



ANNUAL REPORT
2020



 **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.**

HIGHEST STANDARD OF CORROSION PROTECTION

For more than 145 years, the Wuppermann name has stood for quality in the processing and finishing of steel. Since its founding in 1872, the medium-sized family company has pursued a strategy of long-term and sustainable growth, and constant value creation in the interests of clients, employees and shareholders. Today, Wuppermann is a leading innovator in strip galvanising and provides the greatest corrosion protection with the lowest CO₂ emissions.

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

The product portfolio includes surface-finished 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 through sustainable and future-oriented action and position ourselves as a specialised company with excellent customer service in the steel industry.

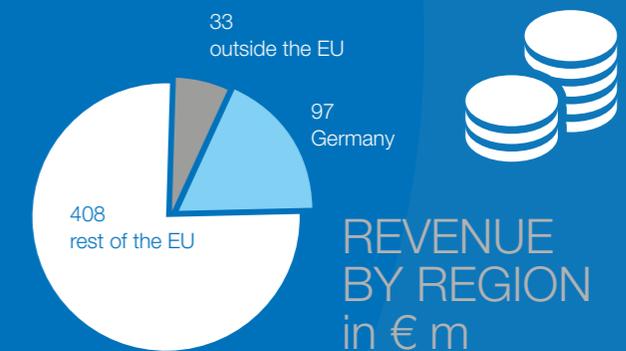
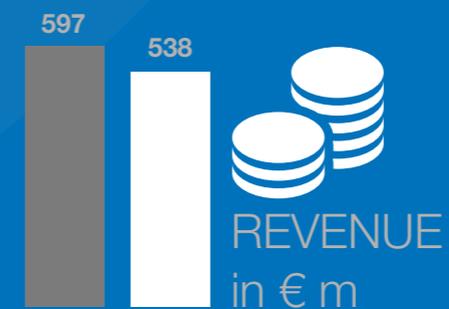
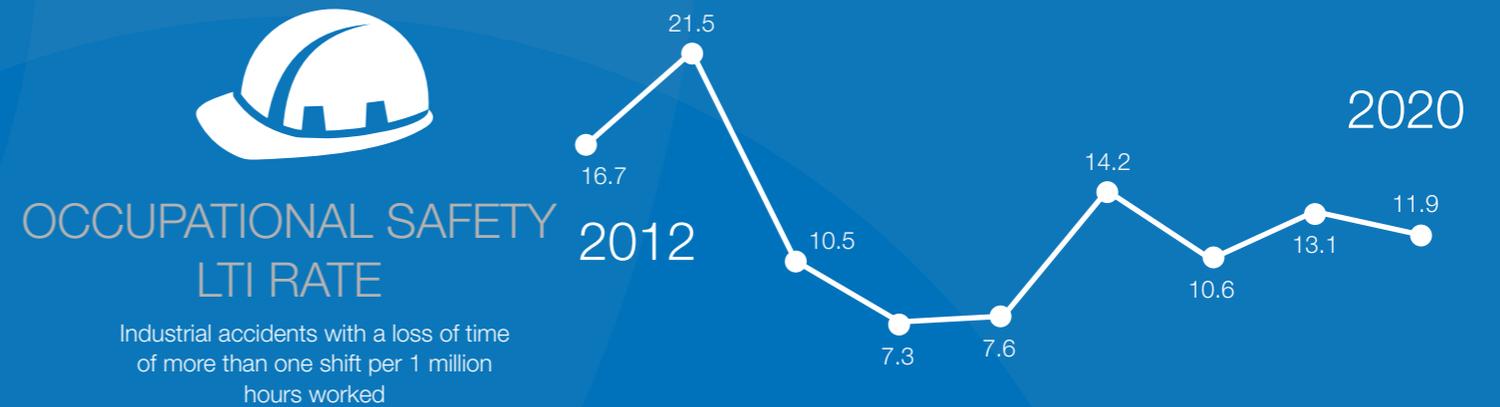
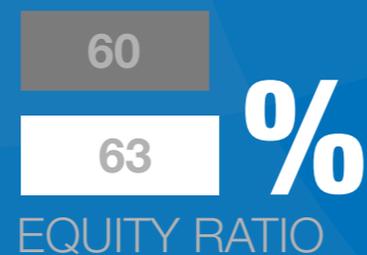
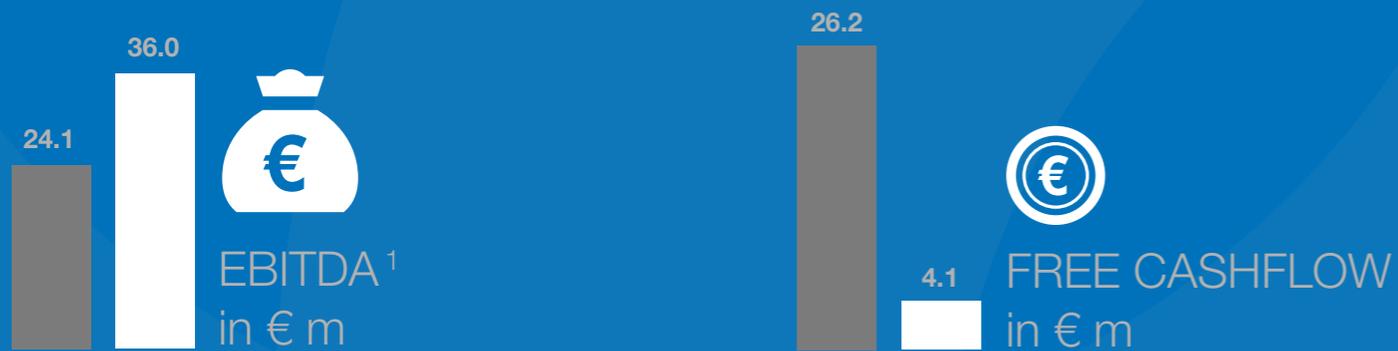
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// WUPPERMANN AT A GLANCE

2019 | 2020



PRODUCTION SITES



1) Earnings Before Interest, Taxes, Depreciation and Amortisation (operating profit + depreciation)
 2) 1A & declassified, without scrap and intercompany
 3) Total active & inactive employees (headcount) as of 31.12.

// MISSION STATEMENT

Striving for long-term growth and financial stability

As a medium-sized family business with a long tradition, quality is our top priority. This applies in particular to 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 become the largest producer of hot-dip galvanised strip in Europe - as the problem solver for the highest corrosion protection requirements on a strip steel basis with the lowest CO₂ emissions. In addition, our niche position as a producer of steel tubes is to be strengthened.



STEEL | ENVIRONMENT
PROTECTION



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

// FOREWORD OF THE MANAGEMENT BOARD

Dear shareholders, dear friends of the company,

After the steel crisis in 2019, 2020 was dominated by the coronavirus pandemic and its impact on society and the economy. Especially in the first wave in the 2nd quarter of 2020, there were plant closures in Europe, for example in the automotive and furniture industries. For the benefit of its employees and to ensure its ability to deliver, the Wuppermann Group took health protection measures as early as late March 2020.

These included extensive hygiene rules and the separation of the workforces. In April, for example, around 50 percent of the office workplaces were converted to working from home arrangements. Starting with the month of September, catchup effects arose in the market, which again led to a significant price increase until December. Nevertheless, GDP (gross domestic product) in the European

Union fell by 6.4 percent in the year as a whole. In the European steel industry, the pandemic-related decline in production and prices led to considerable losses from the April of that year. Crude steel production in Germany, which had already fallen by 6.6 percent in 2019, reduced by another 10 percent.

The Wuppermann Group has proven to be crisis-proof in this situation. At 916 kilotonnes, sales were only 4 percent below the level of the previous year. In addition, many operational improvements were implemented, especially at the production sites in Győr, in Judenburg and in the entire commercial area. The use of short-time working arrangements in Germany, Austria, Hungary and Poland, the governmental aid programme NOW in the Netherlands, lower travel and trade fair costs and other positive special effects supported the Group's positive earnings performance. Overall, this resulted in an EBITDA of EUR 36.0 million. The net profit for the year after deduction of minority interests was EUR 13.4 million. The cash flow also developed positively and led to a reduction in the company's total debt to EUR 25.2 million as of 31 December 2020. While the utilisation of factoring was still EUR 37.9 million as at 31 December 2019, we no longer sold any receivables to banks as at 31 December 2020.

The separation of the Flat and Tube business units derived from the strategy was successfully implemented as of 1 January 2020. The two wide strip galvanising sites in Moerdijk and Győr, together with the Sales, Purchasing and Supply Chain Management of Wuppermann Stahl GmbH and the Research and Development of Wuppermann Engineering GmbH, now form the **Flat Business Unit**. The **Tube Business Unit** comprises the three tube mills in Austria and Poland. Although the business relations between the two business units were converted to market conditions, supply relationships could be enhanced in the interest of both parties. Due to the

transfer of management responsibilities to the newly created business unit management teams, the Management Board was reduced to two members.

With the Fraunhofer Institute's sustainability study, we were able to demonstrate the clear competitive advantages of our heat-to-coat process over the conventional strip galvanising process in terms of CO₂ emissions. At Wuppermann Staal Nederland B.V. (WSN), we save 31 percent CO₂ emissions compared to the reference process. In Austria, at Wuppermann Austria GmbH (WA), we have even achieved a reduction of 43 percent in CO₂ emissions.

Unfortunately, the occupational safety in the group was not satisfactory with an LTI rate of 11.9. The main injuries were hand injuries in the Tube Business Unit. In addition to training and instruction, further investment in automation should also help to reduce the number of accidents.

The outlook for the first months of the new year is positive in terms of market demand. Good levels of incoming orders with prices continuing to rise characterise the 1st quarter. One operational focus is currently on the management of input material and transport capacity bottlenecks. It remains to be seen how the renewed lockdowns with closing of the retail sector will affect the further course of the year. Key strategic goals in 2021 are digitalisation and standardisation of our business processes, increasing capacity utilisation at the Győr site, and identifying measures to further reduce CO₂ emissions and energy costs.

