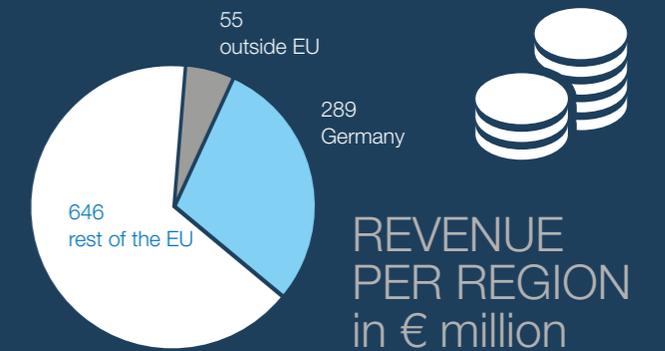
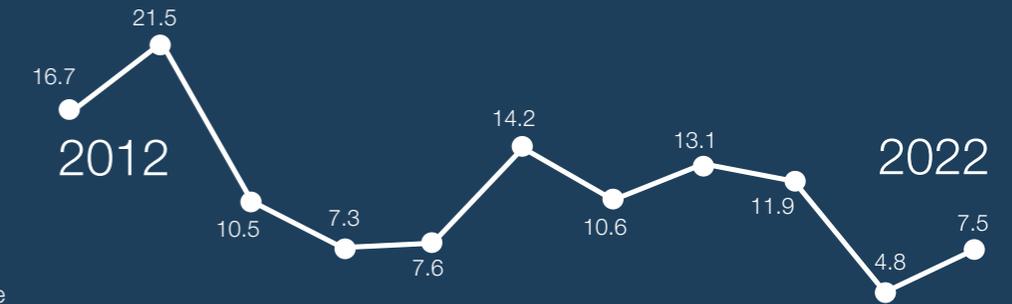
# // WUPPERMANN AT A GLANCE

## 2021 | 2022



### 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  
 2) 1A & declassified, without scrap and intercompany  
 3) Total active & inactive employees (heads) as of 31.12.

# // 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 in particular 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 leading manufacturer of hot-dip galvanised hot-rolled strip in Europe - as the problem solver for the highest corrosion protection requirements on a strip steel basis without CO<sub>2</sub> emissions. In addition, the niche position as a steel tube and profile producer is to be strengthened.



Reduce CO<sub>2</sub>



Avoid CO<sub>2</sub>



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 CO<sub>2</sub> than is usual on the market.

# // FOREWORD BY THE MANAGEMENT BOARD

Dear shareholders, dear friends of the company,

In 2022, our company celebrated its 150th anniversary. Our shareholders - the Wuppermann family - have managed to remain independent owners of the company for over 150 years. It can be proud of that. Today, the Wuppermann Group is in a very sound financial position. With an equity ratio of 74 percent, the Wuppermann Group has no liabilities to banks as of 31 December 2022 and instead has a financial credit balance in the amount of €15.4 million. The anniversary celebration took place with our business partners and shareholders at an evening event with top-class artistes at the Classic Remise Düsseldorf. In addition, our employees at all production sites celebrated this unique company anniversary.

While the first months of 2022 were able to continue the positive development of the record year 2021 in business terms, Russia's war of aggression against Ukraine changed everything. This war in the heart of Europe led to terrible suffering for the population throughout the year. In response, the European Union imposed numerous sanctions against Russia in the spring. This was followed by an energy crisis with high inflation rates and an economic recession. Due to the European Union's high dependence on primary energy imports, the impact is greatest here. At their peak, electricity prices in Europe increased tenfold and producer prices rose by more than 35 percent in 2022. In the course of the year, the euro lost

about 15 per cent against the dollar. The consequences for Europe's global competitiveness remain to be seen, but the decline in consumption already had an impact in the 2022 financial year. Thus, despite the good first half of the year, GDP growth in Germany was only 1.9 per cent. The gross domestic product of the EU-27 increased by 3.3 per cent. The steel industry already recorded a weakening of order intake in the second quarter, which reached its full expression in the middle of the year. The reasons for this were the decline in actual consumption and the reduction of excessive inventories in the steel processing industry. During this phase, i.e. from April to December 2022, prices for unpickled hot-rolled wide strip in Germany fell by more than 50 percent from €1,350 per tonne to €600 per tonne. At the same time, production costs for all energy-dependent industrial enterprises increased due to drastically higher energy prices. Several steel producers shut down blast furnaces or electric furnaces in the second half of the year due to capacity utilisation or costs.

The slump in demand from the middle of the year onwards led to a significant decline in sales in the second half of

the year. For the year as a whole, the group's sales volume of 862 kilotonnes is about 180 kilotonnes below the previous year. The main part of the volume decline is due to the market weakness of galvanised strip steel in the Flat business unit. Thanks to the high margins in the first half of the year, the Wuppermann Group was able to generate a result for the first six months that was significantly above plan. The second half of the year was significantly below plan, resulting in an EBITDA of €48 million for the full year 2022. The net profit for the year after minority interests was €24 million. The positive EBITDA, together with lower prices towards the end of the year and prudent management of inventories, enabled the group to generate a positive cash flow of €75 million, resulting in a financial balance at the end of the year.

Wuppermann Hungary (WH) in Győr was able to make a very positive contribution to the group's result for the second year in a row - despite also declining sales figures. The good production figures and a low accident rate confirm the stable development of the youngest plant in our group. Despite the current difficult economic situation, the strategic goal of further increasing capacity utilisation at the Győr site remains. Accordingly, we continued to invest in the expansion of WH's production capabilities - especially in the further development of the WTopCor (zinc-magnesium coating) product segment - in the past year.



The Supervisory Board and management of the Wuppermann Group have again initiated investments above the level of depreciation. In total, investments amounting to €19.4 million were approved. In this way, Wuppermann secures the future viability of all production sites. Due to a lack of control modules, the commissioning of the new roll forming line at the Judenburg site has been delayed by three months until April 2023. The hall expansion for the area sheet metal processing in Altmünster was implemented as planned. This means that the prerequisites for growth have been realised in this sector, which is benefiting in particular from the special boom in air heat pumps. The modernisation of Tube Production Line 1 in Malomice was also implemented as planned. With the construction of PV systems on the hall roofs in Moerdijk and Malomice, all production sites of the Wuppermann Group will be equipped with PV systems from 2023. The total nominal output of self-generation is then more than 4,000 kWp.

In 2021, the "WSmart" project was initiated to standardise and digitise business processes. The implementation in SAP as well as the staff training could be successfully completed in 2022. From January 2023, the Flat business unit will work according to these new processes. Many sub-processes were also taken over by the Tube business unit.

Around 70 per cent of employees took part in a survey in the second quarter of 2022 and gave their feedback on the areas of engagement, employment relationship, team leadership, empowerment and psychological safety. In addition to predominantly positive results, individual fields for further improvement could also be identified. Corresponding measures have been defined and are already being implemented.

Due to the predicted recession, the coming 2023 financial year holds many challenges. A weak market environment is expected for the first half of the year at least. In this environment, Wuppermann, as an energy-intensive company, must succeed in passing on the high cost of electricity to customers in particular. Therefore, from today's perspective, a significantly lower result than in the past business year is expected. The further course of the war in Ukraine and China's handling of the coronavirus pandemic will be decisive for the economic environment. Supply chains will continue to be under pressure in 2023.

In addition to the strategic focal points for the coming year - the go-live of the WSmart project, the commissioning of the profile plant in Judenburg, the further development of WTopCor at WH and the implementation of our sustainability programme - the focus is shifting to the operational management of the recession. Expenditure, working capital and debt will be monitored and managed particularly closely in 2023.

In view of the earnings and financial situation and taking into account the continuing recession, the Management Board proposes to distribute a dividend of €2.27 per share for the 2022 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 the constructive cooperation in 2022. We would particularly like to thank our dedicated employees throughout Europe, whose commitment, flexibility and entrepreneurial spirit have once again seen Wuppermann through this year with its ups and downs. Together we will also overcome the challenges of the coming recession.

Yours sincerely



Johannes Nonn



Dr. Arndt Laßmann

# // REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

Before you are informed specifically below about the work of the Supervisory Board in the 2022 financial year, we would first like to look back on this very special year - the year of the 150th anniversary of the Wuppermann company. After the record year 2021, the economy and the steel industry got off to a good start in 2022. However, with the attack on Ukraine by Russia, the economic and political framework changed. The massive economic impact occurred with a slight delay in the middle of the year: Sharply rising energy prices, energy supply problems, high inflation rates, rising interest rates and low demand led to significant problems in European industry. The Wuppermann Group was still able to translate the positive environment into exceptionally good results in the first half of the year. Thus, despite the slump in earnings in the second half of the year as a result of the changed framework conditions, the result after taxes for the year as a whole was very good at €24.4 million. In the past year, the Supervisory Board again approved an increase in the investment budget from €16.0 million to €19.4 million. The focus of the additional budget will be on adjustments to the strip galvanising line in Hungary, which will support the zinc-magnesium product development. Other investment priorities for the Wuppermann Group include modernisation and automation at the Moerdijk and Altmünster sites, increasing occupational safety in Malomice and the project investment in the new profiling plant in Judenburg, which has already been underway since 2021.

## 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. There were five ordinary meetings in the 2022 financial year, which were held in person again after the interactive video conferences due to the COVID 19 pandemic in the previous year. 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.

The Board has been dealing with the effects of Russia's war of aggression against Ukraine, the energy crisis, inflation and the decline in demand. Other focal points of the consultancy were the implementation of the strategy, sustainability, IT security, the implementation of investments and WTopCor product development.

The Supervisory Board also discussed the efficiency of its activities, the provision of information and the long-term review of the Supervisory Board's decisions in an internal meeting and assessed them very positively. In addition, a committee of the Supervisory Board received intensive information from employees of the corporate group on the topic of "corporate control systems". The results were presented and discussed in an ordinary Supervisory Board meeting. The corporate control systems are well established at Wuppermann.

The Chairman of the Supervisory Board coordinated the work of the Supervisory Board and maintained regular contact with the Spokesperson of the Management Board between meetings. In addition, he was informed by the Management Board at two jour-fixe meetings about the current situation of the Company and significant events. He 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 group 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 group management report, no objections are raised. The Supervisory Board therefore acknowledged and approved the annual financial statements of Wuppermann AG as of 31 December 2022, 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 group management report for the financial year 2022. The Supervisory Board expressly welcomes the efforts made by the group companies and the auditing firm to accelerate the annual financial statements, which were already available to the Supervisory Board for the past financial year on 16 February 2023.

#### CHANGES IN THE ORGANS

Honorary Chairman Dr.-Ing. Gustav Theodor Wuppermann 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, the preservation and success of the Wuppermann Group was the focus of his actions. We will always remember his personal commitment, helpfulness and dedication, which went far beyond the matter at hand, both for the



employees and for the owning family of the Wuppermann Group.

There were no other changes in the bodies. Members of the Supervisory Board are (in the picture from left to right):

**Bernd Wehling**, industrial clerk, Altmünster, Austria

**Dipl.-Volksw. Peter Bosbach**, Independent consultant, Herdorf

**Dr Silke Landwehrmann** (Deputy Chair), Managing Director of Aufam Asset Management GmbH, Düsseldorf

**Dr C.L. Theodor Wuppermann** (Chairman), Businessman, St. Augustin

**Dipl.-Kfm. Jan Philipp Wuppermann**, Managing Partner of BÜFA Beteiligungen GmbH, Berlin

**drs. Max Wuppermann**, M.A., Businessman, Odenthal

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 2022 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, 23 February 2023

The Supervisory Board

# // REVIEW 2022

## 150 YEARS OF WUPPERMANN

Wuppermann celebrated its 150th anniversary in 2022. 30 June 2022 marked the 150th anniversary of the company's founding. That is why Wuppermann celebrated its anniversary with business partners and shareholders at an evening event with top-class artistes at the Classic Remise in Düsseldorf. In addition, our employees celebrated the company anniversary at all production sites.

## NEW WEBSITE OF THE WUPPERMANN GROUP

Since May 2022, Wuppermann has been presenting itself on the Internet with a new and modern website. The new homepage is available in five languages: In addition to English and German, the site can also be read in Dutch, Hungarian and Polish.

## BEST MANAGED COMPANIES AWARD 2022

Wuppermann is the winner of the Best Managed Companies Award 2022, which is presented by Deloitte Private, Credit Suisse, the Frankfurter Allgemeine Zeitung and the Federation of German Industries (BDI). The Best Managed Companies Award is an internationally established competition and is regarded as a seal of quality for excellently managed companies in the SME sector. The prize was established in Canada in the 1990s and is now awarded in more than 40 countries, including Germany since 2018.

## 4 MILLION PARTS ON THE FLEXIBLE MACHINING CELL

The flexible machining cell from Wuppermann Metalltechnik GmbH delivers a new record number: 2.000,000 pairs - that is 4,000,000 parts - were produced in the robot bending cell by the beginning of August.

## ELECTRICITY FROM SOLAR ENERGY

In 2022, Wuppermann has invested in the construction of several photovoltaic plants at its production sites: The start was made at our plant in Hungary at the beginning of 2022. The plant in Altmünster followed in March and again two months later our site in Judenburg also received electricity via its own PV system. With the construction of PV systems on the hall roofs in Moerdijk and Małomice, all production sites of the Wuppermann Group will be equipped with PV systems from 2023.

## GERMAN AWARD FOR SUSTAINABILITY PROJECTS 2022

Wuppermann is one of the winners of the "German Award for Sustainability Projects 2022" in the category "Production". The prize was awarded in Berlin in June 2022 for the second time by the news channel ntv, the DUP UNTERNEHMER magazine and the German Institute for Service Quality (DISQ). Wuppermann received the award because of its comprehensive sustainability strategy.

## 35 YEARS WA

Wuppermann has been based in Judenburg, Austria, since 1987. Since then, Wuppermann Austria GmbH has been a manufacturer of edge-galvanised narrow strip and has since built up a further product area with hot-dip galvanised tubes and profiles.

## WSN ACCIDENT-FREE FOR OVER TWO YEARS

Wuppermann Staal Nederland B.V. has been accident-free since 17 August 2020. The commitment of the site's employees to the topics of accident awareness and prevention is paying off.

## NEW CENTRE FOR RESEARCH & DEVELOPMENT

Wuppermann ceremoniously opened its new Competence Centre for Research & Development in Győr-Gönyű, Hungary, in November 2022. Among other things, the new R&D competence centre is equipped with a modern scanning electron microscope and a corrosion laboratory.

## NEW LOGISTICS HALL FOR SYSTEMS ENGINEERING

In 2022, a new logistics hall including a truck traffic concept was built for sheet metal production at WMT. With the connection to the national road, the increased shipping volume can be optimally loaded and transported away.

# // 150 YEARS OF WUPPERMANN

It all began in Düsseldorf on 30 June 1872. It was there that Heinrich Theodor Wuppermann founded the Wuppermann company with a single puddling furnace including a "Luppen-schmiede" (bar-iron forge). As early as 1879, the company founder moved to Leverkusen, where the company is still headquartered today. The company group celebrated its eventful 150-year history with various campaigns and events. The highlight was the evening event on 30 June 2022 at the Classic Remise in Düsseldorf.



# // SUSTAINABILITY REPORT

As a family business with 150 years of tradition, we feel a special obligation to the generations to come. 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. Since 2019, we have regularly reported on the goals, measures and implementation status of our sustainability strategy as part of the annual report. At present, the Wuppermann Group is not covered by any non-financial reporting requirements, but we will continue to follow the structure of the draft European Sustainability Reporting Standards (ESRS). Consequently, the report is divided into the areas of environment & climate, social affairs and corporate governance. Furthermore, we are guided by the double materiality principle. Accordingly, we focus on reporting on sustainability aspects on which Wuppermann's corporate actions have an impact, or which have an impact on Wuppermann's corporate actions.

## Environment & Climate

### CLIMATE CHANGE

Wuppermann produces around one million tonnes of strip galvanised steel a year using the so-called "heat-to-coat" process. In 2022, the Fraunhofer Institute UMSICHT was commissioned with a renewed comparative test of this process in comparison to conventional galvanising processes based on fossil energies. As a result, the measures taken in recent years are having an effect. In the 2018 survey, the advantage of Wuppermann Staal Nederland B.V. (WSN) was 31 percent, in the current survey it is already 54 percent. 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 CO<sub>2</sub>, which is released into the atmosphere. Subsequently, the strip must then be

cooled to galvanising temperature. Wuppermann's heat-to-coat process uses an inductively - i.e. electrically - heated strip heating oven that heats the steel strip to the galvanising temperature of 460 to 480 °C in seconds. With electricity as the main energy source, the electricity mix is therefore the main lever for us to achieve CO<sub>2</sub>-neutral production.

The Wuppermann Group has set itself the target of reducing all Scope 1 and Scope 2 emissions attributable to the production process to 0 by 2025. All other Scope 1 and Scope 2 emissions are to be eliminated by 2030. Scope 1 emissions are the CO<sub>2</sub> emissions that are generated directly on site at the Wuppermann Group's operating sites through the combustion of fossil fuels. In our case, these are essentially

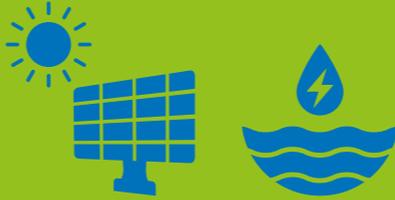
natural gas in the production process and, in addition, diesel or petrol for company vehicles. Scope 2 emissions are CO<sub>2</sub> emissions that occur in the generation of the electricity we use. We consider 2018 as the base year and report all progress accordingly in relation to the 2018 base year.