In view of the earnings and financial situation, we propose to distribute a dividend of EUR 0.80 per share for the 2020 financial year.

We would like to thank you, our shareholders, for the trust you have placed in our company. Our thanks also go to the Supervisory Board for its constructive cooperation in 2020. We would particularly like to thank our dedicated employees throughout Europe, whose commitment, flexibility and entrepreneurial spirit made these good annual results possible in this unusual year.

With kind regards



Johannes Nonn



Dr. Arndt Laßmann



// SUPERVISORY BOARD REPORT

Dear Shareholders,

before we provide you with specific information on the work of the Supervisory Board in the 2020 financial year, we would first like to look back on this challenging year. The impact of the pandemic hit the steel industry hard in 2020, leading to heavy losses across the industry after an already difficult 2019. The Purchasing Managers' Index and the IFO Business Climate Index have now passed through the deep „pandemic trough“ from mid-2020 and are roughly at the previous year's level. The volatility of the steel market poses major challenges for all companies. In this difficult environment, the Wuppermann Group is holding its own as a crisis-proof company. The Management Board reacted decisively to this situation and consistently implemented measures to increase earnings and secure liquidity. We closed 2020 with a profit above the previous year's figure, despite lower sales. The Group commissioned the planned investment volume in 2020 and still realised a positive cash flow. On balance, therefore, the impact of the pandemic has been less negative than initially expected.



ADVISORY AND SUPERVISORY ACTIVITIES OF THE SUPERVISORY BOARD

In the past financial year, the Supervisory Board carefully and regularly supervised and advised the Management Board in the management of the company in accordance with the tasks and duties incumbent upon it under the law, the Articles of Association and the Rules of Procedure. It has always been able to rely on the legality, appropriateness and correctness of the Management Board's work. The Management Board has informed the Supervisory Board regularly, promptly and in detail. Important individual questions about the company's business, financial and income situation and the business policy being pursued were discussed in detail in the body on the basis of reports and submissions from the Management Board. The Supervisory Board promptly received detailed information about the existing

economic risks and was involved in all of the important decisions in the Wuppermann Group. In the 2020 financial year, there were four ordinary meetings and one extraordinary meeting, which were mainly held as interactive video conferences due to the pandemic. All of the Supervisory Board members took part in all of the Supervisory Board meetings. Current business development and important individual questions about the company were discussed in detail with the participati-

on of the Management Board. If Management Board decisions or actions on the basis of the law or statutes required consent, the members of the Supervisory Board reviewed the corresponding resolutions in the meetings or adopted them on the basis of written information. The Supervisory Board grappled especially intensively with the effects and measures associated with the pandemic. Over the course of the year, it received 14 written updates on the situation in the Wuppermann Group from the Management Board. Other focuses of discussion in 2020 included implementation of the strategy, implementation of a Flat Business Unit management, risk management, the further development of the Győr site, decentralisation of the Supply Chain Management and the issue of sustainability with the focus on the CO₂ strategy.

Furthermore, the Chairman of the Supervisory Board coordinated the work of the Supervisory Board and was in regular contact with the Spokesman of the Management Board in the times between the meetings. In addition, the Management Board informed him of the current situation of the company and major incidents as part of two jour-fixe dates. He and the Management Board reported on important findings at the next Supervisory Board meeting at the latest.

There were no conflicts of interest of Management or Supervisory Board members that had to be disclosed to the Supervisory Board and reported on in the Annual General Meeting.

ANNUAL FINANCIAL STATEMENTS

The annual financial statements of Wuppermann AG, as well as the Consolidated Financial Statements and the Group Management Report have been audited, together with the book-keeping system, by BDO AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, and issued with an unqualified audit certificate. The Supervisory Board noted and approved the results of the audit. After examination of 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 were raised. The Supervisory Board therefore approved the annual financial statements submitted by the Management Board of Wuppermann AG as of 31 December 2020. 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 retained profits. The Supervisory Board also took note of and approved the consolidated financial statements and the Group management report for the 2020 financial year.

CHANGES IN THE BODIES

CHANGES IN THE BODIES

Dr Robert Kühn left the Management Board on 29 February 2020, as did Dr Peter Jongenburger on 16 May 2020, who left Wuppermann AG prematurely at his own request for reasons of age. Dr-Ing. Jongenburger has been a member of the Management Board of the Wuppermann group of companies since 1 January 2008. During his time on the Management Board, he was responsible for the production Flat & Tube and Research & Development department. As Managing Director, he was particularly instrumental in the successful development of Wuppermann Staal Nederland B.V. (WSN).

The production Flat & Tube and Research and Development department, which were most recently supervised by Dr Jongenburger, were taken over by Mr Johannes Nonn. Mr Karsten Pronk took over the tasks of Dr Jongenburger as Managing Director of WSN. The members of the Supervisory Board would like to thank both gentlemen for their commitment to the Wuppermann Group.



The Supervisory Board thanks the Management Board members and all employees of Wuppermann AG and all Group companies for their commitment and for what they have achieved in the difficult 2020 financial year, which was influenced by the pandemic. The Supervisory Board thanks all customers and partners for their excellent cooperation and great trust in the Wuppermann Group.

Leverkusen, 30 March 2021

The Supervisory Board

Prof. Dr Klaus Trützschler

Chairman

// REVIEW 2020

THE FLAT & TUBE BUSINESS UNITS

As of 1 January 2020, the organisational structure of the Group was adapted to the specific demands of the market by division into a Flat Business Unit and a Tube Business Unit. Both business units are now each led by one management team each. In particular, the fundamental tasks comprise the transfer of expertise and the standardisation of best-practice processes.

WUPPERMANN HUNGARY PRODUCES 1,000,000TH TONNE

In January 2020, the 1,000,000th tonne of strip is manufactured at the production site in Győr-Gönyű, Hungary. The state-of-the-art combined pickling and hot-dip galvanising line at Wuppermann Hungary Kft. (WH) is renowned for its environmental compatibility, economic efficiency, operational safety, flexibility and product quality. In the year under review, WH was certified in accordance with ISO 14001 for environmental management and in accordance with ISO 45001 for occupational health and safety.

REDUCTION IN SIZE OF THE MANAGEMENT BOARD

The increased transfer of management tasks to the newly created business unit management teams was also accompanied by a reduction in the size of the Management Board to two members. In the first half of the year, Dr Kühn and Dr Jongenburger left the Management Board.

WUPPERMANN PRODUCTS ACCORDING TO IATF-16949 STANDARD

After the complete Stage 2 audit of the IATF (International Automotive Task Force) at Wuppermann Staal Nederland B.V. (WSN) in Moerdijk and Wuppermann Stahl GmbH (WS) in Leverkusen, Wuppermann received the „Letter of Conformance“ from the IATF in September. This is how Wuppermann is meeting the requirements of the automotive industry. The standard according to IATF 16949 is a quality standard of the automotive industry and covers the entire value chain of this industry.

THE WUPPERMANN GALVANISING PROCESS SAVES 31 PERCENT CO₂

In 2020, the Wuppermann Group commissioned the Fraunhofer Institute for Environmental, Safety and Energy Technology (UMSICHT) to investigate the environmental impact of the Wuppermann Group's heat-to-coat strip galvanising process and to compare it with the conventional cold strip galvanising process. The sustainability study was able to demonstrate significant savings in CO₂ emissions in Wuppermann's galvanising process.

FURTHER INVESTMENTS AT WUPPERMANN HUNGARY

Despite the pandemic, further investments totalling EUR 2.5 million were made at the Győr site in 2020 with the aim of improving quality and performance. In May 2020, a fully automatic packaging plant for slit strip was put into operation. By extending the air and water cooling system, the transformer and the induction unit on the strip galvanising line, it was possible to significantly increase the speed and capacity of the line.

NEW AUTOMATIC STACKING LINE AT WUPPERMANN POLSKA

In August, a new stacking line was commissioned at Wuppermann Polska sp. z o.o. (WPL). The main objectives of this investment are to increase productivity and improve occupational safety. The automatic packaging line was built on the model of the line at Wuppermann Metalltechnik GmbH (WMT) and replaces the manual packaging of the tubes.

ENERGY-EFFICIENT COMPRESSOR AT WUPPERMANN STAAL NEDERLAND

In the autumn, Wuppermann Staal Nederland B.V. (WSN) successfully installed a new compressor to secure the site's compressed air needs for the next decade. The new compressor combines improved reliability with an annual energy saving of 240,000 kWh.

WUPPERMANN AUSTRIA INCREASES DELIVERY OF ZINC-MAGNESIUM PRODUCTS TO THE PV INDUSTRY

The photovoltaic industry defied the economic downturn in 2020, and Wuppermann was even able to increase sales in this area compared to the previous year. The zinc-magnesium products of Wuppermann Austria GmbH (WA) were increasingly in demand due to their particularly high corrosion protection.

LAND PURCHASE IN ALTMÜNSTER

At the end of the last financial year, a building plot with an area of 17,500 square metres was acquired in Altmünster, Austria, which borders the company premises of Wuppermann Metalltechnik GmbH (WMT). Thus WMT now has room for further growth.

GUARDRAIL BUSINESS EXPANDED IN THE FLAT BUSINESS UNIT

Sales of galvanised slit strip for crash barriers were further expanded. The new business segment for Wuppermann is operated by Wuppermann Hungary Kft. (WH). The main sales market is now Germany.

// SUSTAINABILITY

Our goal: CO₂-free galvanising process as of 2025

Sustainable production has been an important part of how we see ourselves for many years. As a family-owned company, we feel obliged to act sustainably and to protect the environment, especially towards future generations, and group of companies and to compare it with the conventional cold strip galvanising process. We want to achieve a CO₂-neutral galvanising process as early as 2025. We are already making a major contribution to reducing CO₂ emissions within the steel industry.

This was proven by a study conducted by the Fraunhofer Institute for Environmental, Safety and Energy Technology, in short Fraunhofer UMSICHT.

Wuppermann has commissioned the renowned institute to assess the environmental impact of the Heat-to-Coat-Strip galvanising process of the group of companies and to compare it with the conventional cold strip galvanising process. The result shows that the Wuppermann process emits 31 percent is standard on the market, with reference to our site in the Netherlands. At the Judenburg site in Austria, CO₂ emissions have been reduced by as much as 43 percent. If you look at the absolute figures, we save 57 g of CO₂ per kg of galvanised steel at the Moerdijk site, and at the Judenburg site 78 g CO₂ in comparison to the conventional process. If we compare this with the output volume of the two

locations, the result is a CO₂ saving of around 40,000 tonnes per year. The different results at the two locations are mainly due to the fact that in Austria, more than 75 percent of the electricity used comes from renewable sources. The site in Judenburg now obtains as much as 100 percent CO₂-free electricity, which would make the result of the Fraunhofer study even better. The second Wuppermann site in Altmünster, Austria, where tubes and profiles will follow this example in 2021. To enable customers and other interested parties to calculate their savings, Wuppermann has posted a CO₂ calculator on the company website.

Heat-to strip galvanising process emitted

31 %

less CO₂ than usual on the market

Here, it is possible to individually determined how much CO₂ is saved per tonne of hot-dip galvanised steel and what CO₂ equivalents this corresponds to - for example, how many trees would have to be planted in order to achieve the corresponding amounts of CO₂ savings.

The largest energy source in production at Wuppermann is electricity. The electricity requirements for our production and the electricity mix are therefore the most important factors for us in our efforts to further reduce CO₂ emissions. Any improvement in the energy mix leads directly to a reduction in the CO₂ footprint of heat-to-coat galvanising. As the energy transition progresses our advantage will continue to improve. But in other places CO₂ can also be reduced, energy can be saved and/or the consumption of resources can be minimised.

The focal points of our activities are:

- // Transparency about the environmental impact of our production,
- // Reduction of energy consumption in production, especially in pickling and galvanising,
- // Improving the energy mix used by our electricity producers,
- // Increased use of own, renewable energy,
- // Dialogue with our suppliers to ensure that, as far as possible, input materials and raw materials with low CO₂ emissions,
- // Planning and control of transports, for the reduction and optimal utilisation of the means of transport,
- // Increasing the use of means of transport with a better CO₂ balance, e.g. rail transport, and
- // Reduction of resource consumption through recycling, e.g. scrap metal, waste acid and zinc slag, as well as wood and paper.

Annual CO₂ savings at the Moerdijk and Judenburg sites

40,000

tonnes compared to market standard

Savings at the Judenburg site in Austria

43 %

less CO₂ than usual on the market

We advocate rail transport because its CO₂ balance is significantly better than that of truck transport. According to Deutsche Bahn, we thus save alone on the route to one of our customers more than 2,500 tonnes CO₂ annually (reference 2019).

In addition to the reduction of CO₂, the recycling of materials used is also of the utmost importance for environmental protection. Steel is one of the most recycled materials. And the majority of by-products from steel production are returned to the material cycle. Scrap metal, waste acid and zinc slag, as well as wood and paper, are recycled at our site in the Netherlands. Slag is then reused in the cement industry or in road construction, for example. This means that the site has a non-recyclable fraction of only 0.03 percent in the material balance.

// CORPORATE GOVERNANCE

Wuppermann AG – What is special about the family business and the stock corporation

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

ORGANISATION OF THE SHAREHOLDER FAMILY

The Wuppermann family of shareholders currently consists of 96 shareholders. Members of the shareholder family are all persons who are shareholders, as well as their life partners, descendants (also through adoption in childhood) and children who have a parental relationship with a shareholder. According to the definition in the Articles of Association of Wuppermann AG, family members are the descendants (also by adoption) of Heinrich Theodor Wuppermann. The actions of the shareholder family and the executive bodies of Wuppermann AG are based on the sustainable safeguarding and long-term increase of the common asset value. The shareholder family exercises its shareholder rights at an Annual General Meeting. In a family charter and in the articles of association of Wuppermann AG, the

entrepreneurial family sets out its values, its self-image and its relationship to the company. In 2010, a Family Shareholder Council (FAR) was created. This acts as a communicative link between the shareholders themselves and between the shareholders on the one hand, and the official bodies of Wuppermann AG on the other. A new FAR election was held in the autumn of 2019. The committee currently consists of eleven members of the Wuppermann family.

COMPOSITION OF THE ORGANS

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. The Chairman of the Supervisory Board should discuss possible candidates in the Supervisory Board in good time prior to 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 will be elected in 2021. The members are each appointed for five years. The Management Board is appointed by the Supervisory Board, as is customary for stock corporations. The decision on the appointment or dismissal of a family member shall be made by the non-family members of the Supervisory Board, together with the Chairman of the Supervisory Board. If a member leaves the Management Board, he or she may move directly to the Supervisory Board, but may not stand for election as Chairman until two years have elapsed.

INFORMING THE SHAREHOLDER FAMILY

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

WORKING PROCEDURES OF THE SUPERVISORY BOARD

The minimum number of meetings of the Supervisory Board is determined by Article 110 of the German Stock Corporation Act. In addition, the Supervisory Board must be convened if this appears necessary in the interests of the Company or the Management Board of a Supervisory Board members requests one in writing stating the purpose and reasons for convening it. Five Supervisory Board meetings were held in the 2020 financial year.

WORKING METHODS OF THE MANAGEMENT BOARD

Management Board meetings are held regularly, if possible biweekly, as meetings or video conferences. Nineteen Management Board meetings were held in the 2020 financial year. The Management Board is represented vis-à-vis the public and the shareholders by the Spokesman of the Management Board. Regular reporting to the shareholders and the Supervisory Board is generally carried out jointly by the Management Board.

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

- // Monitoring risks with the aid of a structured risk management system that takes into account the probability of occurrence and the potential economic impact of individual risks,
- // Development of the strategy of the group of companies,
- // Establishment of 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 home office,
- // Definition of the Group's management principles,
- // Obligation of all Group companies to prepare an annual plan for sales, income statement and balance sheet, investments, cash flow and for the managing directors and senior executives of the Group companies as well as personnel,
- // Conducting monthly performance reviews of all operating Group companies, taking control measures as required,

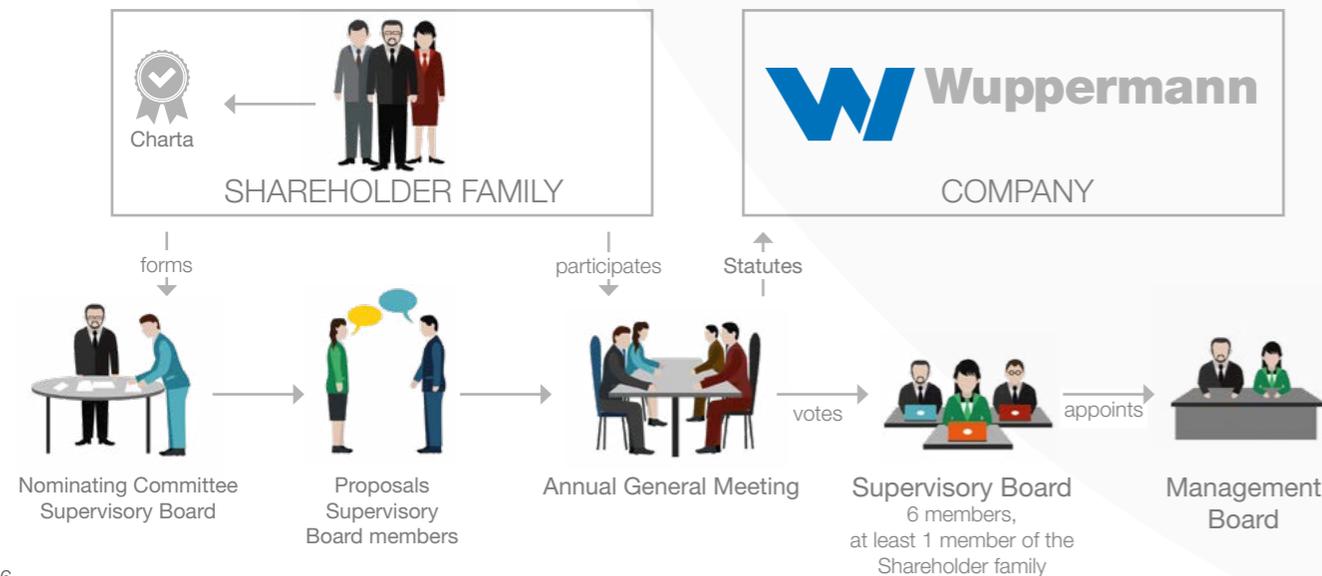
- // Revision of the planning for the current fiscal year twice a year in the so-called 1st forecast and the 2nd forecast and
- // Agreeing on targets and setting a performance-related remuneration share for the managing directors and senior executives of the Group companies as well as
- // Establish crisis management in the event of a crisis, as in 2020, to reduce the health and economic consequences of the coronavirus pandemic.

CORPORATE COMPLIANCE

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

- // Issuing and implementing the Compliance Guideline, as well reviewing it regularly and, if necessary, adapting to changes in legal provisions as well as compliance training,
- // Issuing and implementing the Compliance Guideline, as well reviewing it regularly and, if necessary, adapting to changes in legal provisions as well as compliance training,
- // Possibility of direct contact with the Compliance Officer for all employees,
- // Increasing the willingness of employees to report through confidential handling of concerns and provision of an internal compliance reporting address
- // Regular analysis of compliance risks in the Group

The Compliance Officer is the spokesperson of the Management Board.