### Progress and forecast of CO<sub>2</sub> reduction:



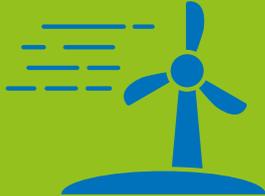
## Locations procuring green power



Wuppermann Metalltechnik GmbH, Altmünster, Austria



Wuppermann Austria GmbH, Judenburg, Austria



Wuppermann Staal Nederland B.V., Moerdijk, Netherlands

### Key measures to avoid Scope 1 and Scope 2 emissions are:

- // Use of electricity from renewable sources,
- // Reduction of energy consumption per tonne,
- // Realisation of a gas-free production process and
- // Replacement of gas heating systems.

### installed nominal power (2022):

approx. **2,800** kWp/p.a.

### self-generated electricity

approx. **2,500** MWh/p.a.

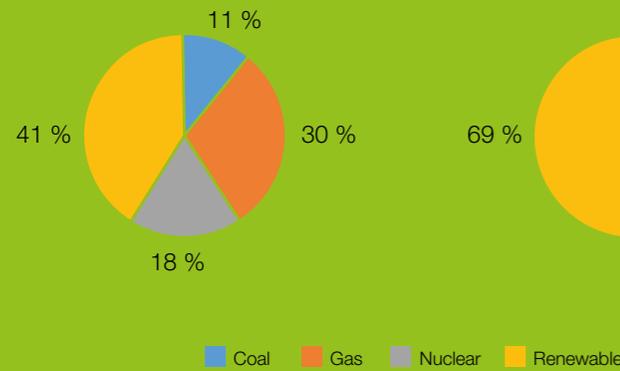
The use of electricity from renewable sources is the biggest lever for reducing CO<sub>2</sub> emissions in the group. Significant progress was made here in 2022 with the conversion of electricity purchasing from European wind power in Moerdijk and the installation and commissioning of photovoltaic plants in Altmünster, Judenburg and Győr. The installed nominal power of the three systems was approx. 2,800 kWp in 2022 and a total of approx. 2,500 MWh of electricity was generated. In the fourth quarter of 2022, the construction of the photovoltaic plants at the Malomice and Moerdijk sites was started. By the turn of the year, the hall roofs had been prepared for assembly, the cabling installed and the construction for the solar modules erected. From January 2023, the solar panels will be installed at both sites, with power generation scheduled to start in February. This means that all Wuppermann sites will then have

photovoltaic systems - with a total installed nominal output of more than 4,000 kWp.

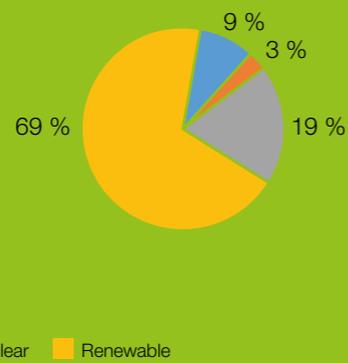
The main burden of CO<sub>2</sub> emissions arises in the steel-producing industry, but this is also where most of the value is added in the supply chain. At 1,950 kilotonnes, these Scope 3 emissions generated in the production of our primary materials exceed the emissions caused directly by Wuppermann many times over. Because Wuppermann is a steel processing company. In this respect, it is essential for Wuppermann to influence companies in the 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. Due to the greater complexity of steel manufacturing processes, compared



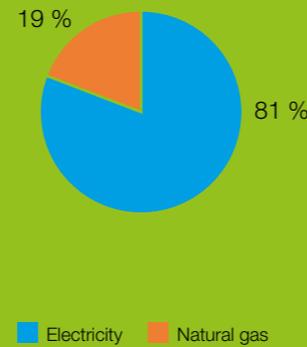
## Electricity mix 2018



## Electricity mix 2022



## Primary energy 2022



to Wuppermann's processing operations, reducing Scope 3 emissions will take longer than completely eliminating Scope 1 and 2 emissions. Currently, the supply of CO<sub>2</sub>-reduced steel in Europe is still very limited and subject to high surcharges. Wuppermann is in regular discussion with suppliers on the progress of the measures. At the same time, Wuppermann regularly informs selected customers about existing opportunities to reduce the carbon footprint of its products. The first pilot projects are planned for 2023, which envisage products with an overall carbon footprint of only around a quarter of the current market standard.

### WATER AND SEA RESOURCES

Healthy rivers, seas and coasts ensure our survival and sustain the livelihoods of all people. The many challenges in the protection and sustainable use of the oceans lie in renaturation. The threat is posed by all types of pollution that are discharged into water bodies by industrial companies in the form of wastewater. Water is needed in industry in very large quantities, especially for cooling or cleaning purposes.

The "heat-to-coat" process at Wuppermann requires water primarily to cool the strip temperature. When discharging into bodies of water, Wuppermann takes strict care to comply with the legally required framework conditions. To be able to guarantee this, our galvanising sites have high-performance water treatment plants and analysis systems. The water treatment plant of Wuppermann Staal Nederland B.V. was extensively modernised in 2022.

### RESOURCES AND 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 per cent recyclable. But we also keep an eye on all process-relevant raw materials, consumables and supplies. Because we have the goal that all materials that are not delivered to our customers as a product are completely recycled. Already today, the recycling rate at the two large galvanising sites is over 99 percent. The remaining waste is systematically examined for its recyclability on a recurring basis.

## Social

In 150 years of entrepreneurship, responsible action towards our employees has become anchored in our corporate culture. They are an essential basis for the long-term success of our company. We have therefore documented the following voluntary commitments in our Code of Conduct:

- // Exclusion from forced labour
- // Prohibition of child labour
- // Fair pay
- // Fair working hours
- // Freedom of association
- // Prohibition of discrimination
- // Health protection; safety at work
- // Establishment of complaints mechanisms
- // Avoidance of conflict minerals

The Code of Conduct is based on national laws and regulations as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on Children's Rights and Business Conduct, the United Nations Guiding Principles on Business and Human Rights, the International Labour Standards of the International Labour Organization and the United Nations Global Compact.

### OWN EMPLOYEES

Furthermore, Wuppermann AG has signed the Diversity Charter. By signing the agreement, Wuppermann is making a voluntary commitment to diversity management, which is to be lived out in everyday corporate life. The aim of the Diversity Charter Association is to create a working environment for employees in which everyone is valued and promoted equally, regardless of nationality, ethnic origin, gender

identity, religion or belief, disability, age and sexual orientation.

The employee survey conducted in our group of companies in the middle of the year shows that many participants perceive the working environment at Wuppermann as inclusive and safe, and that this strengthens their good bond with the company.

Health protection or safety at work, i.e. the integrity of our employees, has 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. We measure occupational safety with the help of the so-called LTI rate. LTI stands for Lost Time Injury and describes occupational accidents with a time loss of more than one shift per

1 million hours worked. The LTI rate is one of three strategic indicators we use to manage our group of companies. The strategic target is an LTI rate of 0.

### EMPLOYEES IN THE VALUE CHAIN

As the Wuppermann Group, we expect all our suppliers to behave in the same way and to meet the same high standards in their dealings with their employees. Suppliers are manufacturers and dealers as well as their upstream suppliers of goods and services of all kinds and logistics service providers. The voluntary commitments that Wuppermann has set for itself are also supported by our suppliers. All major suppliers have now either signed the Wuppermann Group's Code of Conduct or submitted a similar voluntary commitment of their own.

## LTI rate



# 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. Wuppermann AG is a family business, but also a public limited company with high legal requirements regarding the principles of corporate governance. 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 101 shareholders. Members of the shareholder family are all natural persons who are shareholders, as well as their life partners, descendants (including by adoption) and children who have a parental relationship with a shareholder or shareholder's wife. 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. However, the aim is also to sustainably secure and increase the community's asset value in the long term. The

shareholder family exercises its shareholder rights at the 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 election of the FAR was held in May 2022. Currently, the board consists of ten 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 public limited

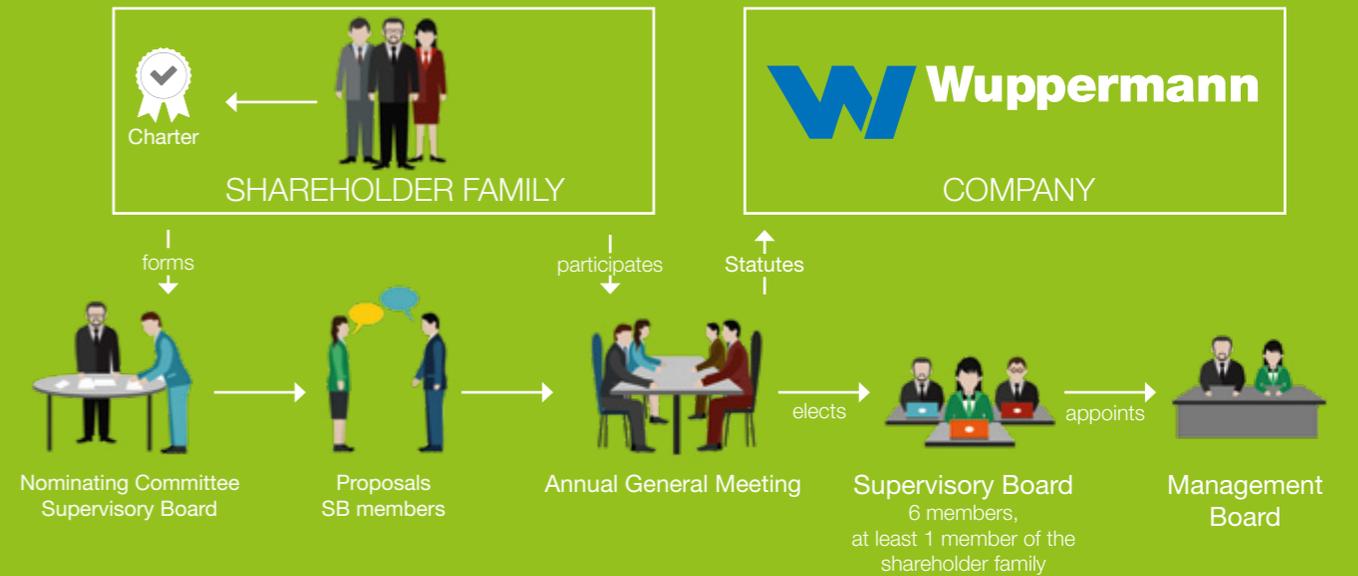
companies. The decision on the appointment or dismissal of a family member to the Management Board shall be made by the non-family members of the Supervisory Board together with the Chairman of the Supervisory Board. If a member leaves the Management Board, he or she may move directly to the Supervisory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

## INFORMATION FROM THE FAMILY SHAREHOLDERS

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 once a year at a family shareholders' day. At this information event, the Management Board reports on the current economic situation, plans and strategic orientation, as it does at the Annual General Meeting.

## WORKING METHODS 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. Five Supervisory Board meetings were held in the 2022 financial year.



## WORKING METHODS OF THE MANAGEMENT BOARD

Board meetings are held regularly, if possible fortnightly, as meetings or video conferences. In the 2022 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 usually done jointly by the Management Board. The Management Board uses the following main instruments to manage and control the business units, subsidiaries and holding companies:

- // Monitor risks using a structured risk management system that takes into account the level of probability of occurrence and the potential economic impact of individual risks,
- // Development of the group's strategy,
- // Establish a Continuous Improvement Programme,
- // Regulation of the reporting obligations and approval requirements of the group companies,

- // Issuing and implementing (group-wide) guidelines, in particular on compliance, data protection, information security, accounting and employee matters such as company cars and teleworking,
- // Definition of the group's management principles,
- // Commitment of all group companies to annual planning concerning sales, profit and loss account, balance sheet, investments, cash flow and personnel,
- // Conducting monthly performance reviews of all operational group companies, taking control measures as required,
- // Revision of the planning of the current business year twice a year in the so-called 1st revision. forecast and 2nd forecast
- // Agree targets and set a performance-related remuneration component for the managing directors and senior executives of the group companies.

## 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 policy as well as regularly reviewing and, if necessary, adapting it to changes in legal provisions as well as compliance training,
- // Establish a chain of information from the employee to supervisors, managing directors and the group compliance officer,
- // Possibility for all employees to address the compliance officer directly,
- // Increasing the willingness of employees to report through confidential handling of concerns and provision of an internal compliance reporting address, as well as
- // regular analysis of compliance risks in the group.

The Compliance Officer is the Spokesman of the Management Board.

# // DIGITISATION & INFORMATION SECURITY

## Growth through digitisation

Wuppermann aims to become the leading manufacturer of hot-dip galvanised hot-rolled strip in Europe. In order to support the significant growth required for this, processes and systems must be designed for the future. The digitisation of processes is an essential lever, whereby it is not an end in itself, but must always fulfil at least one of the following three objectives: Increasing quality, increasing the speed of a process or reducing costs.

### DISTRIBUTION

We see high speed, reliability and transparency from the quotation phase to delivery and invoicing as a decisive competitive advantage. That is why we at Wuppermann are tackling the complete digitisation of this process chain with the WSmart project. In 2022, the improvement potentials elaborated in cooperation with an external consulting firm in the previous year were systematically implemented. In addition to some technical adjustments made in SAP, sub-processes as well as rules for cooperation between Sales, Back Office and Material Management were redefined. A fundamental improvement could be achieved by systematically recording the required product and customer data in the quotation calculator in SAP completely, only once and as early as possible - i.e. already in the quotation phase instead of when the order is created, as was previously the case. In the event of an order, this data is transferred with just a few clicks during article generation and subsequent order creation. In addition to reducing effort and error-proneness, the new process creates a uniform way of working in the Flat Business Unit. The latter is also promoted by the centralisation of article creation in the newly created order management department at the Wuppermann Stahl GmbH (WS) site in Leverkusen. In addition, a workflow-based item approval process was created. This is triggered directly from the quotation calculator, notifies the parties involved of items to be checked and thus reduces the lead time. In January 2023, the new way of working is to be introduced at WS.

### PERSONNEL

With Bite, a new tool for applicant management has been in use throughout the group since 2022. The software supports HR departments in the management of job advertisements, from the creation and publication on various channels to the analysis of the applications received. In this final step, managers are given access to relevant applicant data via Bite in a GDPR-compliant manner. An important channel for recruitment is the new company website, which is now available in the languages of our locations and displays the vacancies published via Bite in local language.

With

# WSMART

Digitise processes

### LOGISTICS AND PRODUCTION

Wuppermann Hungary kft. (WH) introduced a new warehouse management system in 2022 and implemented full automation of the coil warehouse. This achieves automation - from incoming goods to the robot-controlled, fully automatically packed coil to dispatch. In addition, the WH uses an advanced energy management system that can analyse precise data according to a wide range of consumers. This will help to prioritise further energy optimisations in the future. Wuppermann Staal Nederland B.V. (WSN) has improved the control and management of the entire material flow with an all-in-one solution. This begins with the booking in of the coils at goods receipt, continues with the supply and disposal of the production facilities and ends with the shipping process. The management of the forwarders from the registration at the entrance gate of the factory premises, the automated assignment to the loading bay and the loading process with integrated photo documentation of the load securing are also included. The new system was introduced within a year with full operation and without any downtime of the production line.

### ORGANISATION

In 2022, the introduction of Signavio, a web-based process management software that allows business processes to be modelled quickly and efficiently and made accessible to stakeholders, was started. In addition to increasing transparency, Signavio makes it easy to identify potential for improvement. Another major advantage is the extensive compatibility with SAP. Implementation started in the Flat business unit in mid-2022 and is expected to be completed by the end of 2023.

At the end of 2022, a digitisation project was launched with W365, from which all PC workplaces will benefit through more efficient collaboration. This project involves switching from Microsoft Office 2016 to the cloud-based Microsoft 365. The organisational preparation and the creation of technical prerequisites were already completed in 2022. The group-wide roll-out is scheduled to take place by the end of 2023.

### INFORMATION SECURITY

In 2022, in-house IT has once again dedicated itself intensively to information security. For example, a project to increase network security through improved firewalls was completed. In addition to this automated security solution, a so-called Cyber Security Operations Centre (CSOC) was introduced last year, in which external analysts intensively monitor the computers in the company network in order to thus detect security incidents as early as possible. If a disruption or emergency does occur, it is important not to interrupt critical business processes, or to interrupt them only temporarily. For this purpose, an emergency concept was developed and introduced as part of the so-called Business Continuity Management. After an assessment of the criticality of individual systems and applications, restart processes and escalation procedures were defined for defined emergencies such as total system failure or data loss. A new patch management policy ensures that updates for software and hardware are checked and distributed so that no vulnerabilities created by missing updates can be exploited by attackers.

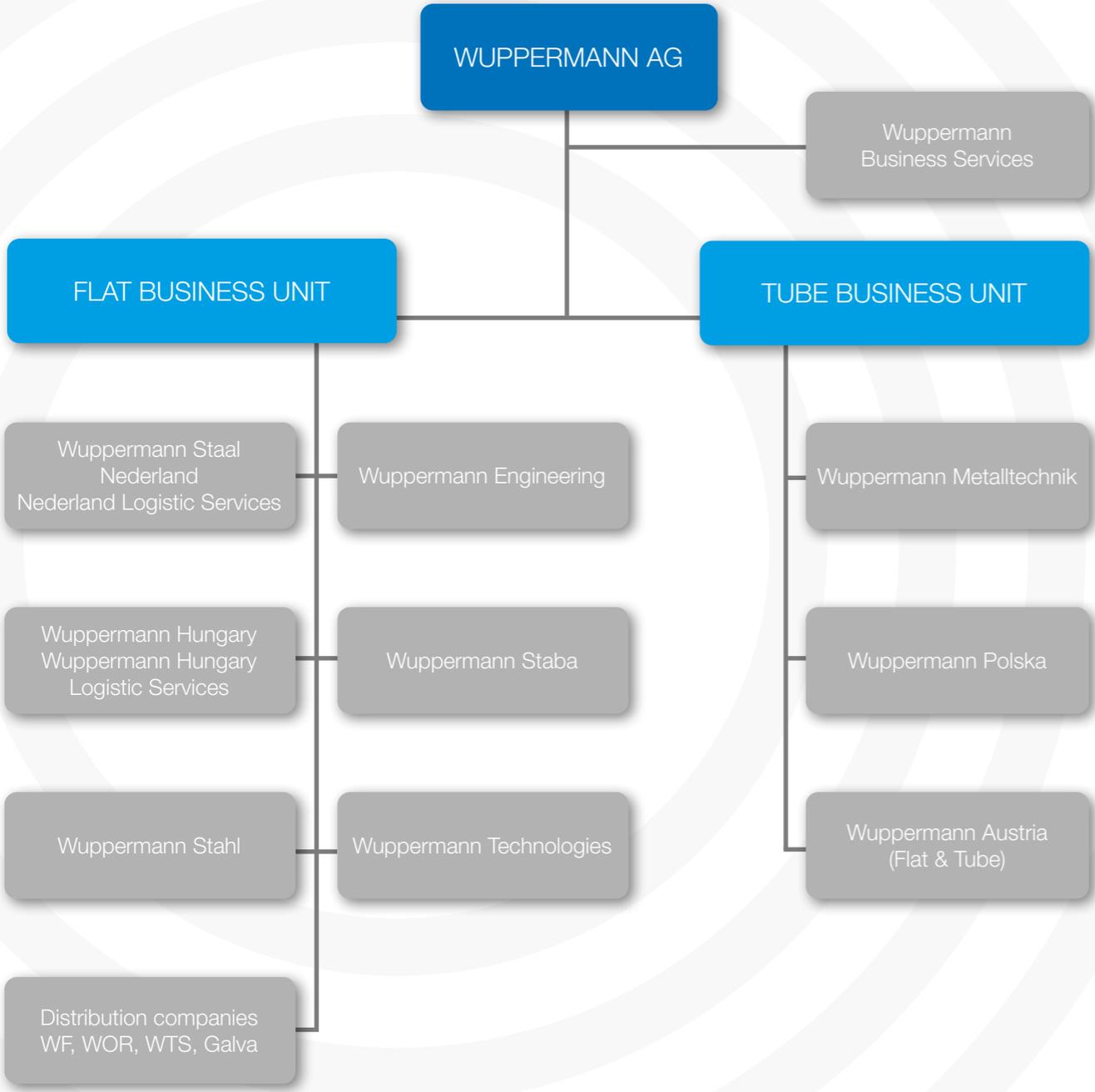
Thanks to

# CSOC

Detect IT risks earlier

# // BUSINESS UNITS

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



# // OVERVIEW

## FLAT BUSINESS UNIT

The Flat business unit demonstrates occupational safety at the highest level

Due to a very good first half-year, the Flat business unit can achieve a good overall result for the 2022 financial year, despite a weak second half-year due to market conditions. EBITDA was €33.0 million. The continuing low number of accidents is particularly pleasing.



The lower EBITDA compared to the record year 2021 is mainly explained by a 19 percent decline in sales volume. Lower customer demand has also led to lower capacity utilisation at Wuppermann's two production sites for flat products in Moerdijk and Győr. In addition to the two plants with their logistics companies, the Flat business unit also includes Wuppermann Stahl GmbH (WS) as a sales and purchasing company, which this year again had to overcome the challenges of a rapidly changing market environment, Wuppermann Engineering GmbH (WE), Wuppermann Technologies B.V. (WT) and Wuppermann Staba GmbH (Staba). The Flat business unit coordinates in particular the best possible service to customers from the two production plants. In addition, the business unit is dedicated to the development and exchange of know-how, the use of synergies and the efficient design of processes. The latter is currently being strongly promoted in the digitisation project "WSmart" under the leadership of WS.

Wuppermann celebrates the opening of the new competence centre for research and development.

### NEW COMPETENCE CENTRE FOR RESEARCH AND DEVELOPMENT

In the summer of 2022, the commissioning of the new competence centre for research & development began at the Hungarian site. Prior to this, a new building was completed in which a new scanning electron microscope was installed as well as the new laboratory. The official opening took place in November. With the new R&D centre, the Wuppermann Group is further expanding its expertise in the fields of metallography, micro-area analytics and corrosion analysis and simulation. Wuppermann can now carry out quality assurance analyses even more quickly directly at the production site, both for the input material and for the galvanised strip. This advantage will also benefit the currently most important product development WTopCor, the zinc-magnesium coating, at the WH site.

### BEST PERFORMANCE IN THE AREA OF OCCUPATIONAL SAFETY

Both flat factories can look back on a positive development in the area of occupational safety for 2022. For example, Wuppermann Staal Nederland B.V. (WSN) was accident-free for 867 days at the end of the year. The Hungarian sister plant has also developed very well in the area of occupational safety. By June, Wuppermann Hungary kft. (WH) was able to look back on 685 accident-free days. Unfortunately, there was then an accident. By means of a broad safety organisation and system, a distinctive safety culture has been established at both locations.

### SUSTAINABILITY STRATEGY GAINS IN IMPORTANCE

Customer interest in Wuppermann's sustainability strategy is steadily increasing. In 2022, more intensive discussions were held on the topic of CO<sub>2</sub>-reduced steel. In addition, the first sample quantity was booked for an important regular customer. For 2023, Wuppermann expects to be able to implement the first series deliveries and acquire further customers. The flat plants were able to make great progress in particular in their own electricity generation as well as in the purchase of electricity in 2022. Projects for the long-term supply of electricity from renewable energy generation at competitive prices are being pursued with high intensity at both locations.

Metallography laboratory in the new competence centre



# // WUPPERMANN STAHL GMBH

## Standardise and digitise processes with WSmart

Wuppermann Stahl GmbH (WS), headquartered in Leverkusen and with branches in Judenburg, Austria, and Schwechat, has been the central sales and purchasing company for Wuppermann flat steel since 2001. Other sales companies are located in France, Scandinavia and Romania. In 2022, they had to demonstrate the greatest possible flexibility to react to fluctuations in the steel market, which had a new dimension even for the volatile steel business. In addition, WS continued to implement a comprehensive and important project for the standardisation and digitisation of business processes with WSmart - with the goal of working according to these new processes in the Flat business unit from 2023.

### RECESSION DUE TO WAR IN UKRAINE

In the first months of 2022, the positive sales figures from the record year 2021 were continued. With the outbreak of war, prices for hot-rolled wideband briefly reached an all-time high, but then fell rapidly. By the end of the year, the price level had halved from its peak. Despite significant capacity reductions by the steel mills, the price decline could not be stopped by the end of the year. Due to high inflation, purchasing behaviour among end users in the consumer sector has weakened considerably, so that since the summer major customers of Wuppermann have also had to reduce their forecast call-off volumes. From today's perspective, inventories will only normalise in the course of the first half of 2023. This economic slump affects all sectors with the exception of the solar and automotive industries.

### ONLINE BIDDING PLATFORM FOR 2A MATERIAL LAUNCHED

In May 2022, the WS launched an online bidding platform. On this site, declassified material, so-called 2A material, is offered for sale digitally by the distributor at regular intervals. The platform has significantly increased the transparency and user-friendliness of declassified processing for sales and has been positively received by customers. Nevertheless, improvements continue to be made on an ongoing basis to further enhance user comfort.

### IMPLEMENTATION OF WSMART RESULTS UNDERWAY

The WSmart project serves to standardise and digitise business processes, from the offer to the settlement. The main aim of WSmart is to significantly improve customer service. The extensive project was launched in 2021. The system-side implementation was completed at the end of the past business year. The focus here was on the topics of frontloading, i.e. the availability of all relevant data at the earliest possible time, and transparency with regard to the status of the input material. Training sessions for all stakeholders took place in the last quarter of 2022. From the beginning of 2023, the Flat business unit will work with the new processes.

### ESTABLISHMENT OF A CENTRAL ORDER MANAGEMENT SYSTEM

As part of WSmart, a central order management system was introduced for the Flat business unit at the Leverkusen site. In 2022, the processes were set up, the new procedures were programmed in SAP and staff were trained. The team also began centralising tasks for Wuppermann's Dutch flat site back in autumn, and the Hungarian site is set to follow in the first half of 2023. The centralisation will standardise and streamline processes and thus further improve customer service.



### OUTLOOK FOR 2023

In the steel industry, demand is expected to recover in the first half of 2023 after the reduction of inventories at the end of 2022. A trend towards price recovery is to be expected in parallel. Accordingly, WS needs to work closely with customers and suppliers in order to successfully master these developments together. In addition, prioritised projects such as WSmart need to be established in 2023. Hungary will also be a special focus in 2023. Following the corresponding investments, preparations are being made to position WTopCor - Wuppermann's high-quality strip steel with a zinc-magnesium alloy - on the market. This should also further improve access to the solar industry.

# // WUPPERMANN HUNGARY KFT.

## WH exceeds expectations for the second time in a row

Despite the difficult market conditions and the resulting decline in sales figures, Wuppermann Hungary kft. (WH) exceeded the planned EBITDA in 2022 and thus again achieved a positive operating result. Both the operational key figures and the values in terms of occupational safety confirm the positive development.

### IMPROVEMENTS IN QUALITY AND PROCESS STABILITY

In particular, staff training on quality and process stability has significantly improved customer satisfaction. Compared to the previous year, there were about 25 percent fewer complaints. The optimisations in the area of the high zinc coatings and the surfaces were of great importance for the increase in quality. On the one hand, this development opened up the market for sheet metal customers to WH, and on the other hand, it enabled the high quality requirements for the fittings industry to be met. There was another reason to celebrate in August with the production of the two millionth tonne.

### EXPANSION OF THE DOWNSTREAM PRODUCT PORTFOLIO

At the beginning of 2022, the package wrapping line (PWA) was commissioned as a downstream unit of the slitting line that was modernised in 2021. This means that WH now also supplies rounded and/or pack-wound slit strip. The conversion and expansion measure was completed with the integration and commissioning of a fully automatic packaging plant in February 2022. The plant achieved the required quality straight away.

In the area of high zinc coatings, WH was able to significantly expand the broad spectrum through an improved measuring method and the associated faster response time. The WH produces zinc coatings up to 1,000g/m<sup>2</sup> (Z1000) at a width of up to 1,000 mm.

Through cooperation with a supplier, it was possible to develop a new film for the premium product WProtect in 2022 that can be applied without a primer. This saving has a positive effect on the entire process as well as on the environment.

In mid-2022, the improvement measures and the schedule for series production readiness of WTopCor (zinc-magnesium alloy) were set. At the same time, the Supervisory Board and Management Board approved an extensive additional investment package. The first project phase is to be implemented by the end of January 2023. Overall, the project will run in several phases with various installations and conversions until probably the beginning of 2025. The investments in the WTopCor plants will also benefit the products with a high zinc coating, for example in the quality in the edge area.

### INVESTMENT IN SUSTAINABILITY

At the end of 2021, a photovoltaic system was installed on the roofs of the WH halls. In the past business year, WH generated around 1,700 megawatt hours of electricity and used all of it itself. By producing its own green electricity through solar energy, WH saved over €400,000 in electricity costs in the very first year. In addition, this has reduced CO<sub>2</sub> consumption for the Hungarian site by more than 1,000 tonnes. With regard to energy savings at the plants, further potentials were identified and implemented in 2022 - including the heat recovery of waste acid for the rinsing water required, the reduction of drying temperatures, the targeted switching off of hydraulic systems that are not needed or improved lighting management. At the end of 2021, WH was the first Wuppermann site to successfully introduce a systematised energy management system in accordance with ISO 50.001, which is now to be extended to the entire Wuppermann Group. In addition, WH is also certified according to the international environmental management standard ISO 14.001 and occupational safety standard ISO 45.001.

### WH SHOWS GREATLY IMPROVED SAFETY AWARENESS

With an accident at Wuppermann Hungary Logistic Services kft. (WHLS) in 2021 and an accident at WH in mid-2022, the Hungarian site shows that the topic of occupational safety has established itself at a high level. Through regular communication with the employees, an attempt is made to give the topic of occupational safety the appropriate importance. The success proved the location right in 2022: More than 620 potential hazards were identified, reported and remedied.

### VERY GOOD SHIPPING PERFORMANCE AT WHLS

In 2022, the shipping performance of Wuppermann Hungary Logistics Services kft. (WHLS) was again very good. In addition to the commissioning of packaging line 2 and the entire final packaging, processes and storage areas were further optimised. This includes both the conversion in the automated warehouse and the improved process flow through the restructuring of the packing station. The biggest challenges for the WH subsidiary remain the issues of staff turnover and, as a result, occupational safety.

Electricity generated from PV system

**approx. 1,725**  
MWh/p.a.

# // WUPPERMANN STAAL NEDERLAND B.V.

WSN achieves best performance in quality

The Dutch plant can report best values in quality and in the technical reliability of the plants in 2022. In addition, the site celebrated the longest period of accident-free days since its foundation. The reduced demand hit Wuppermann Staal Nederland B.V. (WSN) particularly hard in the second half of the year and capacity utilisation was around 40 per cent below plan in this period.



// We want to further reduce our dependence on the volatility of electricity prices, reduce gas consumption and explore the possibility of becoming independent of gas use. //

Karsten Pronk, Managing Director of WSN

## BEST VALUES FOR PRODUCTION PARAMETERS

For the first time in WSN's history, the plant achieved a 1A rate of 96 per cent for all galvanised products in 2022. With only 83 unplanned shutdowns, a significant improvement in plant availability was also realised. In addition, a review audit of the IATF certificate, a quality standard of the automotive industry, was carried out. This annual audit helps Wuppermann to further optimise processes. Standardisations and improvements of internal processes as part of the WSmart project from 2023 onwards should also lead to process improvements and have a positive impact on delivery reliability, for example.

## ELECTRICITY 100 PER CENT FROM WIND ENERGY

Since the beginning of 2022, WSN has obtained 100 per cent of its electricity from wind energy. This sustainable electricity procurement based on EU wind certificates is also ensured for 2023 and 2024. From 2025 onwards, a more long-term partnership will ensure the company's own sustainable power generation. Solar panels have also been installed on WSN's factory roofs since November 2022 and are scheduled to go into operation in February 2023. The factory's own photovoltaic system is to cover five per cent of its own electricity consumption. In addition to implementing sustainable electricity procurement, the natural gas-based heating system at the plant is also to be replaced. The extent to which the use of the residual heat from the water quench cooler of the induction furnace via a heat pump system can guarantee the heating of the plant is currently being examined.

## WSN2025 - THE SECOND YEAR OF THE INVESTMENT PROGRAMME

WSN2025 is an investment programme for the Dutch site, which, in addition to investing in sustainability, focuses on modernising the site. Focal points in 2022 were the completion of the renovations to the cooling tower and the renewal of the water treatment plant, which is now based on the latest ultrafiltration technology and can ensure continuous treatment of process water. The new infeed shear enables better blade changes and is able to process AHS (Advanced High Strength) steel, i.e. high-strength steel grades. In addition, in 2022, the planning and budget for the new air meters were approved to be installed in the summer of 2023.

## OCCUPATIONAL SAFETY AT THE HIGHEST LEVEL

WSN has a very high standard of occupational safety. Accordingly, the result is also impressive: On 23 July 2022, WSN broke the old record of 705 days without a lost-time accident. To continue this positive development, the site implements regular safety training, for example.

## SEMI-AUTOMATIC COIL PACKING STATION

The drop in market demand also affected capacity utilisation at Nederland Logistic Services B.V. (NLS), so that the number of employees was reduced during the year. At the same time, the new semi-automatic coil packaging station was installed and a new, better layout of the warehouses was made so that the reduced staffing levels will be sufficient when market demand returns to normal levels. Internal logistics and

occupational safety have also improved significantly as a result of the new division. A new software tool was introduced for shipping and fully integrated into the new warehouse management system. This provides a fully automated solution for planning and loading all shipments to customers. Further automation of warehouse activities is also planned for the coming years using the functions of the new warehouse management system.

# // OVERVIEW TUBE BUSINESS UNIT

2022 was a successful business year in the Tube business unit

The Tube business unit was able to close the 2022 business year very well despite a variety of challenges and generated an EBITDA of €19.7 million. In terms of occupational safety, however, the business unit deteriorated compared to the previous year. With an LTI rate in the Tube business unit of 15.7 and 10 accidents in 2022, occupational safety and, related to this, the prevention of accidents in all plants, remains an important core concern.