// DIGITALISATION

A year dominated by digitalisation

Digitalisation plays a significant role in the Wuppermann Group's strategy. In 2020, also due to the pandemic, several digitalisation projects were started and implemented. The priorities were to use IT potential to improve the Wuppermann Group's business processes, to increase information security and to expand project management. The extraordinary situation triggered by the coronavirus pandemic not only challenged the Group economically in general, but also digitally in the narrower sense. The smooth changeover to home working in all companies was implemented successfully and immediately, as the technical requirements were already in place. Video conferencing technology was also used successfully from the very beginning and enabled meetings across locations and workplaces. In addition, a virtual shareholders' meeting was held in the last financial year. The potential for digitising processes was quickly identified and successfully addressed, so that operations could continue without any problems.

The pilot project for paperless manufacturing, which was launched as early as the end of 2015 at Rohrstraße in Altmünster, was successfully implemented in 2020. Expansion to all of the Group's manufacturing sites has already started and should be completed in 2021. The advantages of paperless manufacturing are manifold: All data is always up-to-date and makes changes at short notice easier, manipulation costs are reduced, communication is improved and all documents are accessible centrally. The lower costs thanks to digitalisation result in increased efficiency in the processes. By the same token, paperless manufacturing benefits the environment because paper consumption is greatly reduced. In numbers, this means that at the Moerdijk site, approximately 325 printed DIN A4 pages are saved per day.

An agreement on the digital and automatic transmission of technical pre-material data on the coils supplied - known as "Smart Coils" - has been concluded with one of the biggest suppliers. The Smart Coils enable better production quality thanks to the coil-specific manufacturing settings. And it can also increase efficiency because more 1A strip steel is produced, thus reducing the proportion of scrap.

The "Digital Twin" project was started in 2019 as part of a piece of scientific work. What is known as the "Digital Twin" is a virtual illustration of our galvanising process. In this digital illustration, the operation mode and the parameters of the plant can be varied so that we can virtually see its impact on the quality of the coating and the stability of the process. The benefit lies in the fact that the employees first of all digitally simulate a changed operation mode before it is implemented in production. The software can also be used for training purposes. In the autumn, the model was expanded with the option to simulate the gas atmospheres of the furnace. As a result, the reactions of the steel in various atmospheres can now be simulated.

Other projects were the "Scrap Recording" web application (app developed for Wuppermann Hungary Kft. (WH)). The app digitalises and automates the process of selling process scrap to the local scrap dealer.

Digital order folders and a digital document filing system for the sales department have also been set up, which not only facilitate working from home, but also contribute to paperless order processing in the interests of sustainability.

All timekeeping and payroll was also digitalised and further automated in 2020. In Austria, this step will be completed in 2021.

paperless production in
Moerdijk saves

325
printed DIN A4 pages per day

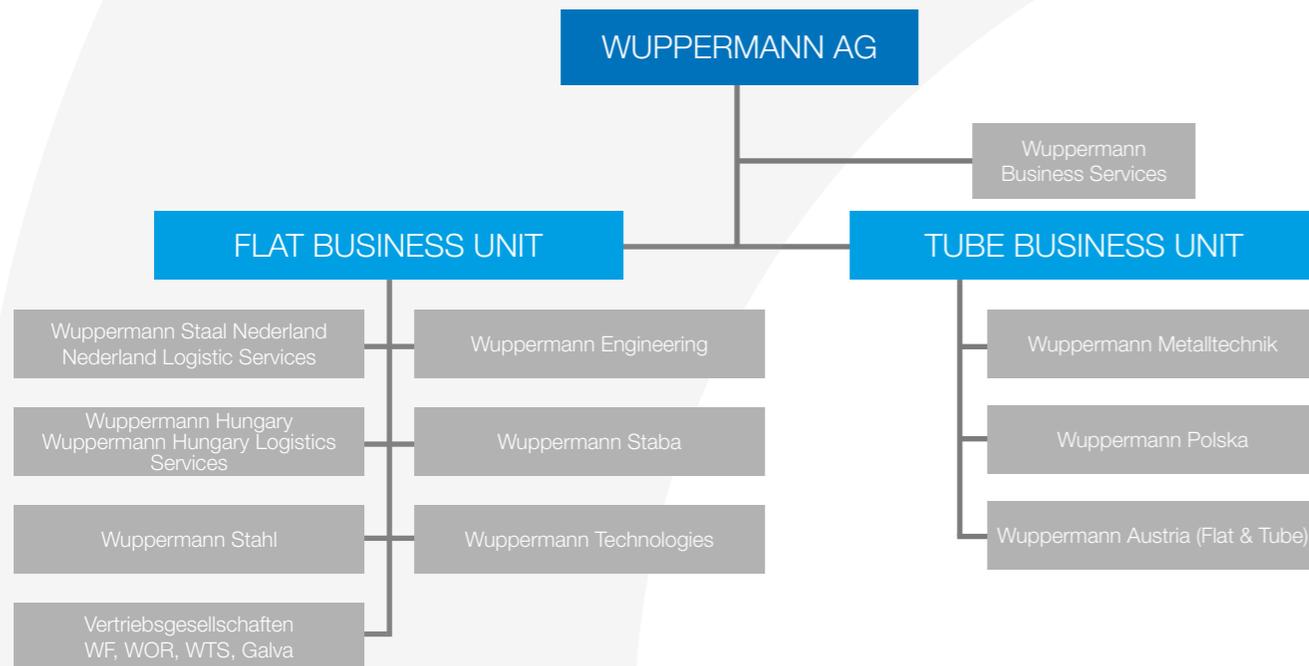
// BUSINESS UNITS

New organisational structure implemented: Flat and Tube will each be separate business units

With effect from 1 January 2020, the business units of the Wuppermann Group have been reorganised: The Flat & Tube business unit was split into a Flat business unit and a Tube business unit. In addition to the similarities - particularly in the efforts to achieve a high level of occupational safety and continuous improvements - there are differences between the companies, especially on the market side, which were decisive for the decision. The businesses differ not only in terms of products, but also in terms of sales markets, target customers and logistics. With the new allocation, Wuppermann is doing justice to these differences and giving both business units the opportunity to adapt to the particular demands of the

market segments in question. The decision to assign the flat products of the production site in Judenburg to the Tube Business Unit was made quite deliberately. Wuppermann Austria GmbH (WA) is increasingly specialising in flat products with the highest level of corrosion protection in special niche markets, thus distinguishing itself from the volume-driven Wuppermann flat sites in the Netherlands and Hungary. Since May 2020, the two newly established business units have each been managed by business unit management. On the one hand, this strengthened the Group's second management level and, on the other, enabled key competencies to be distributed across several shoulders.

Wuppermann AG (WAG) and Wuppermann Business Services GmbH (WBS) perform superordinate functions in the Group's corporate organisation. As the umbrella company, WAG is responsible for strategy development, financing, marketing, corporate communications and the management of the two business units. As an internal service provider, WBS is responsible for the IT support of the group of companies and for the commercial services and human resources at the Austrian locations. With effect from 1 April 2021, WBS will focus exclusively on its IT expertise and transfer all commercial services to Wuppermann Austria Holding GmbH (WAH).



// OVERVIEW FLAT BUSINESS UNIT

Increase in earnings in the Flat Business Unit

Despite the global coronavirus pandemic, the Flat Business Unit enjoyed a successful fiscal year. Even if the sales volume of 768 kilotonnes is somewhat lower compared with the previous year, EBITDA was almost EUR 28.1 million and thus significantly higher than in the previous year. This is due in particular to improved margins, good 1A ratios and further cost reductions. Occupational safety also developed positively in 2020. The LTI rate was reduced by halving the number of accidents at WH in the Flat Business Unit to eight. This brings the business unit a good deal closer to its strategic goal of a zero LTI rate.

The economic impact of the coronavirus pandemic was moderate overall in the Flat Business Unit. The sharp drop in orders in the second quarter, at the beginning of the pandemic, was largely offset by the end of the year and production was maintained throughout the year. Apart from the good performance of the plants, measures such as short-time working over the summer months and savings through significantly lower costs were also essential in achieving the good results.

Since May 2020, the Flat Business Unit has no longer been managed directly by the Management Board, but by a management team consisting of the technical managing directors of the two production sites for flat products, Wuppermann Staal Nederland B.V. (WSN) and Wuppermann Hungary Kft. (WH), and the two Managing Directors of Wuppermann Stahl GmbH (WS) - for Sales and Supply Chain Management. The basic tasks of the team are to transfer know-how between the companies and to implement bench-marking and standardisation of production and work processes. Examples of projects include the realignment of WS - including in particular the decentralisation of production planning and procurement to the production sites - the integration of process and product development, the establishment of WH as an alternative production site for important WSN existing customers, and the design of a new warehouse management system and a new freight tendering module. In the coming years, the technical development competence at the two production sites is to be strengthened in particular. As the two plants are very similar, there is great potential for synergy here. We are also looking into intensifying our cooperation with universities and transferring this model to our new site in Hungary. Wuppermann plans to implement integrated research and development before the end of 2021.

To further improve customer relations, Wuppermann conducted a customer satisfaction analysis in 2020 together with the market research institute market. In this online survey, Wuppermann customers were asked about their current expectati-

ons and their satisfaction with the company's services and offerings. In total, more than 100 customers of the Flat Business Unit took part in the survey. Of these, 72 percent were very satisfied or satisfied with the cooperation and 71 percent would recommend Wuppermann to others.

With the exception of the topic „short delivery time“, Wuppermann is above the competitive level in all service aspects in the assessment. The cooperation with the direct contacts and the flexibility of Wuppermann were particularly positively emphasised.

There were also suggestions and criticism from customers. They have made it clear what is important to them and in which areas Wuppermann can still improve. The main topics derived from this are:

// Transparency of the order status: A project to develop a supply chain monitor will be launched here in 2021. A significant challenge will be the connection of suppliers in order to obtain meaningful information about the entire supply chain regarding the order status from raw steel to finished stock.

// Short delivery time/high delivery reliability: In the standard area, Wuppermann already began last year to shorten delivery times and increase delivery reliability through suitable logistics and inventory concepts. Project business and special dimensions remain a challenge. In these fields, Wuppermann wants to work together with customers and suppliers to develop ideas for improving the current situation.