Despite a decline in volumes compared to the previous year, the Tube business unit's result even improved slightly this year. At Wuppermann Metalltechnik GmbH (WMT), the Sheet Metal Processing and Tube Components divisions in particular contributed to the result in 2022 with high capacity utilisation. At Wuppermann Polska sp. z o.o. (WPL), the scaffolding sector was well utilised and price risks could be excluded via newly designed contracts. While the Flat Business Unit at Wuppermann Austria GmbH (WA) showed a slight downward trend, the Tube and Profile business units were very well and evenly utilised due to the booming photovoltaic industry.

#### OCCUPATIONAL SAFETY

In the area of occupational safety, the positive trend from 2021 did not continue. Both the WMT in Altmünster and the WPL in Malomice saw significantly more accidents than in the previous year. WA in Judenburg, on the other hand, was able to achieve an accident-free year in 2022.

WPL has already implemented a large number of technical improvements to the machinery and invested in enclosures, fencing and the automation of individual production sections. In addition, a comprehensive organisational and training concept was developed, which is designed to last for three years. At WMT, further measures to increase occupational safety were developed, especially in the accident black spot area of systems engineering.

#### INVESTMENTS IN THE TUBE BUSINESS UNIT

The most important investments in the Tube business unit at a glance:

- // At WA, the investment in a new profiling line and the associated growth in the profile sector is of particular importance.
- // At WMT, the tight space conditions in the systems engineering area were solved by the construction of a new logistics hall.
- // At WPL, significant improvements result from the further automation of production steps and the investment in a new bundling line.

#### EXPLOITING SYNERGIES IN THE BUSINESS UNIT

Regular systematic exchange ensures that possible synergies are exploited in the Tube business unit. In 2022, for example, WMT's bid calculator was slightly adapted and introduced in the first step at WPL and in the second step at WA. In all three plants, the entire scrap logistics, from scrap weighing to booking in SAP, was also restructured. In addition, a joint project between the sister plants WMT and WPL was launched with the aim of further expanding the production spectrum at WPL in the coming year. Further audits in the areas of environment, occupational safety and energy management are scheduled for 2023 for the entire business unit, for which measures and preparations were already made in 2022.

#### OUTLOOK FOR 2023

The most important challenges for 2023 are the sustainable reduction of accidents and addressing persistently rising costs across the business unit. Other significant topics at the individual sites include the commissioning of the new profiling line at WA, the volume growth of pickled and galvanised tubes at WPL and the deepening of automotive expertise at WMT.



# // WUPPERMANN AUSTRIA GMBH

## Judenburg celebrates 35th anniversary

Wuppermann Austria GmbH (WA) in the Austrian town of Judenburg is both a specialist for flat products with the highest corrosion protection and a producer of tubes and profiles made of galvanised steel. In 2022, the factory celebrated its 35th anniversary.

**// Generating our own green electricity was the next logical step within our sustainability concept. //**

Hubert Pletz, Managing Director Wuppermann Austria GmbH

Electricity generated from PV system

**approx. 330**  
MWh/p.a.

In 1987, Wuppermann Austria GmbH (WA) was founded in Judenburg, Austria, at that time as a manufacturer of edge-galvanised narrow strip. Judenburg was the first location where Wuppermann introduced a new technology for galvanising hot-rolled strip steel - the foundation stone for a significant part of the group's activities today. Since then, the location in Styria has continued to develop. The most important investments include a new profiling line, which will go into operation in 2023, and a tube laser, which has already been in use since 2021, especially for products for the photovoltaic industry.

### ON THE WAY TO CO<sub>2</sub>-NEUTRAL PRODUCTION

Since the beginning of 2019, WA has been using 100 per cent electricity from renewable energy sources and is thus completely CO<sub>2</sub>-free in its electricity purchases. Since May 2022, WA has also been generating electricity via its own photovoltaic system with a nominal output of 380 kWp, which was erected on the hall roof.

In addition, further technical measures were implemented at the plant in 2022 to save CO<sub>2</sub> emissions: A very finely meshed measuring system was installed for the entire hall heating

control, with which the temperature can now be controlled much more demand-oriented. Using modern combined temperature and light sensors, the light can now also be controlled depending on daylight. Technical improvements were also made to the high-speed doors to reduce energy losses. Additional strip curtains are to prevent further energy loss. In order to further promote CO<sub>2</sub>-neutral production, the heating of the cleaning media, such as water and acids for strip galvanising, was switched from gas to electricity.

### NEW PROFILING MACHINE: PRODUCTION START 2023

In 2022, the most important tasks included project planning, foundation work and the preparation and construction of the infrastructure in order to be able to start assembling the profiling plant at the beginning of 2023. The belt punching system as an integrated part of the new plant was already set up in December 2022. At the beginning of 2023, assembly of the profiling line, including the packaging line and packaging robots, began in Judenburg. Due to a lack of control modules, the commissioning will be delayed by three months to April 2023.

### HIGH ZINC AND ZINC-MAGNESIUM COATINGS

Wuppermann Austria continues to rely on high zinc or zinc-magnesium coatings as well as edge galvanisation and thus the best possible corrosion protection in the subsequent application. The zinc coating of up to 1,300 g/m<sup>2</sup> (Z1300) developed in 2021 could be improved even further. In addition, first trials with a zinc-magnesium coating of 1,200 g/m<sup>2</sup> (ZM1200) could be started. On this basis, WA can now offer customers an economically and ecologically interesting alternative to the previously used piece-galvanised material.

### STRONG DEMAND FROM THE PHOTOVOLTAIC INDUSTRY

Despite the volatile economic development in general and in the steel industry in particular, WA was able to close the financial year 2022 successfully. This is due, among other things, to the continued stable demand from the photovoltaic industry. WA has established itself here as a flexible and reliable partner in the industry. The cost increases in the areas of electricity, gas, spare parts and auxiliary and operating materials presented WA with enormous challenges in 2022. This trend is expected to continue in 2023.

# // WUPPERMANN POLSKA SP. Z O.O.

## Wuppermann Polska closes economically successful business year

Wuppermann Polska sp. z o.o. (WPL) has continued its development into a producer of pickled tubes, which began in 2020, and has also broadened its focus on galvanised tubes in 2022. Thanks to good demand from the scaffolding sector, combined with new contract structures, WPL was able to close the 2022 financial year significantly better than planned.

// Occupational safety will be one of the  
most important topics at the Malomice site  
in 2023 with various training courses. //

Konrad Waszak, Managing Director of WPL

In 2022, the production of pickled and galvanised tubes at WPL has further increased. With further dimensions and cross-sections in the production programme, WPL was able to win new customers. A joint project with sister plant Wuppermann Metalltechnik GmbH (WMT) in Austria for robot welding of component parts at the Malomice plant is in the start-up phase and will expand WPL's production spectrum in the future.

### OCCUPATIONAL SAFETY

With five accidents in 2022, occupational safety at WPL has dropped again to an unsatisfactory level after progress in the previous year. Behaviour-related hand and leg injuries were the main focus of accidents. To improve occupational safety, WPL developed an action plan in 2022 that includes behaviour-based and technical measures at the plant.

### BEHAVIOUR-BASED SAFETY

The Behaviour-based Safety method is intended to increase employees' risk awareness and thus significantly reduce the number of accidents. It describes a long-term change process in the field of safety culture in which all employees are to be involved. WPL developed an action and training plan in 2022, which will be continued over the next three years.

### TECHNICAL MEASURES IN THE FACTORY

Some technical measures have already been implemented to directly eliminate sources of danger and improve occupational safety in the factory, such as enclosing and fencing off certain production sections, designating and newly colour-marking footpaths and equipping the level crossing with a barrier and light-signalling system. At the end of 2022, an automatic packaging system and a complete fencing and security system were installed on packaging line No. 1. Further technical improvements are planned for 2023.

### ECONOMICALLY SUCCESSFUL BUSINESS YEAR

After a weak fourth quarter of 2021, WPL started 2022 with a very good operating result and continued this trend throughout the first half of the year. Both volumes and margins increased in the first half of the year, both domestically and abroad. The significant reduction in set-up times on all production lines compared to previous years also contributed to the good economic development in 2022.

In the second half of the year, demand, especially from the scaffolding sector, continued to develop positively. Despite the general deterioration in the economic situation, WPL continued to record a stable order intake in the second half of the year. Overall, WPL was able to close 2022 significantly above plan and the previous year - despite rising energy costs.

### CO<sub>2</sub> SAVINGS AT THE PLANT

With the renovation and thermal insulation of the west façade in 2022 and a new entrance, WPL was not only able to improve the appearance of the plant. Better sound insulation and less heat loss improved the working conditions in the hall, and gas consumption for heating the production hall was also reduced. In addition, a heat recovery system for the compressors and the first part of a photovoltaic system were installed on the hall roof.

# // WUPPERMANN METALLTECHNIK GMBH

WMT continues successful development of previous years

With a very good result in 2022, Wuppermann Metalltechnik GmbH (WMT) continues its dynamic development of recent years. Despite the difficult accompanying circumstances in 2022 due to the war in Ukraine, the energy crisis and inflation, the premium manufacturer of tubes, tube components and sheet metal components was even able to exceed its planned targets. With the expansion of the hall for the sheet metal processing division in 2022, the prerequisites for further growth in this branch of the company have been created.

In the first half of 2022, WMT was able to achieve high sales with very good margins in the tube segment, but this weakened in the second half of the year. In the strategically very important area of tube component production, very good production and stable sales volumes were again achieved. In the sheet metal fabrication sector, demand was particularly high from the alternative energy generation, service automation and appliance industries. In addition, the long-standing high sales of components for fully automated warehouse logistics should be mentioned.

## NEW LOGISTICS HALL FOR SHEET METAL PROCESSING

In 2022, the entire logistics concept for the sheet metal production area, including the truck traffic concept, was rebuilt: With the connection to the national road, the increased shipping can be optimally loaded and transported away. The new hall was designed as a separate fire section; this means that the packaging goods required for production can be stored safely - while at the same time minimising the fire risk. In the course of building the new truck exit, additional employee parking spaces were also created to accommodate further growth at the site.

## WMT FOCUSES ON FURTHER AUTOMATION

In 2022, WMT has invested in a third tube laser, which has already been installed and commissioned. A newly developed robotic solution has also been ordered for this purpose, which is expected to go into operation in the 2nd quarter of 2023. Here, further processing steps after laser cutting - for example bending and forming operations - are carried out with the help of the robot. Afterwards, the tube and bent parts are to be nested and packed fully automatically.

In addition, three collaborative welding robots are now in use at WMT for welding processing. These are particularly suitable for the automation of small and medium series, where the robot carries out the welder's instructions flexibly and precisely. The collaborative robots are not only intended to increase productivity and quality; they also relieve the welder

himself and make his job more attractive - an important aspect in times of a shortage of skilled workers, especially in this industry.

In addition, WMT has built another cell with an assembly robot in tube processing. This presses threaded nuts into perforated tubes fully automatically. Since the cell was designed to be very flexible, further projects can be automated in the future.

## 4 MILLION PARTS ON THE FLEXIBLE MACHINING CELL

WMT's flexible machining cell delivered a new record number in August 2022: The 2,000,000th pair - i.e. 4,000,000 parts - has been produced in the robot bending cell for the automotive industry since the start of series production. For this product, WMT was able to achieve an A rating in the supplier evaluation and already secure the follow-up project for the coming years.

## OCCUPATIONAL SAFETY

In 2022, there were five lost-time accidents at WMT. Especially in sheet metal production, where a variety of manual activities are required, there were several minor hand injuries. WMT has made efforts to counteract this trend, both with seminars and workshops and through renovations at the tube production line. Occupational safety certification with TÜV Austria is planned for 2023.

## CO<sub>2</sub> EMISSION SAVINGS

WMT has already switched its electricity procurement to 100 per cent green electricity in 2021. In 2022, the plant took the next step and commissioned a photovoltaic system in March.

To further improve energy efficiency at the Altmünster site, the waste heat from the compressed air systems in the tube area is used in the best possible way through recovery. For this purpose, a heat recovery system was retrofitted on the existing compressors. This is used both for the basin heating of the tube saw, which was previously heated electrically, and for the hall heating. With this measure, WMT can significantly reduce the electricity consumption of the electric pool heating. There is also potential for savings in operating costs for the hall heating.

## PLANT EXPANSION IN PLANNING

Even at the end of 2020, WMT was able to gain space for further growth in tube production with the purchase of a neighbouring plot of land measuring 17,500 m<sup>2</sup>, thus securing its future development strategy. In 2022, the land was reclassified as a business development area, making it available to WMT for future growth.



Electricity generated from PV system

**approx. 435**  
MWh/p.a.

# GROUP MANAGEMENT REPORT 2022

## 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.

The business activities of the Wuppermann Group were organised into two operating business units in the 2022 financial year, the Flat business

unit and the Tube business unit. Both 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. Pickled tubes, tube assemblies and sheet metal components are produced at WMT. WPL produces 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 2022, the Wuppermann Group employed an average of 825 employees (incl. executive bodies and trainees) and achieved sales of (in the amount of) €989,714,000.

#### Changes in the Group

There were no changes in the group in 2022.

**1.2 Research and development**

The research and development competencies of the Wuppermann Group are bundled in Wuppermann Engineering GmbH (WE). 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 Wuppermann's Research and Development (R&D) team lie in the areas 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 2022. The focus of WE in 2022 continued to be on supporting WH in the development of WTopCor, a zinc-magnesium coating, ready for series production. In the past financial year, Wuppermann opened a new competence centre for research & development in Győr-Gönyű, Hungary. Among other things, the R&D competence centre is equipped with a modern scanning electron microscope and corrosion laboratory. The Wuppermann Group is thus further expanding its expertise in the fields of metallurgy, micro-area analytics and corrosion analysis and simulation. Wuppermann can now carry out quality assurance analyses directly at the production site even faster than before, both for the input material and the galvanised strip. In addition, Wuppermann bundles its process technology and optimisation know-how here.

In the Flat Steel Galvanising area in particular, we identified potential for improving the innovation process as part of the strategy development and continued the integration of the product and process development process in the Flat business unit, which was started in 2021.

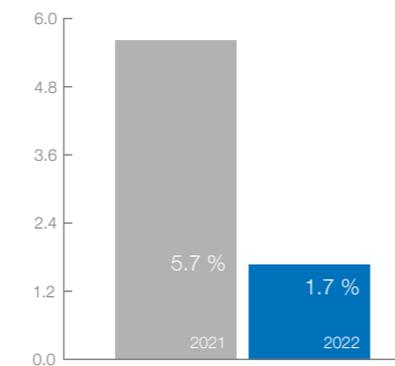
**1.3 Treasury shares**

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 2022 and currently holds no treasury shares.

**2. Economic development of the group**

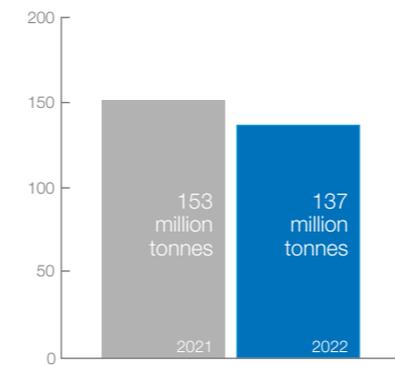
**2.1 Macroeconomic and sectoral framework conditions**

Russia's war of aggression against Ukraine, which began in February in violation of international law, was the dominant event in 2022, with far-reaching effects on politics, the economy and business. Security and defence policy issues as well as questions of energy supply suddenly became top priorities. In the course of the year, inflation developed, mainly driven by energy price increases, which led to a loss of purchasing power and an economic downturn worldwide.



**01 GROWTH GLOBAL ECONOMY**

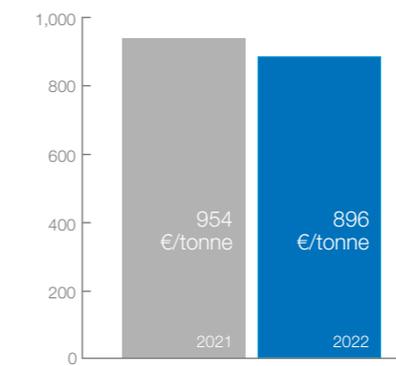
After strong global economic growth in the amount of 5.7 % in the previous year, the outlook for overall economic development in 2022 until the outbreak of war is initially very positive: At the turn of 2021/2022, the World Bank's forecast for the global economy still assumed a plus in the amount of 4.1 % compared to the previous year, but had to revise this forecast downwards in the course of the year. Ultimately, the global economy will close in 2022 with growth in the amount of 1.7 % (1). The consequences of the war against Ukraine were compounded by continuing material bottlenecks and delivery difficulties, not least as a result of the coronavirus crisis, which has still not been resolved. As these challenges will persist in 2023, the expectations for 2023 have also been revised significantly downwards and are now set at a growth rate of 1.7 %.



**02 CRUDE STEEL PRODUCTION EU**

The economic impact was even more pronounced in Europe and Germany due to dependence on Russian oil and gas. According to the preliminary figures, the economy of the 19 Eurozone countries grew by 3.2 % in 2022, but economists increasingly spoke of a recession especially in the third and fourth quarters. Inflation in Europe reached an all-time high of 10.6 % in October compared to the same month last year - largely driven by the rise in energy prices. For example, the price of natural gas in Europe was at times more than ten times the long-term average. Towards the end of the year, the price of natural gas was still higher by a factor of 5. For 2023, the economic growth forecast for the Eurozone is 0.3 %. The German economy shows a comparable picture. According to an estimate by the German Federal Statistical Office, gross domestic product (GDP) in 2022 was up 1.9 % over the previous year.

The European steel industry was initially able to start into a dynamic first quarter with the tailwind of the steel boom of 2021. This trend came to a halt in the second quarter of 2022 due to the Russian invasion of Ukraine, the resulting rise in energy prices and

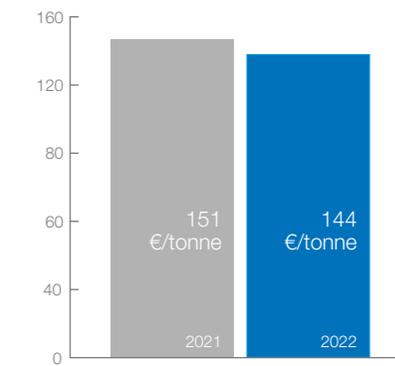


**03 MEPS HRC GERMANY LOW**

continuing supply chain disruptions as a result of the pandemic, but also due to full inventories at steel customers. The decline in demand during the year was compounded by continued high import volumes into the EU. As a result, all major manufacturers reduced production capacities in the second half of the year. Overall, European steel production was 10.5 % below the previous year's level at 137 million tonnes (2). The same picture can be seen in German crude steel production, which at 37 million tonnes was 8.4 % below the previous year's level.

Hot-rolled coil (HRC) prices (3), which essentially determine the level of the Wuppermann Group's cost of materials, reflect the economic situation and market conditions over the course of the year. Due to the price explosion already mentioned, the MEPS quotation "HRC Germany low" reached an all-time high in April 2022 of €1,350/tonne, only to drop significantly again immediately afterwards. The lowest value was €600/tonne in December.

Prices for galvanised strip also reached new record highs in April. For example, the price for the MEPS quotation "HDG



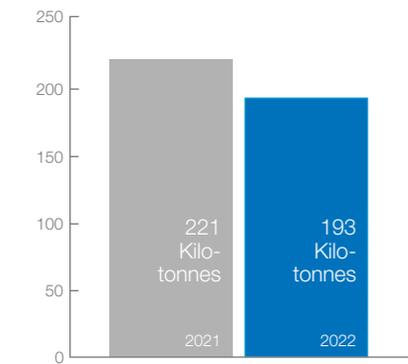
**04 MEPS DELTA HDG TO HRC**

Germany low" peaked in April at €1,480/tonne. At an average of €144/tonne, the difference between the two quotations was only slightly below the previous year's level (4). However, the values between 2021 and 2022 are only comparable to a limited extent, as in 2022 significantly increased costs were incurred in the production process due to inflation, which had to be covered by the MEPS spread between HRC and HDG.

**2.2 Business performance and economic situation of the group**

The aforementioned general conditions led to a recession in the second half of 2022, which also affected the Wuppermann Group.

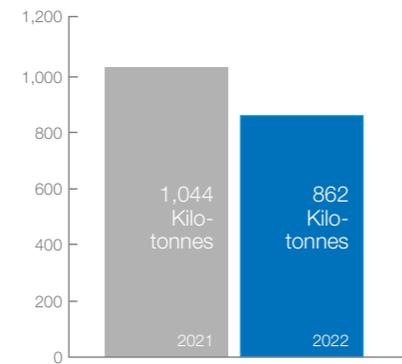
Whereas in the first half of the year high order intakes were still achieved with a continuing positive demand, in the second half of the year the weakening demand from end consumers, the uncertainty of the further economic development and the high inflation in connection with the strongly increased energy costs were reflected in low order intakes. In this market environment, the Wuppermann



05 ORDER STOCK

Group's order backlog in the 2022 financial year fell compared to the previous year and amounted to 193 kt **(5)** at the end of the year.

Following the lower order intake, the group's sales of 1A material and declassified material decreased to a total of 862 kt in 2022 **(6)**. Thus, sales in 2022 were both below the previous year's sales of 1,044 kt as well as below the planned sales volume of 1,134 kt. While the companies in the Tube business unit only had to record a slight decline in sales, the sales volumes of the two flat companies WSN and WH fell considerably. Both the development of sales volumes and sales margins over the course of the year showed clear differences between the two half-years. While both volumes and margins were achieved at a good level in the first half of the year, this level could not be maintained in the second half.

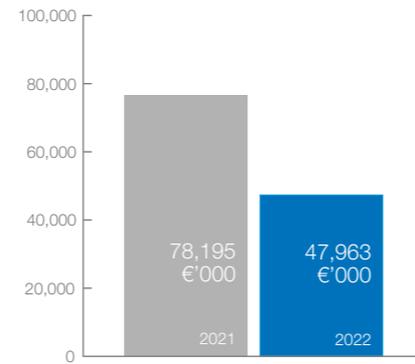


06 SALES

Earnings before interest, taxes, depreciation and amortisation (EBITDA) as a significant financial performance indicator amounts to €47,963,000 in 2022 **(7)**. The EBITDA was thus above the plan for the financial year in the amount of 41,960,000, but below the previous year's result of €78,195,000.

As a result of rising interest rates and increased group debt in the first nine months of 2022, the financial result deteriorated compared to the previous year. By consistently reducing working capital during the year, the group succeeded in deleveraging by 31 December 2022, thus limiting the impact of increased interest rates.

The tax rate increased to 23 % in the reporting year. Due to the decrease in WH's percentage share of the group result, the composition of the result from a tax perspective has worsened compared to the previous year.



07 EBITDA

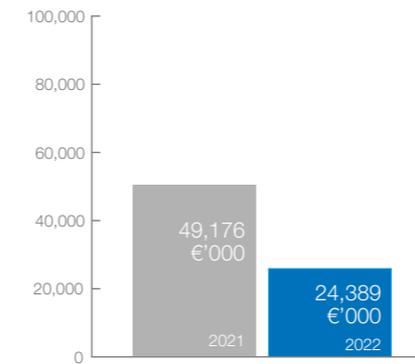
The consolidated net profit or loss for the year of €24,389,000 **(8)** was above the planned value in the reporting year 2022. €18,164,000. The extraordinarily good result of the previous year of €49,176,000 could not be achieved.

Free cash flow (FCF - defined as cash flow from operating and investing activities before distributions and debt service) amounts to + €75,264,000 in 2022 **(9)**. The Wuppermann Group was thus able to create a credit balance instead of a net financial liability as at 31 December 2022 in the amount of €15,366,000.

We consider the financial situation of the group to be very good due to the debt relief. The Group's financial targets formulated at the beginning of the year were exceeded.

#### Earnings

Despite the lower sales volume, a growth in turnover in the amount of 7 % could be achieved in 2022. Due to the stable high price level in the first two quarters of the year with effects into the fourth quarter, turnover increased to €989,714,000 and is thus slightly above the previous year's value of €925,214,000 **(10)**. It was not possible to compensate for the sharp

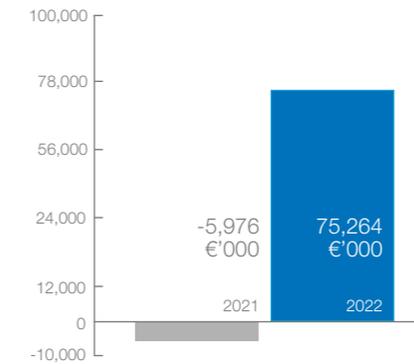


08 CONSOLIDATED NET INCOME

increase in energy costs and costs for auxiliary materials/operating supplies as well as spare parts, so that the gross profit including the other operating income of the group decreased to €149,487,000, after an exceptionally high gross profit in the amount of €176,974,000 was achieved.

While personnel costs decreased by 2.5% to €51,538,000 in 2022, other operating expenses increased by 9% to €49,986,000, strongly influenced in particular by the significant increase in freight prices.

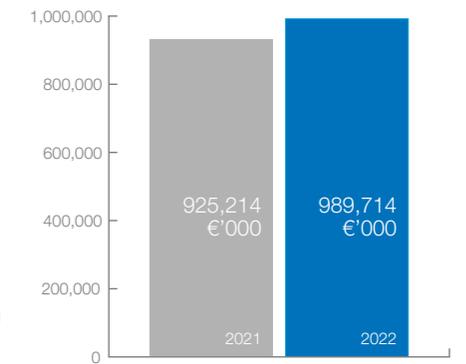
The EBITDA in the amount of €47,963,000 is characterised by the decline in sales of the Wuppermann Group and the sharp rise in energy costs in 2022 compared to the previous year. The EBITDA of 2021 in the amount of €78,195,000 was due in particular to the exceptionally good market environment last year and could therefore not be achieved.



09 FREE CASH FLOW

High inflation led central banks in the US and Europe to implement several key interest rate hikes during the year. These increases in key interest rates are also reflected in the Wuppermann Group's interest charges from the third quarter onwards. This effect of rising interest rates was offset by a significant reduction in debt in the second half of the year, which reduced the negative impact on the financial result. The financial result increased overall to -€743,000. The debt ratio (ratio of debt to EBITDA) was kept below one throughout the year. As the debt ratio influences part of the interest component, in 2022 this share could be kept at the lowest level agreed with our financing partners of 0.9 %.

The investment result of the Wuppermann Group in 2022 in the amount of €1,106,000 consists of the dividend payments of the non-consolidated subsidiary WOR and the joint venture participation in the Turkish steel service centre Galva Metal A.Ş.

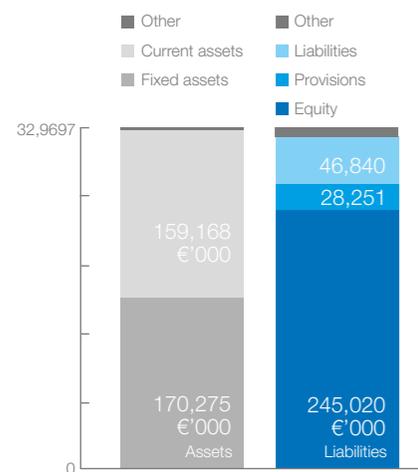


10 TURNOVER

Due to the lower result of the Wuppermann Group, the tax expense in 2022 fell to €7,138,000 (previous year: €12,790,000).

The result after minority interests (Wuppermann consolidated net income) amounts to €24,138,000 in 2022 and is thus lower than the previous year's figure of 43,991,000. WSN, as the only company with a minority shareholder in the Wuppermann Group, was able to achieve an exceptionally good result in 2021. However, a significant decline in volumes combined with a sharp increase in energy and freight costs will lead to a low net profit for the company in 2022. Thus, the share of the net profit for the year attributable to minority interests amounts to €251,000 (previous year: €5,185,000).

The earnings development in the two business units Flat and Tube is different. The Tube business unit was able to confirm the very good result of the previous year and achieved a net profit for the year in the amount of €11,329,000. The tube sector benefited from the strong photovoltaic industry and stable demand from the scaffolding industry, among others.

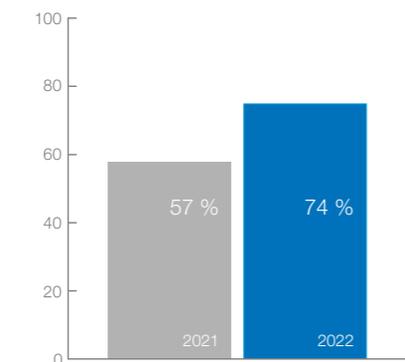


11 BALANCE SHEET TOTAL 2022

The Flat business unit reported a 60 % decline in earnings to €17,510,000. In the second half of the year in particular, demand in the Flat business unit slumped sharply. Demand from the steel service centres declined very significantly, but demand from the furniture and fittings industry, which had grown continuously in the past, also fell in 2022.

In the planning horizon, we take into account the uncertainty regarding the economic development and reduce the earnings expectations of all companies for 2023. Overall, we expect a positive corporate result for the Wuppermann Group.

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



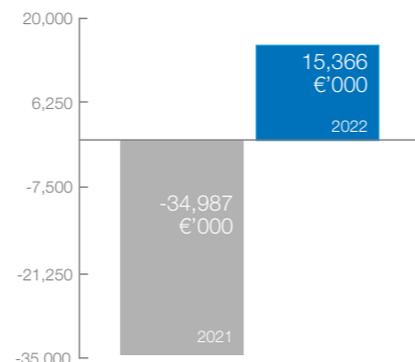
12 EQUITY RATIO

#### Net assets

The balance sheet total fell by €105,036,000 from €434,733,000 to €329,697,000 back (11). This fall is due to lower current assets, together with lower trade payables, lower provisions and lower liabilities to banks.

These developments are due in particular to the significantly lower portfolio volume. At the end of 2022, the Wuppermann Group was able to reduce the stocks of input materials, semi-finished and finished materials by 54 kt compared to the end of 2021. This reflects the lower sales volumes and the lower order intake accordingly.

As planned, the goodwill resulting from the repurchase of the WH share from Welsler was further amortised on a straight-line basis from €9,359,000 to €7,973,000 in the area of intangible assets in 2022. Property, plant, and equipment increased compared with the previous year. With a slightly increased depreciation level, higher investments lead to this increase.



13 NET FINANCIAL POSITION

The largest changes occurred in the area of current assets. Inventories decreased significantly compared to the previous year. The fall from €158,474,000 to €91,145,000 is due in particular to the low inventory level. The lower price level at the end of the year, however, is not yet fully reflected. Receivables and other assets fell by 51 % to €52,602,000 as a result of the low turnover in the fourth quarter. At the end of 2022, we will have utilised factoring, i.e. the sale of receivables from credit institutions in the amount of €10,526,000. At the end of the year, bank balances amounted to €15,421,000 and were thus significantly higher than the previous year's value of €2,266,000.

After equity increased by €45,715,000 to €245,803,000 in 2021, there is a slight fall to €245,020,000 in 2022. The dividend payments to Wuppermann shareholders and the minority shareholder Tata in 2022 are slightly higher than the net income achieved in 2022. However, due to the strong decrease in total assets, the equity ratio increased from 57 % to 74 % (12).

Liabilities to credit institutions fell from €36,260,000 to €2,000. As a result of the strong drop in working capital, the utilisation of overdraft facilities decreased more and more in the course of the year. At the end of the year, the Wuppermann Group has a credit balance and is debt-free.

The development of trade accounts payable is similar to that of trade accounts receivable. Due to low input material receipts in the fourth quarter, trade payables fell by €51,643,000 to €40,135,000 compared to the previous year.

Provisions also decreased and amounted to €28,251,000 as of the reporting date. Pension provisions fell by €809,000 to €12,831,000, tax provisions by €2,154,000 to €4,131,000 and other provisions also decreased by €4,445,000 to €11,289,000. While the fall in tax provisions is mainly due to the utilisation of a corporate tax provision in Austria, the decrease in other provisions is due to lower personnel provisions.

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

#### Financial position

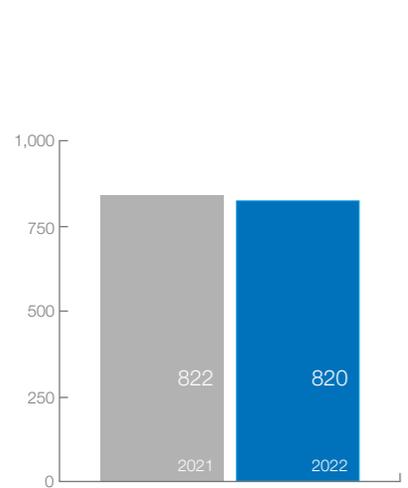
The net financial position as of 31 December 2022 of +€15,366,000 significantly compared to the previous year's value of -€34,987,000 (13). The Wuppermann Group is thus debt-free at the end of the year.

The cash flow from operating activities in 2022 amounts to €96,564,000. The cash flow is positively influenced by the inflow of financial resources in the amount of €122,008,000 from a high reduction in inventories and the reduction of receivables. On the other hand, there was an outflow of funds from the reduction of trade payables in the amount of €56,827,000.

The investment volume continued to increase in the business year. While the cash flow from investing activities was -€17,321,000 in 2021, it increased to -€21,300,000 in the 2022 financial year, in particular due to the increase in payments for investments in property, plant and equipment. Further disbursements for the major investment in a profiling plant at the WA site, the further improvement of WPL's plant technology in the area of pickled tubes and investments at the two flat sites WSN and WH have led to this.

In 2022, the Wuppermann Group has repaid the last long-term loan in the amount of €1,500,000. Due to the exceptionally high result in 2021,

	2022 €'000	2021 €'000
<b>1. Cash flow from operating activities</b>	96,564	11,345
<b>2. Cash flow from investments</b>	-21,300	-17,321
<b>3. Cash flow from financing activities</b>	-26,416	-34,850
Net change in cash and cash equivalents (subtotal 1 - 3)	48,848	-40,826
Changes in cash and cash equivalents due to exchange rate movements, changes in the scope of consolidation, and changes in valuation	4	0
Cash and cash equivalents at the beginning of the period	-33,487	7,333
<b>Cash and cash equivalents at the end of the period</b>	<b>15,366</b>	<b>-33,487</b>
<b>4. Composition of cash and cash equivalents</b>		
Cash and cash equivalents	15,421	2266
Financial liabilities to affiliated companies from cash pool	-53	-993
Current liabilities to credit institutions	-2	-34,760
<b>Cash and cash equivalents at the end of the period</b>	<b>15,366</b>	<b>-33,487</b>
Long-term loans	0	-1,500
Other financing	0	0
<b>Net financial position</b>	<b>15,366</b>	<b>-34,987</b>



14 EMPLOYEES 31.12.2022

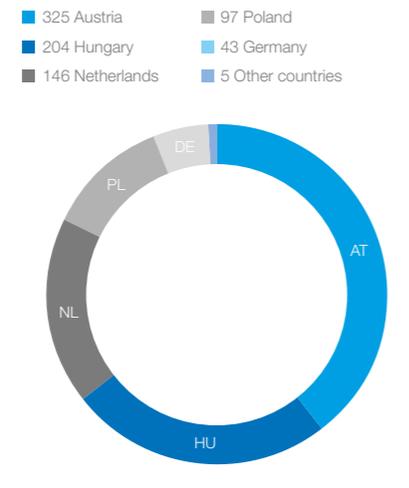
dividends to Wuppermann shareholders and minority shareholders in the amount of €24,795,000 were paid in 2022. In total, the cash flow from financing activities is - €26,416,000.