// Expansion of the product portfolio to include zinc-magnesium: Following further investments in the temperature control of strip galvanising in Győr in mid-2020, Wuppermann made significant progress in this area at the beginning of 2021. Those responsible are very confident that they will be able to develop a first range of dimensions ready for series production by the middle of the year.



// WUPPERMANN STAHL GMBH

Sales, Purchasing and Supply Chain Management

Wuppermann Stahl GmbH (WS) is the central distribution and purchasing company for flat products in the Wuppermann Group. Production facilities in Austria and Hungary, as well as sales companies with sites in France, Scandinavia and Romania, complement the central unit based in Leverkusen, Germany. In addition to sales and purchasing, WS was also responsible for Supply Chain Management (SCM), i.e. procurement, order and production planning, until the end of 2020.

TURBULENT, BUT SUCCESSFUL YEAR

In the very volatile steel market in the year under review, the volume losses from the first lockdown due to the global coronavirus pandemic in the middle of the year were reduced and even partially recovered in the second half of the year. Reacting quickly to changing market situations was important in order to ensure both the availability of input material and price develop-

ment. The difficult availability of input materials in the second half of the year presented WS with the great challenge of ensuring the supply of materials to the production plants. Despite difficult general conditions, such as a lack of on-site presence, compliance with additional hygiene measures or shorttime work, the WS team has helped the company look back on a successful financial year in 2020.

CONSOLIDATION OF NEW STRUCTURE

Since the reorganisation of the business units as of 1 January 2020, all sales activities for the products of Wuppermann Austria GmbH (WA) are no longer managed by WS, but directly by WA. As a result, WS can concentrate even more on the volume sites for flat products in the Netherlands and

Hungary. In general - for example in order confirmations and in the credit note process - workflows 25 were improved and digitalised where possible. The optimised cooperation between sales and purchasing has contributed to the reduction of the risk caused by the very volatile market environment to face opportunities and risks in a more flexible and targeted manner.

With effect from 1 January 2021, the operational functions, procurement and production planning, in Supply Chain Management (SCM) at the Wuppermann sites in Moerdijk and Győr were transferred from WS to Wuppermann Staal Nederland B.V. (WSN) and Wuppermann Hungary Kft. (WH). SCM thus reports directly to the respective technical Managing Directors, which has further strengthened the cooperation with the local production.

OUTLOOK

Improvements in customer service, growth and margin improvement remain the priorities for the coming year for WS. In addition to an attractive product portfolio, this requires speed in the preparation of quotations, in order processing and in the handling of complaints. For this purpose, the order management at the flat sites is to be strengthened. In addition, further potential in the freight sector should be leveraged. WS wants to achieve this in particular by providing a modern internet-based tendering tool.

// WUPPERMANN STAAL NEDERLAND B.V.

Positive turnaround in the second half of the year

After Wuppermann Staal Nederland B.V. (WSN) was significantly below the planned sales target at the end of the first half of 2020 - due to the first wave of coronavirus - the second half of the year developed very positively. In the end, WSN even achieved a result above the previous year's level. As WSN did not reduce its workforce despite the fall in employment, it was possible to apply for support measures from the Noodfonds Overbrugging Werkgelegenheid (NOW). The NOW temporary emergency fund was launched by the Dutch government and is valid from 1 March 2020. Employers who maintain their jobs during the pandemic will be subsidised for wage costs by the UWV, the Dutch social security institution.

CORONAVIRUS PANDEMIC. CHANGES THE WORLD OF WORK

In addition to stricter hygiene and distance regulations, the pandemic also led to PC workstations being moved to home offices, social and break rooms being closed and shifts being separated from one another. Wuppermann went through the first wave of the pandemic without a known case of the illness. Unfortunately, this changed in the second wave.

CHANGE OF MANAGEMENT

Dr-Ing. C. Peter Jongenburger started his well-deserved retirement on 16 May 2020. Thus, the technical management of WSN went to Karsten Pronk, who had previously worked for almost two years as Operations Manager at the Dutch Wuppermann site. The commercial management remained in the hands of Terry Flokstra, who has been performing this task for over 20 years.

INVESTMENTS IN LOGISTICS AND SUSTAINABILITY

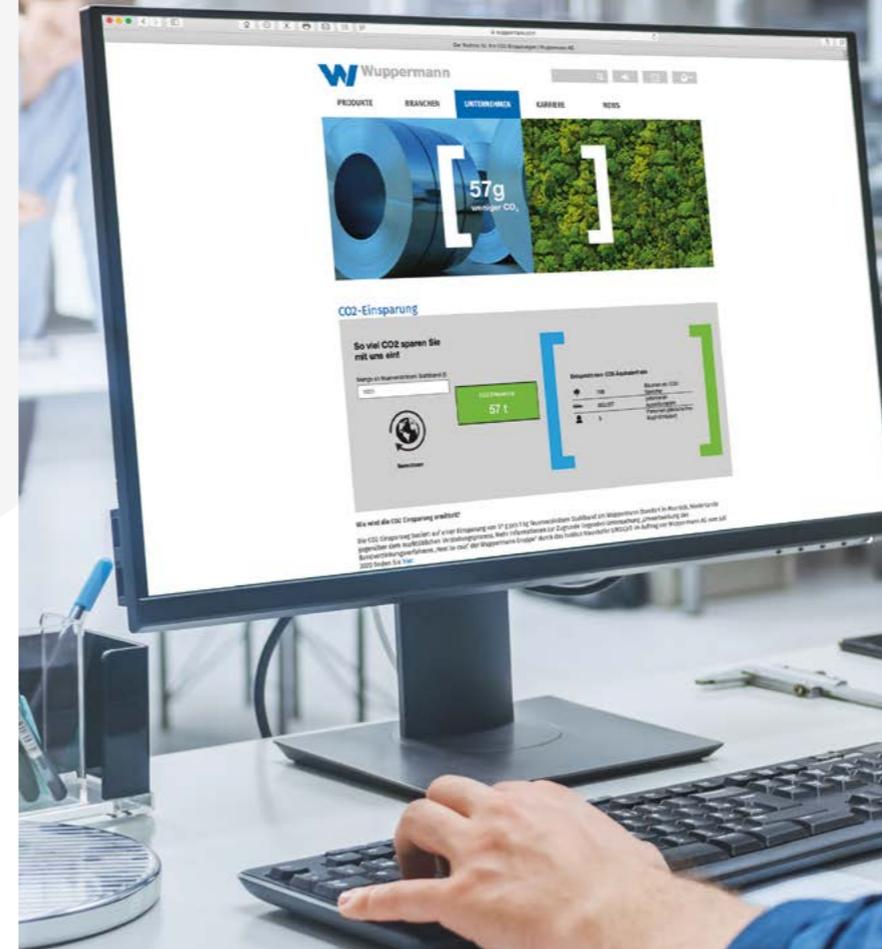
Despite the more difficult conditions, WSN was able to implement important investment programmes in 2020. The redesign and reorganisation of the warehouses and the logistics activities in Halls C and D were fully implemented. This enables better internal logistics and an optimised material flow, which results in an increase in efficiency and safety. Investment in a new compressor and drier combination shows that WSN is not resting on the laurels of its lower CO₂ footprint proven by the Fraunhofer-Institut. It not only provides greater reliability, but also an annual energy saving of 10 percent, or 240,000 kWh, which is the equivalent of the electricity consumption of 85 households. The competitive advantage in CO₂ emissions thus rises further.

In addition, maintenance investments, such as renovation work on the cooling tower or repairs to the external crane and the track system, were also started

The corporate strategy of the Wuppermann Group provides for an extensive investment programme for WSN, which is to be implemented by 2025.

The product portfolio is also to be expanded and standards for the expansion of the customer structure are to be implemented. At the top of the list is certification to the IATF 16949 standard acquired in 2020. The IATF (International Automotive Task Force) regulates all published quality standards of the automotive industry and covers the entire value chain of this industry. In 2021, WSN and Wuppermann Stahl GmbH (WS) will be audited again to receive the final IATF certificate

Customers can calculate online how much CO₂ they save when buying galvanised steep strip from WSN.



FURTHER OPTIMISATIONS IN SURFACE QUALITY

In 2020, WSN was again able to achieve progress in surface quality through automatic zinc coating controls and automatic zinc ingot melting. The coating control makes the coating more precise and stable, which in turn leads to fewer quality rejects. In contrast, automatic ingot melting enables a zinc bath with greater stability. Further investments to improve the surface quality are also planned for 2021.

NLS IN ITS SECOND YEAR

Since 1 November 2018, Nederland Logistic Services B.V. (NLS), a wholly owned subsidiary of Wuppermann Industrie B.V. (WI), has been providing operational support to WSN in distribution or sales logistics. This means that an important part of the supply chain is no longer in the hands of an outside company. In 2020, the alignment of NLS's operations with the parent company was strengthened. For example, the personnel systems were fully adapted.

THE GOAL REMAINS THE SAME: ZERO ACCIDENTS

In the area of occupational safety, WSN remains at the previous year's level with one accident. At the end of the year, WSN had again produced without an accident for 155 days. Unfortunately, an accident occurred at NLS, which had had a zero LTI rate in 2019. The goal remains the same in the Netherlands: to avoid all accidents.

// WUPPERMANN HUNGARY KFT.

A big step forward:
Plant in Hungary on the way to profitability

Wuppermann Hungary Kft. (WH) has proven that Wuppermann's newest site is on the right track despite the coronavirus pandemic in 2020. After a loss-making start-up curve since its foundation in 2016, WH is reporting positive EBITDA for the first time in 2020.

Investment of EUR 2.5 million
increases galvanising capacity to

750,000
tonnes of strip steel per year



BEST FIGURES IN HUNGARY

As early as the beginning of 2020, the WH employees were able to celebrate the 1,000,000th tonne since the start of production. The number of unplanned shutdowns was greatly reduced in the course of the year and exceeded expectations.