The cash-effective changes in cash and cash equivalents in 2022 of €48,848,000 were significantly higher compared to the previous year in the amount of - €40,826,000. In particular, the decline in short-term bank liabilities is responsible for this development.

The group's financial and liquidity position has again improved significantly as a result of the working capital development in 2022.

2.3 Personnel

As at 31.12.2022, the Wuppermann Group employed 820 active and inactive employees (incl. trainees and executive bodies) (14). The average number for the year was 825. The average number of employees for the year is thus at a comparable level to last year (previous year: 819). The number of agency workers fell from 87 to 77 on average for the year. Both



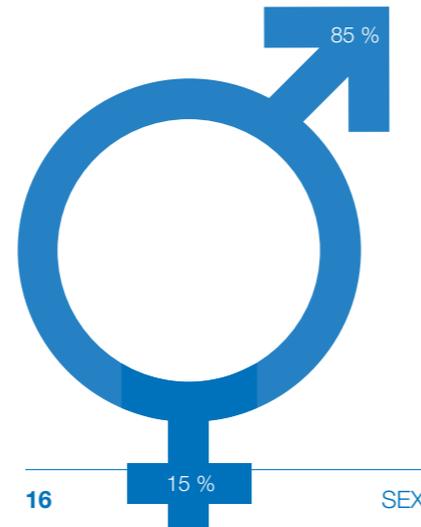
15 EMPLOYEES PER COUNTRY

WMT and WSN have reduced their agency workforce in 2022. However, while WMT took on the employees in permanent positions, WSN had to take account of the slowing economy and reduced the number of agency workers in the course of the year.

Of the 820 employees, 43 were employed in Germany, 146 in the Netherlands, 204 in Hungary, 97 in Poland, 325 in Austria and 5 in the rest of the world (15).

The proportion of women in the Wuppermann Group remained unchanged at 15 % in 2022 (16). Female employees in production and technical areas are still the exception. In sales and administration, on the other hand, the rate is significantly higher at over 50 %.

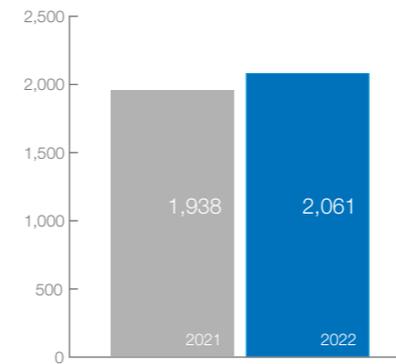
In the past financial year, human resources work at Wuppermann was characterised by three main challenges. Although the ongoing coronavirus pandemic faded more and more into the background in the course of the year, local regulations were continuously adapted to current developments. At the beginning of the



16 SEX

second quarter, employees throughout the group returned to their workplaces and local guidelines were agreed on the future design of the arrangements for working from home. The war in Ukraine that started at the end of February has, among other things, meant that staffing measures have had to be taken to respond to the economic impact from falling demand and inflation.

Occupational safety remains a top priority. After the key figures of near misses (17), medical first aid (MEV) and lost time injury (LTI) had shown a positive development in 2021, we had to accept regression in this area in 2022. The development of the accident frequency rate LTI = number of accidents with lost time (1 day and more per 1 million working hours) shows that the topic of occupational safety remains an ongoing challenge and improvements in this area must be constantly worked on. The strategic goal of reducing the LTI rate to 0 is reflected in this target accordingly. After the LTI rate had decreased to five in 2021, we had to record an increase to eight in 2022. Eleven occupational accidents with a focus on the Tube



17 NEAR-MISS REPORTS

business unit show that there is a significantly higher risk to employees in the more personnel-intensive Tube business unit. Appropriate measures have been taken within the business unit management to ensure a further increase in occupational safety in the future.

2.4 Sustainability and 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 CO<sub>2</sub> neutrality and are setting ambitious and concrete targets in climate protection: By 2025, the production of galvanised steel strip will be CO<sub>2</sub>-neutral. In addition, further improvements are to be achieved with regard to recycling and energy efficiency.

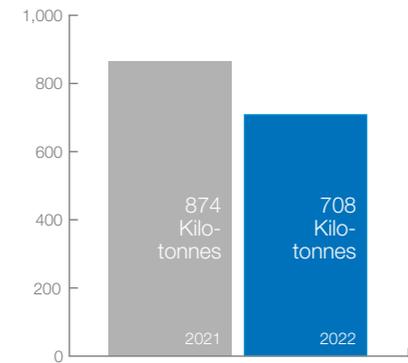
As early as 2020, Wuppermann had the environmental impact of the Wuppermann Group's "heat-to-coat strip galvanising process" and our competitors' conventional cold strip galvanising process investigated and a

comparison of the two processes drawn up. In 2022, this comparison was updated. Both investigations were carried out by the Fraunhofer Institute for Environmental, Safety and Energy Technology. The update shows the effectiveness of the measures. It could be shown that our process emits 54 % (previously: 31%) less CO<sub>2</sub> than the standard galvanising process on the market, based on our largest production site in the Netherlands. 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 steel strip, we save 93 g of CO<sub>2</sub> at the Moerdijk site and 84 g at the Judenburg site compared to the reference process. In contrast to the first study, the current study now includes all plants of the Wuppermann Group. For the tube mills, it could be shown that hardly any CO<sub>2</sub> is added to the material used during processing by Wuppermann.

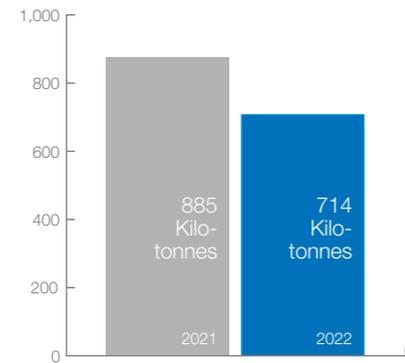
The fact that our heat-to-coat process is more environmentally friendly is essentially due to the process design. In contrast to the standard strip galvanising process, we do not use fossil fuels to heat the furnace, but only electricity. In addition, our maximum process temperature is significantly 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 CO<sub>2</sub> balance of the electricity used. Therefore, this is where the main leverage for reducing the CO<sub>2</sub> footprint can be found. Consequently, to achieve our ambitious goal, we are gradually converting our electricity mix to purchases from renewable sources. Initial measures have already been implemented and are leading to the

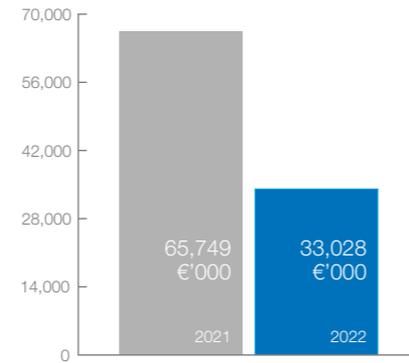
improvements mentioned above. For example, since the beginning of 2021, the group has been sourcing green electricity exclusively from hydropower at its production sites in Austria. The Dutch site in Moerdijk switched completely to electricity from wind power in 2022. For WH, the CO<sub>2</sub> advantage over the competition is not quite as great, since in Hungary there is not yet the possibility to purchase exclusively CO<sub>2</sub>-free electricity. In parallel, we are investing in our own electricity generation - in the first step on the basis of photovoltaic systems. Wuppermann has had photovoltaic systems in operation at three sites since 2022, with a total generation of 2,500 MWh. From 2023 onwards, the value increases significantly once again, as the installation of the PV systems at the other two production sites will be completed at the beginning of the year.



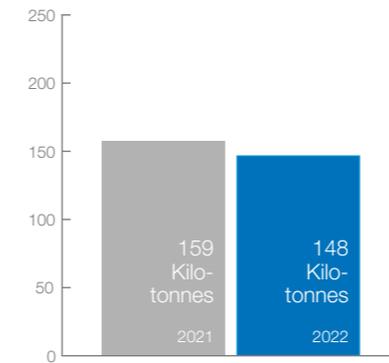
**18** INCOMING ORDERS FLAT



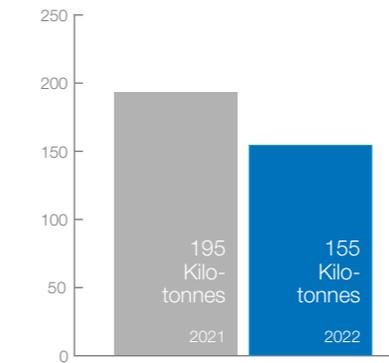
**19** SALES FLAT



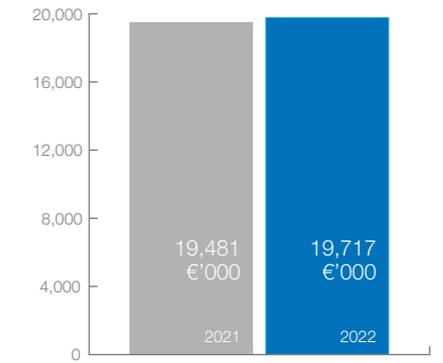
**20** EBITDA FLAT



**21** SALES TUBE



**22** INCOMING ORDERS TUBE



**23** EBITDA TUBE

**2.5 Economic development of the individual business units**

**Flat business unit**

The financial year of the Flat business unit can be divided into a very good first half-year and a very weak second half-year. With the start of the Ukraine war, there were sharp price jumps in the steel market as demand remained positive. At its peak, the MEPS quotation HRC low Germany rose to €1,350/tonne. Over the summer months, demand flattened out significantly, so that in the third and fourth quarters, the MEPS quotation dropped significantly and ended the year at a level of €600/tonne, its lowest point.

The business unit's order intake also developed accordingly (18). While the order intake in the first half of the year still realised the previous year's level, in the amount of 494 kt, this fell significantly in the second half of the year and amounted to only 214 kt. The two flat companies WH and WSN were equally affected by the decline.

In line with the lower order intake, the business unit's sales volume also declined to 714 kt - a decrease of 19 % compared to the previous year (19). The target of increasing sales to 972 kt in 2022 could not be realised due to the economic development in the second half of the year.

The contribution margins also developed in line with the volume trend. In the market environment of strongly rising prices in the first half of the year, very good sales margins were achieved. The trend reversed in the second half of the year. With significantly lower margins in a market environment of sharply falling prices, it was no longer possible to achieve positive profit contributions from the companies in individual months.

The resulting EBITDA of the business unit in the reporting year in the amount of €33,028,000 was thus below the value of the previous year and also below plan (20).

WSN faced the major challenge in 2022 of having to adjust to significantly lower demand and an associated lower sales volume in the short term

after the exceptionally successful year of 2021. This decline in volume, combined with steadily rising costs for energy and transport, led to a significant overall decline in the result.

Despite the difficult market environment, WH was also able to realise a positive corporate result in 2022. Similar to WSN, WH was confronted with a decline in volumes and, at the same time, sharply rising costs. However, the decline in sales was significantly lower compared to WSN. One of the factors contributing to this was the stable supply of input material to the tube companies compared to the previous year.

The Wuppermann Stark improvement programme was again a focal point for both companies this year. Further savings were realised within the framework of this programme.

WS - as the central purchasing and sales company for the companies of the Flat business unit - was confronted with the challenges of economic and price developments in both purchasing and sales. While the focus in the first half of the year was still on the supply of materials at an acceptable price level, it shifted towards sales in the second half of the year in order to ensure the capacity utilisation of the two production companies. The significant increase in transport prices and the restrictions on the availability of transport capacities in 2022 have also made it considerably more difficult for the Wuppermann Group to supply certain target regions.

**Tube business unit**

The economic development did not have the same negative impact on the business development of the Tube business unit compared to the Flat business unit. A decline in sales of -7 % to 148 kt (21) is mainly reflected in WA's flat products segment and WMT's tube business. Growth was recorded in the profiles and tube components segment as well as in WMT's systems technology segment.

The business unit's order intake decreased to 155 kt (22) in 2022. On the other hand, the order intake of the system technology division could be increased further. The Systems Engineering Division benefited from the good economic development of the heating industry. Individual sectors throughout the Tube business unit have shown very positive developments during 2022 due to environmental policy developments. In addition to the heating industry, the solar industry should be mentioned here in particular.

After an extraordinarily high EBITDA was achieved in 2021 in the amount of €19,481,000, the Tube business unit was able to improve with an EBITDA in the amount of €19,717,000 in 2022 (23). The continued consistent implementation of strategy in the business unit, with a focus on WA and WPL, has led to increased results in these two companies. WMT was able to maintain the result at a very high level. This positive development in all companies is particularly noteworthy against the backdrop of the weakening economy and the likewise sharply increased costs for energy and transport.

WA benefited from the Europe-wide focus on renewable energy in 2022. This has led to a significant increase in demand in the photovoltaic sector. Due to the existing production possibilities of high zinc coating thicknesses in the flat as well as in the tube/profile area, WA was able to accompany the higher demand accordingly. The investment in the new profiling line has also created the prerequisites to be able to serve the expected further growth of the photovoltaic industry in the coming years.

WMT was able to confirm the good results from last year, especially in the first half of the year. Towards the end of the year, however, the economic development became more noticeable. Declines in demand in the furniture industry and the infrastructure sector could not be compensated.

At the beginning of the Ukraine war, WPL had the opportunity to cover the lack of supplies from Ukraine and Russia in the Eastern European market. In addition, there was high demand from the scaffolding sector throughout the year. Based on this high capacity utilisation, the result was significantly improved compared to the previous year.

### 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 2022 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 understand possible positive deviations from the forecast or a target due to future events or developments as opportunities. Accordingly, opportunity management encompasses 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 was revised during 2022. The main strategic goal was specified and is now to sustainably increase the profitability of the Wuppermann Group.

The CO<sub>2</sub> emissions of the galvanising process, which are significantly lower than those of the competition, are to be used more in marketing in the

future. The galvanising plants have the goal of achieving an emission-free galvanising process by 2025. Wuppermann strip galvanising already has the lowest CO<sub>2</sub> emissions in Europe today. All sites are to be CO<sub>2</sub>-free by 2030.

As a steel processor with only about 20 % value added, purchasing and sales are of particular importance. "Search for excellence" in filling positions and attractive incentives are the basis for success in the steel market. In addition, the professional support of order handling processes must be further improved through standardisation and digitisation. These are prerequisites for ensuring minimum margins and achieving target margins. The "WSmart" project, with the aim of standardising and digitising the order processing process in the Flat business unit, was successfully completed in 2022.

In order to ensure that the goals are achieved, the SME character of the group is to be strengthened by accelerating decision-making processes, reducing complexity and decentralising responsibility more strongly.

Targeted investment in the technical capabilities of our production sites will create further opportunities. In 2022, WA's investment in a profiling line with an automatic packaging line in the amount of €13,000,000 will be largely implemented at the Judenburg site, so that production can begin from the 2nd quarter of 2023. At the WH plant, further investments in the amount of €2,100,000 were approved in 2022 to support the process-safe production of WTopCor (zinc magnesium surface).

#### Risk Report:

At Wuppermann, risks are generally understood to be impending 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 to the previous year, the overall risk situation resulting from the analysis and evaluation of the individual risks has changed. While in the previous year it was still operational risks, in 2022 the focus has increasingly shifted to geopolitical risks or operational risks related to geopolitical developments.

In addition to the regular reporting by the Management Board to the supervisory board, which focuses on risks that could jeopardise the company as a going concern, the topic of risk management was included at quarterly intervals in 2022 as a fixed component of the results discussions with the managers 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 projected probabilities of occurrence and loss amounts. A probability of occurrence of less than 25% corresponds to a classification as "unlikely", between 26% and 50% to a classification as "possible", between 51% and 75% as "probable" and from a probability of occurrence of more than 75% the assessment is "very probable". On the other hand, we evaluate the risks in terms of their possible 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 framework conditions (environment / event / law / 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 the growth of the global economy continues to be characterised by great uncertainties. The unpredictable further course of the war in Ukraine as well as a possible expansion of the conflict show the extreme uncertainty regarding further developments. High energy prices, especially for electricity and gas, supply restrictions and even "blackout scenarios" as well as rising inflation rates and interest rates with negative consumer effects and a declining willingness to invest represent the greatest challenges and risks for future development.

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

We have taken the expected economic challenges into account in our planning for 2023.

#### 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, the funds are passed on to the companies as needed. To this end, we optimise Group financing and limit financial risks.

As at 31 December 2022, cash and cash equivalents amounted to €15,421,000, the freely available and unutilised credit lines of the syndicated loan agreement to €60,000,000 and the free factoring volume to €29,474,000. The group thus had a credit balance in the amount of €15,366,000.

The syndicated financing concluded in the amount of €60,000,000 has a term until June 2024. In addition, there is the possibility of using factoring up to an amount of €40,000,000.

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. Contact is sought with customers at an early stage in order to prevent payment default or to minimise risk. In addition, trade credit insurance is taken out.

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

#### Financing risks:

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 2022, 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 at 31 December 2022, the Wuppermann Group had a credit balance.

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 2022, a total of 204 people were employed at the site. If the number of staff falls short, 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 qualified employees in all companies. The main risks here are not finding top performers for vacant positions or losing competent job holders. A stronger focus in the strategy on filling positions under the aspect of "search for excellence" and the offer of an attractive remuneration structure provide opportunities to minimise these risks here.

Our positioning as an attractive employer must be strengthened. Measures are seen in the area of in-company training and in the timely identification of further development opportunities in the group. A particular challenge is, on the one hand, to cover the personnel needs for skilled workers that will arise with the planned investments in the coming years and, on the other hand, to replace the age-related retirement of experienced employees, top performers and managers at an early stage.

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 further course of the coronavirus pandemic is difficult to predict. Renewed lockdown measures in the European market environment are rather unlikely from today's perspective. From a risk management perspective, we are still very cautious about the further course of the coronavirus pandemic, especially from a personnel perspective, but assess the risks as unlikely with medium impact.

We also assess the occurrence of other personnel risks as unlikely with medium effects.

#### 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. The advancing digitisation and the accompanying further IT integration of business processes requires that the resulting risks are 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. We counter the risk of unauthorised access to company data by using firewall systems, patch management and other measures within the framework of the ERDIS programme (Enhancing Information Security). 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 of the "Cyber Defense Center" include among others

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

// systematic identification and removal of security gaps, and

// emergency support.

The further awareness-raising of our employees in dealing with IT risks and also the handling of confidential information have also become a particular focus. With internal awareness training and intensified communication around the topic of IT risks, we are trying to sensitise our employees and further increase information security. Since the end of 2021, we have therefore been using an e-learning programme on the topic of information security throughout the group, which was expanded with new modules in 2022 and thus promotes continuous awareness-raising among employees.

A major investment in increasing information security in 2022 was the implementation of full network segmentation, which aims to divide network areas into separate subnetworks. These subnetworks can then be isolated from each other in the event of an attack and security controls and services can be provided for each subnetwork.

Within the framework of the Wuppermann "ERDIS" programme, expenditures of around €700,000 were made in 2021 and 2022 to increase information security. We also have insurance to protect against the consequences of "cybercrime". Wuppermann was thus able to meet the increased requirements of the insurance company for information security in the group.

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 that we have described in the section "Risks from external conditions" can have an impact on our business development in individual markets and thus lead to sales risks.

In addition to economic risks, availability of material remains a key issue. The long-standing trusting partnership with our suppliers and the further development of new suppliers form the basis for us to have sufficient material contingents available at all times.

Furthermore, the availability or price of transport space can also lead to sales risks. 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 operational planning for 2023 does not foresee any volume increases due to the expected recession. The low level from 2022 will be continued. Specific sales risks of the business units can be found in the sections "Risks of the business units".

The probability of occurrence of sales risks is likely to have a 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 implemented in 2022, with a focus on digitising the order handling process while creating more transparency, will provide us with faster ways to act.

The sharp rise in energy prices as a result of the Ukraine war poses major challenges for the Wuppermann Group. We are countering the high energy prices with further investments in our own energy generation and structured procurement via corresponding hedging transactions. Likewise, energy-saving measures are continuously implemented in all plants in order to sustainably reduce the group's energy demand.

In the plan for 2023, we have taken into account a significantly higher energy cost level. Further investments in the company's own energy generation are currently being implemented. Taking these planning assumptions into account, we estimate the probability of occurrence of procurement risks as possible with a 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 the costs of repairing the damage, there is above all the risk of business interruption, which can lead to longer 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. In the course of its "WSN 2025" investment programme, WSN has also implemented further modernisations in 2022 to make the ageing facilities fit for the future. The expansion of WH's production capabilities means that a large proportion of the Flat business unit's customers can now be supplied from both plants. Thus, in the event of a corresponding interruption in production at one of the two plants, factory assistance in a certain volume is possible at any time. Work is also continuing on redundant production capacities in the Tube business unit.

In addition, property and business interruption insurance policies have been taken out to an appropriate extent for all production companies to minimise the financial loss in the event of an emergency.

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 facilities. The renewal of the water treatment plant at WSN, which is now based on the latest ultrafiltration technology and ensures continuous treatment of process water, is an example of this from 2022. 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

2022 was strongly characterised by price increases in the energy and transport sectors. Highly volatile steel prices throughout the year also led to major challenges in the past year. A marked slowdown in economic development has also led to a significant decline in volumes in 2022.

A further weakening of the economy, which is hardly assessable, especially due to the unforeseeable further course of the Ukraine war, represents the greatest risk. In addition, there are great uncertainties with regard to raw material and energy prices, which continue to be highly volatile.

For the Flat business unit, there is therefore a risk of not achieving the relatively low sales volume and thus also the earnings targets set in the operational planning for 2023 due to fluctuating demand. Wuppermann continues to counter these risks by concentrating on demanding market segments with lower volatility and maintaining long-term customer and supplier relationships.

On the procurement side, risks arise from strongly fluctuating starting material prices and the unavailability of the right materials at the desired time. We try to mitigate the margin risk by structuring our supplier and customer contracts accordingly and by always hedging the contracts "back-to-back". We are countering further sharp rises in energy prices with a hedging strategy coordinated across the group and targeted investments to continuously increase the supply of electricity from our own generation.

The availability of affordable transport capacity will be a major challenge in 2023. Strong price increases in the area of truck and rail transport are to be passed on to the customers without affecting the result or neutralised by developing alternative transport concepts.

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.

Thus, market uncertainties on the sales and procurement side as well as earnings and margin risks are among the risks to the economic development of the Flat business unit.

As part of the operational planning for 2023, both sales and earnings targets were planned in line with the current economic environment. Cost increases in the area of energy and transport costs were taken into account and are processed as part of the lower result expectation. We assess additional risks for the Flat business unit as possible with a high impact on earnings.

##### Risks of the Tube business unit

In 2022, we also estimate the development of the core markets of the Tube business unit to be more stable compared to the Flat business unit. The economic development in the solar industry led to high capacity utilisation in 2022, which we assume to the same extent for 2023. The path towards renewable energies offers great potential for the Tube business unit in the coming years, which we will meet through targeted investments. The new investment in the WA profiling plant with a planned production start in the second quarter of 2023 offers opportunities to be able to meet this demand accordingly. For the other market segments, we have assumed a similar business development as in 2022.

Due to the close integration of the two business units on the procurement side, the procurement risks of the Flat business unit can be transferred to the Tube business unit in a similar way. The Flat business unit was able to ensure the supply of the Tube business unit at all times in 2022. On the one hand, forward-looking warehousing serves to optimise the supply situation and, on the other hand, is used to bind customers more closely to the company by shortening delivery times.

The focus on demanding market segments, the constant further development of production processes and the cultivation of long-term customer relationships, which was started in the Tube business unit in the past years, are to be seen as the key to the successful development of the business unit.

WA's major investment in a profiling line, which is about to be commissioned, is taking place in a market phase with high demand for profiles for the solar industry. Thus, the sales risk associated with the investment can be classified as low. The focus is now on a smooth production start-up and further staff recruitment and training.

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

Operational planning in the Tube business unit also takes into account the current economic development, although not to the same extent as in the Flat business unit. The comparatively significantly lower energy intensity of tube production and the more stable purchasing behaviour of customers are reflected in the planning for 2023. The probability of occurrence of further risks in the Tube business unit is classified as possible with a high impact on results.

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

When the guarantees expire on 31 December 2022, there are no further risks from the sale of the Systems Engineering business unit from 2017.

### 3.2 Forecast report

In view of the existing high economic and geopolitical uncertainties, the probable business development cannot be reliably foreseen.

We have therefore made the following key assumptions and economic conditions for the 2023 financial year:

// Overall, the sales volume in 2023 is at the same level as in 2022,

// the ongoing recession in H1 2023 will lead to sales at the level of H2 2022,

// a recovery of sales in the 2nd half of 2023 to the level of the 1st half of 2022 is assumed and

// the forward prices for electricity 2023 of the European Energy Exchange as of the end of October 2022

and a salary cost increase of between 5 and 10 % per country were planned.

However, there are uncertainties regarding the development of the economic framework conditions of our business:

// The further course of the war and its effects on the economic development and the development of electricity and gas prices,

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

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

The overall subdued outlook for 2023 may be clouded by the aforementioned factors. It can be assumed that deviations from the plan may also occur in 2023 due to the aforementioned uncertainties.

Despite a comparable volume level, the result level of 2022 cannot be transferred to 2023. Further increases in energy costs, rising wage costs and, above all, falling sales margins processed in the planning lead to a lower result expectation for 2023.

The Wuppermann Group's sales volume is expected to remain at 862 kt in the uncertain market environment. The planned EBITDA for 2023 is below the level of 2022 for the reasons mentioned above. We are planning an EBITDA for 2023 of €23,641,00.

After the disbursements for investments in 2022, which exceed the depreciation, in the amount of €21,033,00, in 2023 we are planning investments in the amount of €17,933,000. The subsequent investment disbursements from 2022 and the major investment of WA lead to a cash outflow in the amount of €24,134,000 in 2023. The Wuppermann Group is thus continuing to invest in the expansion and modernisation of its plants. Some of the investments are also intended to contribute to increasing occupational safety in order to achieve the strategic goal of an LTI rate equal to 0 in the group.

2022 was characterised by strong price fluctuations. Consistent working capital management, which has taken into account the economic environment, combined with low prices at the end of the year, has contributed to the deleveraging in 2022. For 2023, we are planning for a slight increase in the net financial liability to - €594,000. With a lower planned result, the planned investment payments and the planned dividend lead to a slight increase in debt. However, the debt-equity ratio is to be kept below one during the course of the year, so that financing can continue to be provided at the lowest possible conditions. The free cash flow for 2023 is expected to be €4,025,000.

**Leverkusen, 14 February 2023**  
**Wuppermann AG, Management Board**

Johannes Nonn

Dr. Arndt Laßmann

# ANNUAL FINANCIAL STATEMENTS GROUP

## Profit and loss statement

IN €'000	2022	2021
<b>1. Revenues</b>	989,714	925,214
<b>2. Decrease/increase in inventories of finished goods and work in progress</b>	-27,524	37,527
<b>3. Other activated net performance</b>	9	81
<b>4. Other operating income</b>	3,545	2,691
	965,744	965,513
<b>5. Cost of materials</b>		
a) Cost of raw materials, consumables and supplies, and purchased goods	-785,812	-761,638
b) Cost of purchased services	-30,445	-26,901
	-816,257	-788,539
<b>6. Personnel expenses</b>		
a) Wages and salaries	-40,903	-43,080
b) Social security contributions and expenses for pensions and other benefits (thereof for pensions: €1,220,000; previous year: €1,365,000)	-10,635	-9,783
	-51,538	-52,862
<b>7. Depreciations on intangible fixed assets of property, plant and equipment</b>	-16,799	-15,915
<b>8. Other operating expenses</b>	-49,986	-45,916
<b>9. Income from investments</b>	1,106	195
<b>10. Other interest and similar income</b> (thereof for pensions: €0; previous year: €0)	9	8
<b>11. Interest and similar expenses</b> (thereof from accrued interest: €316,000; previous year: €317,000) (thereof in affiliated companies: €0; previous year: €0)	-752	-517
<b>12. Tax from income and from earnings</b> (of which income from the change in recognised deferred taxes: €2,472,000; previous year: Expenses €4,265,000)	-7,138	-12,790
<b>13. Group result after taxes / Group net profit for the year</b>	<b>24,389</b>	<b>49,176</b>
<b>14. Non-controlling share of consolidated net profit for the year attributable to non-controlling interests net profit for the year</b>	-251	-5185
<b>15. Share of consolidated net income attributable to Wuppermann Group</b>	<b>24,138</b>	<b>43,991</b>
16. Profit carried forward from the previous year	153,888	113,578
17. Withdrawal from other revenue reserves	662	13,914
<b>18. Consolidated balance sheet profit</b>	<b>178,688</b>	<b>171,483</b>

## Consolidated balance sheet

ASSETS IN €'000	31.12.2022	31.12.2021
<b>A. FIXED ASSETS</b>		
<b>I. Intangible assets</b>		
1. Concessions, industrial property rights and similar rights and assets acquired for consideration, as well as licences to such rights and assets	878	744
2. Goodwill	7,973	9,359
	8,851	10,103
<b>II. Property, plant, and equipment</b>		
1. Land, land rights, and buildings, including buildings on third-party land		
2. Technical equipment and machinery	56,351	56,780
3. Other equipment, factory, and office equipment	75,090	79,729
4. Advance payments and assets under construction	10,396	9,143
	17,224	8,066
	159,061	153,718
<b>III. Financial assets</b>		
1. Shares in affiliated companies	32	32
2. Shares in associated companies	2,331	2,331
	2,363	2,363
	<b>170,275</b>	<b>166,184</b>
<b>B. CURRENT ASSETS</b>		
<b>I. Inventories</b>		
1. Raw materials and supplies	47,324	87,407
2. Work in progress, unfinished services	9,538	14,847
3. Finished products and goods	34,283	56,220
	91,145	158,474
<b>II. Receivables and other assets</b>		
1. Trade receivables	42,038	87,964
2. Receivables from affiliated companies	15	1
3. Other assets	10,549	19,490
	52,602	107,455
<b>III. Cash on hand and bank balances</b>	15,421	2,266
	<b>159,168</b>	<b>268,195</b>
<b>C. PREPAID EXPENSES</b>	254	354
	<b>329,697</b>	<b>434,733</b>

LIABILITIES IN €'000	31.12.2022	31.12.2021
<b>A. OWNERSHIP</b>		
<b>I. Subscribed capital</b>	21,285	21,285
<b>II. Capital reserve</b>	269	269
<b>III. Retained earnings</b>	31,703	32,365
<b>IV. Consolidated retained earnings</b>	178,688	171,483
<b>V. Equity difference from currency translation</b>	-1,095	-718
<b>VI. Non-controlling interests</b>	14,170	21,119
	<b>245,020</b>	<b>245,803</b>
<b>B. SPECIAL ITEM FOR INVESTMENT GRANTS AND ADDITIONS TO FIXED ASSETS</b>	<b>7,665</b>	<b>8,013</b>
<b>C. PROVISIONS</b>		
1. Provisions for pensions and similar obligations	12,831	13,640
2. Tax provisions	4,131	6,285
3. Other accrued liabilities	11,289	15,734
	<b>28,251</b>	<b>35,659</b>
<b>D. LIABILITIES</b>		
1. Liabilities to banks	2	36,260
2. Advance payments received on orders	769	1,901
3. Trade accounts payable	40,135	91,777
4. Liabilities to affiliated companies	53	993
5. Other liabilities (of which from taxes: €2,618,000; previous year: €6,103,000) (of which within the framework of social security: €1,146,000; previous year: €920,000)	5,882	9,933
	<b>46,840</b>	<b>140,864</b>
<b>E. PREPAID EXPENSES</b>	<b>28</b>	<b>29</b>
<b>F. DEFERRED TAX LIABILITIES</b>	<b>1,893</b>	<b>4,365</b>
	<b>329,697</b>	<b>434,733</b>

## Development of the Group fixed assets 2022

IN €'000	Acquisition or production costs					Accumulated depreciation						Carrying amounts		
	1.1.2022	Acquisitions	Transfers	Disposals	Exchange rate differences	31.12.2022	1.1.2022	Transfers	Acquisitions	Disposals	Exchange rate differences	31.12.2022	31.12.2022	31.12.2021
<b>I. Intangible assets</b>														
1. Concessions, industrial property rights and similar rights and assets acquired against payment, as well as licenses to such rights and assets	7,253	265	312	-8	-79	7,742	6,509	3	441	-8	-79	6,865	878	744
2. Goodwill	15,105	0	0	0	0	15,105	5,746	0	1,387	0	0	7,133	7,973	9,359
	<b>22,359</b>	<b>265</b>	<b>312</b>	<b>-8</b>	<b>-79</b>	<b>22,848</b>	<b>12,256</b>	<b>3</b>	<b>1,827</b>	<b>-8</b>	<b>-79</b>	<b>13,997</b>	<b>8,851</b>	<b>10,103</b>
<b>II. Property, plant, and equipment</b>														
1. Land, land rights, and buildings, including buildings on third-party land	99,380	1,639	691	-41	-33	101,637	42,600	0	2,726	-18	-23	45,286	56,351	56,780
2. Technical equipment and machinery	213,401	3,201	1,794	-4,461	-127	213,807	133,672	-3	9,354	-4,227	-78	138,717	75,090	79,729
3. Other equipment, factory, and office equipment	34,470	2,774	1,377	-692	-10	37,921	25,328	0	2,892	-690	-7	27,524	10,396	9,143
4. Advance payments and assets under construction	8,066	13,419	-4,174	-74	-13	17,224	0	0	0	0	0	0	17,224	8,066
	<b>355,317</b>	<b>21,033</b>	<b>-312</b>	<b>-5,268</b>	<b>-183</b>	<b>370,589</b>	<b>201,600</b>	<b>-3</b>	<b>14,972</b>	<b>-4,935</b>	<b>-108</b>	<b>211,528</b>	<b>159,061</b>	<b>153,718</b>
<b>III. Financial assets</b>														
1. Shares in affiliated companies	32	0	0	0	0	32	0	0	0	0	0	0	32	32
2. Investments in associates	2,732	0	0	0	0	2,732	401	0	0	0	0	401	2,331	2,331
	<b>2,764</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,764</b>	<b>401</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>401</b>	<b>2,363</b>	<b>2,363</b>
	<b>380,440</b>	<b>21,298</b>	<b>0</b>	<b>-5,276</b>	<b>-262</b>	<b>396,200</b>	<b>214,257</b>	<b>0</b>	<b>16,799</b>	<b>-4,944</b>	<b>-186</b>	<b>225,926</b>	<b>170,275</b>	<b>166,184</b>