This success is due to the consistent implementation and follow-up of procedural measures by the technical team at WH. As a result of the continued steady improvement of the production facilities, record figures were achieved in the last quarter of the year for several performance and quality parameters, which are now at the level of the sister plant in Moerdijk, or almost approaching it.

SIGNIFICANT PERFORMANCE IMPROVEMENTS THANKS TO INVESTMENTS

With an investment budget of EUR 2.5 million, a further increase in the performance of the modern strip galvanising line in Hungary was achieved in 2020.

By extending the air and water cooling system, the transformer and the induction unit on the strip galvanising line, it was possible to significantly increase the speed and capacity of the line. This means that a capacity of approx. 750,000 tons of galvanising per year is now available. The additional induction unit alone resulted in a 25 percent increase in performance. The production volume of slitting lines was also increased compared to the previous year.

PROGRESS IN PRODUCT DEVELOPMENT

By modifying the system, the WH product range can also be expanded. In particular, the development of zinc-magnesium coated products benefits from this. The production of high zinc coatings already established itself as a standard product at WH in 2020. Also with the film-coated strip, "WProtect", there were further customer releases for new dimensions and products. Further progress was also made in product development for the fittings industry, which is important for Wuppermann. In the area of pickled slit strip, there have been successful samples and series production has started. Approval is expected for galvanised products. Production was also increased for the gu-

ardrail business in 2020. Due to its economical production, durability and efficient use of resources, the industry is increasingly using hot-dip galvanised strip. In 2021, WH will continue to focus product development on zinc magnesium

DECENTRALISED SCM CONTROL

The most important task for Supply Chain Management (SCM) is still to ensure the supply of input materials and to achieve the so-called OTIF targets, i.e. on-time-in-full delivery to the customer. Hungary Logistics Services (WHLS) was able to implement important projects in 2020. By taking over the packaging lines, the entire packaging activity is now the responsibility of WHLS.

Interfaces and processes were optimised by the additional full automation of the pre-material warehouse.

EXERCISING SOCIAL RESPONSIBILITY

WH follows European standards and regulations in occupational safety and has been implementing ISO 14001:2015 certification for its environmental management system and ISO 45001:2018, the international standard for health and safety, for more than a year. In 2020, the LTI (Lost Time Injury) rate was halved compared to the previous year. This means that WH can build on a positive trend. Nevertheless, three workplace accidents were reported in 2020. In the current COVID 19 situation, WH has developed and im-

plemented appropriate measures and action plans to protect employees during and before the second wave. This included social distancing and hygiene rules, proactive internal contact tracing, regular antigen tests and - where possible - working from home. In addition to the greatest possible protection for the employees, production was thus maintained throughout the entire pandemic.

// OVERVIEW

TUBE BUSINESS UNIT

Customers of the Tube Business Unit are extremely satisfied

The Tube Business Unit was able to increase its sales volume by 148 kilotonnes to generate EBITDA of EUR 12.8 million in 2020. While sales volumes were thus lower than in the previous year, EBITDA increased significantly. The LTI rate is 18 and remains unsatisfactory.

All in all, the impact of the coronavirus pandemic on the Tube Business Unit was not too severe. The first wave of the virus in the spring brought a reduction in the volume of orders and thus a drop in production capacity utilisation. Short-time work was temporarily introduced at two plants to compensate for the decline in orders. The market then recovered to a normal level, so that production could be resumed from September with full capacity utilisation and full working hours.

The three companies in the Tube Business Unit made intensive joint efforts in 2020 with regard to occupational safety and safety structure. Despite an extensive package of measures, there were still many hand injuries. In addition to comprehensive training courses, Wuppermann Polska sp. z o.o. (WPL) and Wuppermann Metalltechnik GmbH (WMT) have made investments in equipment in order to reduce the amount of manual work and thus the risk of accidents. There is an improvement in the LTI rate across quarters. The declaration of conformity through the CE marking of all machines and plants of the Tube companies also focused on safety. The machines were subjected to a risk analysis in order to identify and eliminate any deficiencies.

It is also planned to leverage further synergies in terms of best practice sharing and benchmarking of comparable set-up times. Results are expected in the coming financial year. The prerequisites for the further growth of the Tube Business Unit were also created in 2020. In Altmünster/Austria, for example, a neighbouring plot of land was acquired from WMT to enable the plant to expand.

Last year, Wuppermann conducted a customer satisfaction analysis together with the market research institute market. In this online survey, Wuppermann customers were asked about their current expectations and their satisfaction with the company's services and offerings. A total of over 80 customers took part in the survey on the Tube products. The results were very pleasing and confirm Wuppermann's performance claim. 99 percent of the respondents were satisfied or very satisfied with

the cooperation and 83 percent of them would recommend Wuppermann to others.

The very positive assessment is also reflected in detailed questions about service and quality. The cooperation with the direct contacts and the flexibility of Wuppermann were particularly positively emphasised. However, the customers also expressed concrete wishes for further improvement of the service; in particular, our customers would like to see further improvements in the area of „short delivery times“. Of course, we are also working on the other issues mentioned to further improve service and quality.



// WUPPERMANN METALLTECHNIK GMBH

The course is set for further growth

Wuppermann Metalltechnik GmbH (WMT) in Altmünster, Austria, is a premium manufacturer of tubes, tube components and sheet metal components of the highest quality. 2020 was also a very challenging year for WMT due to the pandemic, but the positive economic development of the company was confirmed. Sales in the Tubes Business Unit fell as a result of the coronavirus pandemic in the spring, but regained their strong momentum in the second half of the year. In sheet metal production, the growth strategy was successfully implemented and sales and output were further increased. The outlook for the new year is positive.

PREREQUISITE FOR DEVELOPMENT STRATEGY CREATED

At the end of the year, the purchase of a neighbouring plot of land measuring 17,500m² was completed. This created space for further growth in tube production and secured the future development strategy. The land purchase is an important milestone in the history of WMT in Altmünster. Furthermore, the social and changing rooms in sheet metal production have been greatly enlarged. The premises allow further personnel growth and employees can improve their working environment.

PIONEER IN AUTOMATION AND DIGITALISATION

By acquiring two collaborating robots, the synergies in the cooperation between man and machine are fully exploited and optimise the production process. The robot is taught using the teach-in method, i.e. via the employee who carries out the individual production steps with the robot and programmes them for the robot after each step. At the turn of the year, a new press brake with automatic tool changer for sheet metal production was purchased. It enables a considerable increase in productivity. In addition, the digitalisation on the tube line was advanced by the implementation of a shop floor display. This allows employees to view all performance parameters of the plant during production. The transparency gained through the shop floor display quickly bore fruit. The average speed on the tube line was increased at the end of the year. The conversion times are also automatically displayed by the shop floor display. This improvement, it was possible to further reduce the average total conversion time. This enables WMT to meet the market's demand for flexibility and agility.

TIME FOR NEW PRODUCT DEVELOPMENTS

Developments on the product side dominated the last financial year. New telescopic tubes with a corner weld seam have been developed. The very high tolerance requirements for geometry and surface were met in equal measure. New premium tube types with very thin walls and large dimensions were also developed. In the tube component business unit, a new robot-guided crack detection system is convincing. It is used for safety components in the automotive industry and reinforces the 100 percent quality strategy at the site. In sheet metal production, component production on pre-coated sheets was optimised. Several individual developments of system components through to finished system solutions were transferred to series production in 2020.

As of 1 January 2021, WMT will switch to

100 %
green electricity



CORONAVIRUS HAD AN IMPACT BUT LEFT NO TRACE

For the first lockdown in spring, consistent safety and hygiene measures were implemented very quickly at the site to protect the health of the employees.

The impact of coronavirus affected the segments differently. In the Tube Business Unit, capacity utilisation decreased significantly in the spring, so that WMT was forced to register the employees of this business unit for the short-time work programme. Thanks to the strong improvement in the order situation after the summer months, this measure could be completed. The decline in sales in the first half of the year was largely made up for in the second half.

Further growth secured
through land purchase

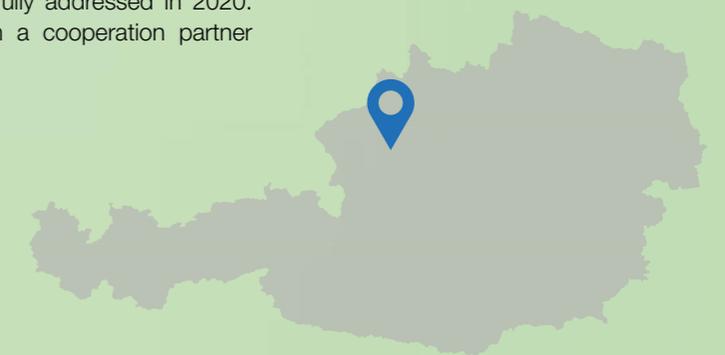
17,500
m² new area

In sheet metal production, on the other hand, we can look back on a year without any economic downturns. Healthwise, the second wave of infection hit WMT for the first time. While there were no cases of coronavirus in the spring, a few employees fell ill with Covid in the autumn and have already recovered.

NEW DEVELOPMENTS FOR OCCUPATIONAL SAFETY

In the area of occupational safety, WMT was unfortunately unable to achieve its planned level, which is why increased safety measures were introduced. In the past, chip removal posed an injury and accident risk that was successfully addressed in 2020. Together with a cooperation partner

from the mechanical engineering sector, a novel solution for chip removal was developed. The result is the so-called chip hacker, which no longer requires manual intervention by an employee. At the turn of the year, the chip hacker was successfully installed and handed over for testing so that it can be successfully commissioned in mid-2021.



// WUPPERMANN AUSTRIA GMBH

The partner for highest corrosion protection and special requirements in the photovoltaic industry

Wuppermann Austria GmbH (WA) in Judenburg, Austria, is on the one hand a specialist for flat products with the very highest corrosion protection, and on the other hand the structural change to focus on being a tube producer has been completed, so that WA has been part of the Tube business unit since 2020. The WA was also the first year in the new strategic orientation with the areas of production planning, local procurement and own sales integrated from WS. In 2020, the photovoltaic industry was the main driver of high demand and good results. After losses in previous years, WA can look back on a successful year despite the coronavirus pandemic.

CONTINUOUS IMPROVEMENT ON THE TUBE LINE

In 2020, the focus of investments was on optimising the tube line. Optimisation measures were implemented along the entire tube line in order to improve the surface quality for tubes and profiles. The main objective was to develop an ideal surface finish for the pickled tubes used in the furniture industry. In addition, an internal scraper for pickled tubes and a smoothing plane for galvanised tubes were developed.

Both applications serve to optimise the weld seam position. After twelve months of development work with cooperation partners, both applications could be successfully specified. All improvements on the tube line contribute to Wuppermann's double supplier strategy, which offers customers more security.

PIONEER IN HIGH ZINC AND ZINC-MAGNESIUM LAYERS

ZM1000 was developed in 2020 in a process-safe manner and the quality could be proven in several productions. The next goals are the process-safe development of ZM1200 and Z1300 to Z1400. Together with partner companies, a special powder coating was developed which is adapted to the extreme ground loads in the photovoltaic sector and is applied over the high zinc and zinc-magnesium layers. This powder coating withstands heavy loads in the day-to-night transition and promotes corrosion protection. In this way, WA also takes into account extreme requirements in the photovoltaic industry.

TECHNICAL OPTIMISATIONS OF THE STRIP PUNCHING SYSTEM

Two measures on the strip punching system increased throughput by 20 percent in 2020. The punching sequence was improved by the use of a "punching client". The optimum process sequence is determined by algorithms. A newly installed optical image measurement system enables the automatic measurement of hole patterns and punched blanks on the moving strip part. This saves time and capacity, as manual measurement and the associated shut-down of the system are no longer necessary.

IMPACT OF THE CORONAVIRUS PANDEMIC

WA had no known cases of coronavirus in the workforce in 2020. This is due to the very early start of protective measures as early as the beginning of March. A coronavirus testing strategy was then established with regional specialists in the autumn. Employees can be tested at an early stage in case of suspicion or as a contact person. This test strategy has been expanded with in-house antigen tests so that employees can be tested at the start of a shift if necessary. A result is available in 20 minutes.

POSITIVE OUTLOOK FOR WA

The climate objectives set by society and politicians and new PV systems, such as Agri-PV, support the positive development of the photovoltaic industry. Agri-PV means a double use of the land, in which the raised PV installation allows agricultural use of the land underneath. As a strong project partner, WA is preparing for this trend. But WA is not just relying on PV, it is also counting on a further increase in wealth creation: The volume development on the tube laser, which was commissioned in the previous year, is very positive.



// WUPPERMANN POLSKA SP. Z O.O.

Well on track despite pandemic

Wuppermann Polska sp. z o.o. (WPL) has achieved its goals despite the impact of the pandemic. The development into a producer of pickled products was successfully started and will be continued in 2021 with an increased order volume. On the other hand, occupational safety was not satisfactory, which is why measures were introduced to achieve success in accident prevention.

INVESTMENT IN OCCUPATIONAL SAFETY

The biggest investment in the past financial year was made in a new stacking line, modelled on the one at Wuppermann Metalltechnik GmbH (WMT), significantly reducing the risk of accidents at this point. With this new stacking line the tubes no longer have to be packed by hand, but are automatically bundled. Despite the preventive measures introduced and investments that greatly improved industrial safety and working conditions, there were still accidents in which employees were injured. WPL has started talks with its employees in this regard. A survey on occupational safety was conducted, in order to be able to optimise the health and safety plan for the coming year. The employees' suggestions have been implemented and should lead to an improvement in the situation in 2021.

FURTHER DEVELOPMENT OF THE PICKLED AND GALVANISED TUBES

In accordance with the new corporate strategy, to complement the production of the black tubes increasingly with the production of pickled and galvanised products at the location has been further developed. Sales with customers from the furniture industry and the construction sector were increased in comparison to the previous year.

IMPROVED PRODUCTION PERFORMANCE AT ALL LEVELS

All production parameters have improved in the past year. The 1A rate has risen in comparison to the previous year and rejects were reduced. The average speed could be maintained at the same high level. The reduction in changeover times led to an increase of the effective production time.

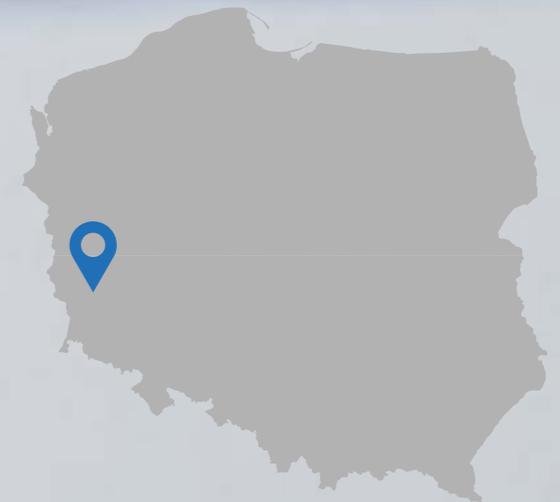
FURTHER INVESTMENTS IN 2021

Due to the coronavirus pandemic and the associated difficulties with suppliers, the second major investment - in a new calibration - could not be realised. As a result, the planned relocation of the second production line was also not realised. Both are now to be completed in the new year. For the second production line, the installation of a new stacking line is planned in order to reduce the risk of accidents on this line.



Increase in 1A rate compared to
2019 to

92,3 %



GROUP MANAGEMENT REPORT 2020

1. Basics of the Group

1.1 Business and general conditions

For almost 150 years, the Wuppermann name has stood for quality in the processing and finishing of steel. Since its founding in 1872, the medium-sized family company has pursued a strategy of long-term and sustainable growth, and constant wealth creation in the interests of clients, 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 percent family-owned.

The product portfolio includes surface-finished 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 through sustainable and future-oriented action and position ourselves as a specialised company with excellent customer service in the steel industry.

In the 2020 financial year, the business activities of the Wuppermann Group were organised in two business units. The Flat Business Unit and the Tube

Business Unit were supported by central functions. The organisational division of the business activities is a result of the strategy process carried out in 2019.

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 distribution 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 license companies Wuppermann Staba GmbH (Staba) and Wuppermann Technologies C.V. (WT).

The Tube Business Unit consists of the following companies: Wuppermann Austria GmbH (WA) in Austria focuses on the production and distribution of tubes and profiles and galvanised slit strip. Wuppermann Metalltechnik GmbH (WMT) in Austria and Wuppermann Polska sp. z o.o. (WPL) in Poland focus on the production and sale of tubes and profiles. WMT produces pickled tubes and tube and sheet components, and WPL produces black and pickled tubes.

The service company Wuppermann Business Services GmbH (WBS) as the central IT function 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).

Wuppermann AG is responsible for the strategic management of the Group. The Management Board of WAG, headquartered in Leverkusen, defines the strategy for the Group's development and controls the business units. In 2020, the Wuppermann Group employed an average of 817 employees (including executive bodies and trainees) and generated sales of EUR 537,846,000.

Changes in the Group

The division of business activities into two business units as a result of the strategy adopted in 2019 and the reduction of the Management Board to two members were implemented in 2020.

1.2 Research and Development

Wuppermann Engineering GmbH (WE) brings together the research and development skills of the Wuppermann Group. Since 2020, WE has been assigned to the Flat Business Unit, because the main focus of WE is on the constant further development of the galvanising methods of the Wuppermann Group. The development of new products, product features and processes complements the service portfolio of WE. The core skills of the Wuppermann Research & Development Team lie in the fields of metallurgy, corrosion technology and product development. An important focus is on the formation of networks and cooperation with external knowledge holders.

Wuppermann employed a total of eleven people in this area in 2020. One focus of WE in 2020 was on supporting WH in further developing the zinc-magnesium alloy.

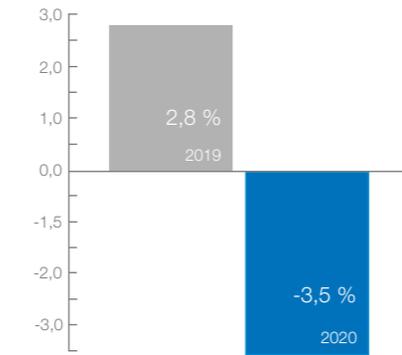
1.3 Treasury Stock

By resolution of the Annual General Meeting of 16 May 2020, the company may not acquire any more treasury stock in company. In addition, the Annual General Meeting decided to call in the 7,000 items of treasury stock acquired as of 31 December 2019, without capital losses. Thus, the number of ordinary shares fell from 4,257,000 units to 4,250,000 units and the nominal value per share increases to EUR 5.0082353.

2. Economic development of the Group

2.1 Macroeconomic and industry-specific conditions

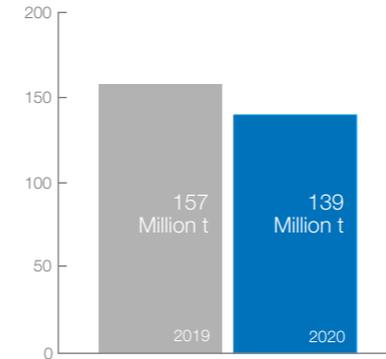
The economic conditions in 2020 were characterised by the dominating issue of the coronavirus pandemic. The countermeasures taken to reduce the speed of the spread of the pandemic had a massive impact on international trade, industrial production and household consumption, as well as on the willingness of companies to invest. The crisis thrust the world economy into a severe recession in the second quarter of 2020 - the global economy shrank by 7.8 percent compared to the previous quarter. But away from the coronavirus pandemic, there were barriers to trade which were already in existence: The trade conflict between the USA and China is still unresolved; Brexit was in the middle of a transitional phase in 2020 with uncertainties for the economy and the people. Other geopolitical conflicts, between the US and Russia, China and India and various parties in the Middle East slipped to the back of people's minds due to the pandemic, but they are not over. For the full year 2020, the International Monetary Fund (IMF) in its January 2021 estimate assumes a fall in the world economy of -3.5 percent in comparison to the previous year (1).