## Consolidated Statement of Changes in Equity

IN €'000	Equity of Wuppermann AG													Non-controlling interests			Group equity capital	
	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													
31.12.2021	21,285	0	21,285	0	269	269	1,859	30,506	32,365	32,634	-718	127,492	439,91	224,684	13,814	7,305	21,119	245,803
1. Consolidated net income			0			0			0	0			24,138	24,138		251	251	24,389
2. Withdrawal of treasury stock			0			0			0	0				0			0	0
3. Distribution to shareholders			0			0			0	0		-17,595		-17,595	-7,200		-7,200	-24,795
4. Transfer profit carried forward			0			0			0	0		43,991	-43,991	0	7,200	-7,200	0	0
5. Change in other retained earnings			0			0		-662	-662	-622		662		0			0	0
6. Currency conversion			0			0			0	0	-377			-377			0	-377
<b>As of 31 December 2022</b>	<b>21,285</b>	<b>0</b>	<b>21,285</b>	<b>0</b>	<b>269</b>	<b>269</b>	<b>1,859</b>	<b>29,844</b>	<b>31,703</b>	<b>31,972</b>	<b>-1,095</b>	<b>154,550</b>	<b>24,138</b>	<b>230,850</b>	<b>13,814</b>	<b>356</b>	<b>14,170</b>	<b>245,020</b>

## Net financial positions

IN €'000	2022	2021
<b>1. Cash flow from operating activities</b>	96,564	11,345
<b>2. Cash flow from investments</b>	-21,300	-17,321
<b>3. Cash flow from financing activities</b>	-26,416	-34,850
Changes in cash and cash equivalents (Subtotal 1 - 3)	48,848	-4,0826
Exchange rate, consolidation group, and valuation-related changes in cash and cash equivalents	4	0
Cash and cash equivalents at the beginning of the period	-33,487	7,333
<b>Cash and cash equivalents at the end of the period</b>	<b>15,366</b>	<b>-33,487</b>
<b>4. Composition of cash and cash equivalents</b>		
Cash and cash equivalents	15,421	2,266
Financial receivable from affiliated companies from cash pool	-53	-993
Current liabilities to banks	-2	-34,760
Cash and cash equivalents at the end of the period	<b>15,366</b>	<b>-33,487</b>
Long-term loans	0	-1,500
Other financing	0	0
<b>Net financial position</b>	<b>15,366</b>	<b>-34,987</b>

## Consolidated Cash Flow Statement

IN €'000		2022	Previous year	Change	
<b>Current business activity</b>					
	1.	Net profit/loss for the period (consolidated net profit/loss including non-controlling interests)	+24,389	+49,176	-24,787
+/-	2.	Depreciation/write-ups of fixed assets	+16,799	+15,915	+884
+/-	3.	Increase/decrease in provisions	-5,254	+4,620	-9,874
+/-	4.	Other non-cash expenses/income	-377	-61	-316
-/+	5.	Increase/decrease in inventories, trade receivables, and other assets not attributable to investing or financing activities	+122,008	-121,201	+243,209
+/-	6.	Increase/decrease in trade accounts payable and other liabilities not attributable to investing or financing activities	-56,827	+54,534	-111,361
-/+	7.	Gain/loss on disposal of non-current assets	+434	+84	+350
+/-	8.	Interest expense/interest income	+743	+509	+234
-	9.	Other income from investments	-1,106	-195	-911
+/-	10.	Income tax expense/income	+7,137	+12,790	-5,653
-/+	11.	Income tax payments	-11,383	-4,827	-6,556
=	<b>12.</b>	<b>Cash flow from operating activities</b>	<b>+96,564</b>	<b>+11,345</b>	<b>+85,219</b>
<b>Investment activities</b>					
	13.	Proceeds from disposals of intangible assets	0	0	0
-	14.	Payments for investments in intangible assets	-265	-313	+48
+	15.	Proceeds from disposals of property, plant, and equipment	+84	-21	+105
-	16.	Payments made for investments in property, plant, and equipment	-21,033	-16,972	-4,061
-	17.	Cash outflows due to cash investments as part of short-term financial planning	-19	-1	-18
+	18.	Interest received	+8	+8	0
+/-	19.	Currency differences fixed assets	-75	-22	-53
=	<b>20.</b>	<b>Cash flow from investments</b>	<b>-21,300</b>	<b>-17,321</b>	<b>-3,979</b>
<b>Financing activities</b>					
-	21.	Cash outflows from the redemption of bonds and (financial) loans	-1,500	-31,000	+29,500
+/-	22.	Payments received/made from/to company owners and minority shareholders	-24,795	-3,400	-2,1395
+	23.	Proceeds from received grants/ subsidies	+631	+615	+16
-	24.	Disbursements in connection with expenses of exceptional magnitude or exceptional significance	0	-548	+548
-	25.	Interest paid	-752	-517	-235
=	<b>26.</b>	<b>Cash flow from financing activities</b>	<b>-26,416</b>	<b>-34,850</b>	<b>+8,434</b>
<b>Cash-effective changes in cash and cash equivalents</b>		<b>+48,848</b>	<b>-40,826</b>	<b>+89,674</b>	
	27.	Cash and cash equivalents at the beginning of the period	-33,487	+7,333	-40,820
	28.	Exchange rate and valuation-related changes in cash and cash equivalents	+4	+6	-2
	29.	Changes in the scope of consolidation	0	0	0
<b>Cash and cash equivalents at the end of the period</b>		<b>+15,366</b>	<b>-33,487</b>	<b>+48,852</b>	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF 31 DECEMBER 2022

## 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.

## 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 2022 financial year.

The following companies are included in the consolidated financial statements as of 31 December 2022:

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

The balance sheet date of all companies included in the consolidated financial statements is 31 December 2022.

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. For the last financial year for which annual financial statements are available, the equity capital as of 31.12.2021 was €3,590,000; the annual profit for 2021 was €1,783,000.

The company Wuppermann Otel România S.R.L., Bucharest, RO, (WOR) (share: 100 %) is not included in the consolidated financial statements - as in previous years - because its sales only amount to €148,000. For the last financial year for which annual financial statements are available, the equity capital as of 31.12.2021 was €1,050,000; the annual profit for 2021 was €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. Positive differences arising from consolidation transactions after 31 December 2009 are capitalised and amortised over a period of 10 years based on our experience of the product life cycle and the inventory life 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. Non-interest-bearing 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 production costs for finished goods and work in progress also include appropriate portions of the necessary material and production overheads as well as production-related depreciation. The valuation corresponds to the production costs that must be capitalised. 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. Value 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 factoring company and for which the factoring company has assumed the default risk are not recognised 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. The valuation of pension provisions is based on the 2018 G Heubeck mortality tables. Future salary increases are not taken into account, as they have no effect on the amount of the pension obligations. The future pension dynamic was set at 1 % p.a. if this is contractually guaranteed, otherwise a pension dynamic of 1.75 % was set. No fluctuation is taken into account. The actuarial interest rate used to determine the cost of the obligation is 1.79% (10-year average). The interest rate used to determine the distribution-restricted difference in accordance with Article 253 para. 6 HGB is 1.45 % (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 1.78 % (10-year average). A salary dynamic of 3.5 % 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 other creditors and may only be utilised to fulfil 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 1.79 % (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 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 for the accrual of income. 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:

		31.12.2022		31.12.2021	
		Exchange rate cut-off date for €1	D-rate for €1	Exchange rate cut-off date for €1	D-rate for €1
Country	Currency				
Poland	PLN	4.6808	4.6868	4.5969	4.5720
Sweden	SEK	11.1218	10.667125	10.2502	10.1562

### 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.

The development of the individual items of the financial assets is shown in the statement of changes in fixed assets, which is part of the notes to the consolidated financial statements and is attached as an appendix to these notes.

#### Current assets

##### Inventories

The accumulated value adjustments on inventories amount to €6,126,000.

##### Receivables and other assets

Value discounts for individual risks were recognised in the amount of €88,000 and for the general credit risk in the amount of €0.

IN €'000	31.12.2022	31.12.2021
<b>Trade receivables</b>	42,038	87,965
thereof with a remaining term of more than one year	0	0
of which against affiliated companies	15	1
<b>Other assets</b>	10,549	19,490
thereof with a remaining term of more than one year	3,281	4,153
	<b>52,602</b>	<b>107,455</b>

The other assets include claims from reinsurance policies that cannot be offset in the amount of €3,235,000 (previous year: €4,142,000) and from taxes in the amount of €4,948,000 (previous year: €9,920,000).

##### 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. Offset deferred tax assets result mainly from different valuations within the pension provisions and the 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 at 31 December 2021, deferred tax assets of €1,383,000 and deferred tax liabilities of €5,748,000 were shown netted. In the 2022 financial year, the amount of deferred tax assets increased by €29,000 to €1,412,000. Deferred tax liabilities decreased by €2,443,000 to €3,305,000, so that as of 31 December deferred tax liabilities of €1,893,000 are shown net.

### 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), the capital reserve of €269,000 (previous year: €269,000) and the revenue reserves of €31,703,000 (previous year: €32,365,000) are consistent with the disclosure in the individual financial statements of the AG.

An amount of €662,000 was withdrawn from other revenue reserves.

The equity generated amounts to €31,703,000 (revenue reserves) and €178,688,000 (consolidated retained earnings) (previous year: €171,484,000). 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) recognised as liabilities amount to €7,665,000 (previous year: €8,013,000) are not deducted from the acquisition costs of the corresponding assets in the balance sheets of six (previous year: four) 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 with the 10-year average interest rate and the valuation with the 7-year average interest rate in accordance with Article 253 para. 6 HGB amounts to €192,000 as at 31 December 2022 (previous year: €197,000).

In accordance with Article 246 paragraph 2 sentence 2 HGB, claims from reinsurance policies in the amount of €344,000 (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 the amount of €3,235,000 (previous year: €4,142,000) are reported 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

Other provisions in the financial year mainly relate to obligations of €5,255,000 from profit-related remuneration, €1,664,000 for outstanding invoices and €2,023,000 for company anniversaries. In addition, provisions of €766,000 are made for holidays not taken and €347,000 for overtime.

### Liabilities

The remaining terms of the liabilities in the group 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.

STATEMENT OF CHANGES IN LIABILITIES IN €'000	Remaining term			Total	
	up to 1 year	more than 1 year	thereof over 5 years	31.12.2022	31.12.2021
Liabilities to banks	2	0	0	2	36,260
(previous year)	36,260	0	0		
Trade accounts payable	40,134	0	0	40,134	91,777
(previous year)	91,777	0	0		
Liabilities to affiliated companies	53	0	0	53	993
(previous year)	993	0	0		
Liabilities from advance payments received	769	0	0	769	1,901
(previous year)	1,901	0	0		
Other liabilities	5,882	0	0	5,882	9,933
(previous year)	9,933	0	0		
	46,840	0	0	46,840	140,864
(previous year)	140,864	0	0		

Wuppermann AG has 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.

An amendment agreement to the syndicated loan agreement was concluded on 5 July 2021. The contract was extended by two years until 27 June 2024. In addition, all collateral securities of the subsidiaries were released.

Another credit line of €10.5 million related to a repayment loan from DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, dated 19 August 2014. The bullet redemption payment was made on 30 June 2022.

**Contingent liabilities**

Based on the solid earnings and liquidity situation of the Wuppermann Group, Wuppermann AG and Wuppermann Industrie B.V. have not issued any payment guarantees or bank guarantees to suppliers as at the reporting date 31 December 2022.

There are two unlimited guarantees in favour of the Dutch government amounting to €445,000 to cover environmental damage from the transport of hydrochloric acid by truck.

**Other financial commitments**

The group has other financial obligations from rental and leasing agreements for the coming years in the amount of €1,736,000 (previous year: €1,736,000): €2,119,000) to third parties.

The financial obligations to third parties from investment projects that have been 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 the 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 listed prices. The market values are based in each case on internal calculations or bank valuations.

There are no derivative financial instruments as at 31 December 2022.

**Transactions not included in the balance sheet**

Wuppermann Stahl GmbH has been 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 at 31 December 2022, receivables amounting to €10,526,000 have been sold.

**Notes to the profit and loss statement**

The breakdown of sales revenue is as follows:

Revenues Group	2022 €'000	2021 €'000
<b>by business units</b>		
Flat	732,741	700,871
Tube	256,917	224,277
Service	56	66
	989,714	925,214
<b>by region</b>		
Germany	288,971	264,629
Other EU countries	645,663	610,830
Other	55,080	49,755
	989,714	925,214

The basis of this delivery-related breakdown of sales revenue is the location of the customers.

Extraordinary income and expenses and income and expenses from currency effects  
Other operating income includes extraordinary income from subsidies in the amount of €631,000 (previous year: €615,000) are included. There is income from exchange rate differences amounting to €1,025,000 (previous year: €681,000)

Exchange rate losses amounting to €1,103,000 (previous year: €586,000).

Income and expenses relating to other periods

Income unrelated to the accounting period includes the release of other provisions in the amount of €790,000.

Interest and similar expenses and income

The expenses include the interest portion from the addition to the pension provisions in the amount of €316,000, which was netted with the income from the plan assets in the amount of €64,000.

**Income from investments**

IN €'000	31.12.2022	31.12.2021
Income from investments	1,106	195
of which against affiliated companies	961	89
	<b>1,106</b>	<b>195</b>

**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**

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.

The cash and cash equivalents are composed as follows:

IN €'000	2022	2021
Cash and cash equivalents	15,421	2,266
Financial liabilities to affiliated companies from cash pooling	-53	-993
Current liabilities to banks	-2	-34,760
Cash and cash equivalents at the end of the period	<b>15,366</b>	<b>-33,487</b>

**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, 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 and Law.

**Total remuneration of the Management Board**

A disclosure is not made with reference to Article 314 para. 3 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, deputy chair, 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, independent consultant, resident in Herdorf,
5. Mr Bernd Wehling, industrial clerk, resident in Altmünster, Austria.
6. Dr Max Wuppermann, M.A., businessman, resident in Odenthal.

The Honorary Chairman of the Supervisory Board, Dr Gustav Theodor Wuppermann, passed away on 20 January 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 Management Board of Wuppermann AG and their surviving dependants amounted to €1,554,000.

The pension provisions for former members of the management and Management Board of Wuppermann AG and their surviving dependants amount to €2,850,000 as at 31 December 2022.

**Auditor's fee**

The group auditor's fees incurred in the financial year amount to €135,000,000 for the audit of the domestic financial statements in the context of the annual and consolidated financial statements as at 31 December 2022.

**Employees**

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

Employees	31.12.2022
female employees	123
male employees	676
	799

In addition, an average of fourteen apprentices and two organs were employed.

**Proposal for the appropriation of profits of the parent company**

The 2022 financial year of Wuppermann AG closes with a net profit for the year of €9,162,000 thousand. When the annual financial statements were prepared, €662,000 were withdrawn from other revenue reserves.

The Management Board of Wuppermann AG proposes to distribute a dividend in the amount of €2.27 per share from the balance sheet profit of €16,200,000.

Leverkusen, 14 February 2023

Wuppermann AG

Management Board

Johannes 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 2022, 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 2022, 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 2022.

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

// the accompanying consolidated financial statements comply in all material respects with German commercial law and give a true and fair view of the financial position of the group as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022 in accordance with German principles of proper accounting; and

// the accompanying group management report as a whole provides a suitable 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.

In accordance with Article 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the consolidated financial statements and the group 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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with German commercial law and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error (i.e. manipulation of the accounting system or misstatement of assets).

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, management is responsible for the arrangements and measures (systems) that it has deemed 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 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 findings of our audit, 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 may result from fraud or error 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 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; plan 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 of not detecting material misstatements resulting from fraud is higher than the risk of not detecting material misstatements resulting from errors, as fraud may involve 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 the 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 conclude on 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 a manner 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 view of the group's position conveyed 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 significant deficiencies in internal control that we identify during our audit.

Düsseldorf, 14 February 2023

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Antje Schlotter  
Auditor

ppa. Jens Treppenhauer  
Auditor



! This is an unaudited translation of the annual report in German. In case of doubt, solely the original annual report in German shall be binding.

# IMPRINT

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Dr. Arndt Laßmann

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Dr. C. L. Theodor Wuppermann

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To simplify the language, we have used the masculine form in our annual report. All information always refers to persons of all genders, 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](mailto:info@wuppermann.com).



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