01 GROWTH IN THE GLOBAL

This picture is also reflected in the economic and business cycle indicators for Europe and Germany. According to Eurostat, economic output fell in the EU in the second quarter of 2020 by -13.9 percent compared to the same quarter of the previous year. In the third quarter, the economy recovered, but remained -4.2 percent below the previous year's level. In the second quarter, Germany also suffered a severe drop in gross domestic product in the second quarter, with a slump of -10.1 percent. In the third and fourth quarter there was a slight recovery, overall, however, there was an economic downturn in the amount of 5 percent for the rest of the year.

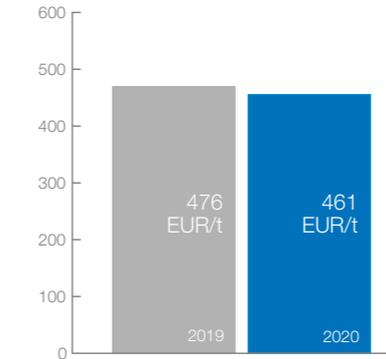
In order to mitigate the economic impact of the pandemic, various aid programmes were launched in 2020. As early as in the summer, the federal government in Germany adopted an economic package in the amount of EUR 130 billion, which, among other things, included the reduction of the VAT rate from 19 percent to 16 percent. Another EUR 750 billion in aid came from the EU. For this purpose the EU itself incurred debt for the first time. In autumn and winter, the programmes were further increased. The EU sup-



02 RAW STEEL PRODUCTION

port package amounting to a total of EU 1.8 trillion applies to the EU budget for the years 2021 to 2027. The steel industry in Europe, already in structural difficulties due to overcapacity and increasing environmental requirements, was also significantly affected by the crisis.

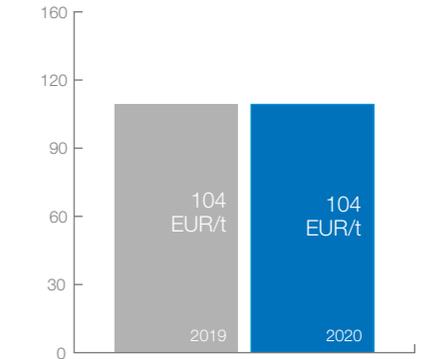
If published, data from the quarterly reports of the European steel producers in the second and third quarters of 2020 reported significant losses. In many places, the steel producers reacted in the first half of the year by reducing capacities and shutting down blast furnaces. In the second half of the year, most of the blast furnaces were successively started up again. The steel industry, just like the economy as a whole, experienced a huge drop in the second quarter and a slight recover from the third quarter. The whole of 2020 thus remains significantly below the already weak year 2019. German crude steel production fell, according to the steel trade association, for the second year in a row, to 35.7 million tonnes (-10 percent in comparison to the previous year). The European raw steel production decreased to the same extent. According to Worldsteel, this fell by -11.8 percent (2).



03 MEPS HRC GERMANY LOW

The hot rolled coil (HRC) prices, which essentially determine the amount of the material costs of the Wuppermann Group, reflect the economic situation and the market conditions during the year. Thus, the MEPS quotation „HRC Germany low“ averaged EUR 461/t in 2020, compared to EUR 476/t on average in 2019 (3). The volatility in prices during 2020 was very high: while the low point was EUR 400/t, in December the price reached a high of EUR 560/t.

The prices for the galvanising service changed greatly during the 2020 financial year, but on average, however, were at the level of 2019. The spread between the MEPS quotations „Hot Dipped Galvanised (HDG) Germany low“ and „HRC Germany low“ 2019 and 2020 was at an average of EUR 104/t (4). The range of variation in 2020 was between EUR 85/t and EUR 130/t, a very unstable market environment.

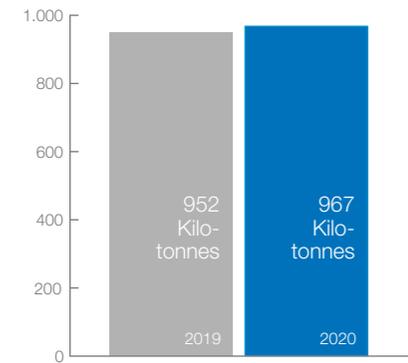


04 MEPS DELTA HDG TO HRC

2.2 Business performance and economic situation of the Group

Business performance

The effects of the coronavirus pandemic determined developments in the past financial year. In addition, structural challenges also shaped the year 2020 in the steel sector. Global trade conflicts, large overcapacities in the area of steel production, falling sales volumes in the automotive industry, as well as the direct effects of lockdown in the wake of the coronavirus pandemic have negatively affected demand in the relevant markets for Wuppermann.

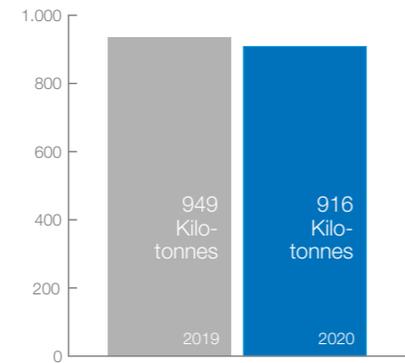


05 INCOMING ORDERS

The incoming orders of the Wuppermann Group improved slightly despite the great challenges in the 2020 financial year in comparison to the previous year and amounted to 967 kt (5). After a good start to the year, the whole economic environment deteriorated from the second quarter. It was only at the end of the third quarter that there was a revival in demand among our customers.

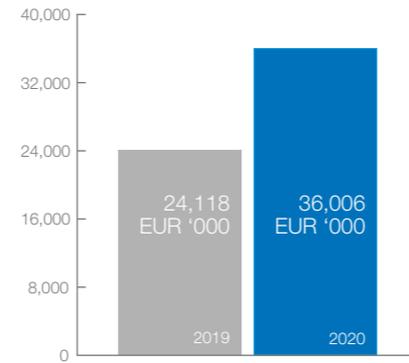
Since the steel producers, as a consequence of the Corona pandemic, reacted to the falls in demand and shut down production facilities, the fourth quarter was dominated by supply difficulties on the part of our suppliers. These bottle-necks led to an increase in demand, because customers wanted to build up stocks and no slump in demand could be seen in the sectors important to us.

Nevertheless, the set goal of increasing sales (significant financial performance indicator) in 2020 to 942 kt 1A material and including declassified material to 967 kt was not achieved. The quantities planned and required for this could be achieved as a result of the market weakness prevailing could not be reduced in the second quarter. However, annual sales volume in the



06 SALES

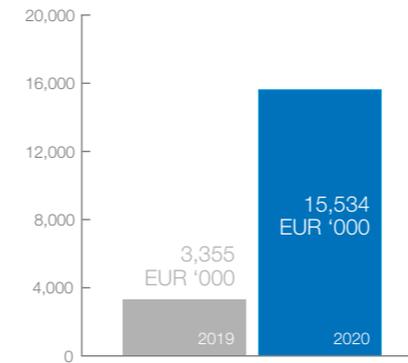
amount of 916 kt is thus five percent behind schedule and three percent behind the previous year (6). A slight decline in comparison to other steel companies. In spite of these great challenges, the Wuppermann Group has held its own well in this market environment. Compared to the previous year and also compared to the goal set, results have been increased. Reactions to fluctuating demand over the year were fast, using cost adjustments. For example, travel and consulting expenses were disproportionately reduced and - where possible - external support measures were used. The operative improvement of WH, an improved margin level and the stable positive development of the companies in the Tube Business Unit also contributed significantly to earnings development. Similarly, the cost savings programme launched in 2019, Wuppermann STARK has made positive contributions to earnings. A one-off effect on earnings from the sale of the systems technology activities in 2017 also has a positive effect on the results in 2020. A large number of other smaller one-off effects, resulting, among other things, from the evaluation of the inventories, the disposal of the old stocks or also the reversal of holiday accruals, also contributed positively to the result.



07 EBITDA

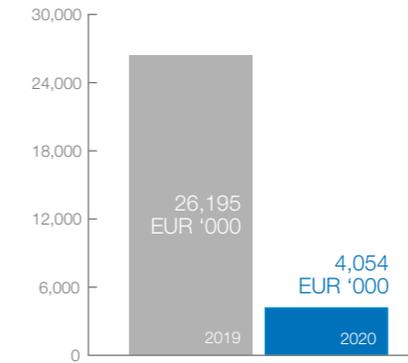
Earnings before tax, interest and depreciation and amortisation (EBITDA) as a significant financial performance indicator was increased to EUR 36,006,000 in 2020 and was thus higher than the plan for the financial year in the amount of EUR 21,113,000 and the previous year in the amount of EUR 24,118,000 (7). This rise is disproportionately reflected high in the company results, since on the one hand the financial result as a consequence of the low debt level was improved and, on the other hand, the tax rate has fallen. The net profit for the year or the company profit in the amount of EUR 15,534,000 in the 2020 reporting year was above both the value of the previous year in the amount of EUR 3,355,000, as well as above the plan in the amount of EUR 670,000 (8).

The free cash flow (FCF - defined as Cash flow from operating activities and investment activities before distributions and debt service) in 2020 confirms the positive development from the past year. The FCF in the 2020 financial year in the amount of EUR 4,054,000, however, does not reflect the real development of the liquidity and debt situation of the Wuppermann Group, since the the reduction in use of factoring is not reflected in the FCF (9). Use



08 CONSOLIDATED NET INCOME

of factoring as of 31 December 2019 in the amount of EUR 37,867,000 resulted in the sale of receivables in the same amount were sold and therefore no longer a balance sheet item, the receivables as of 31 December 2020 rose accordingly, because no more factoring was used. The debt situation of the Wuppermann Group has thus also improved over the past year. The financial targets to be formulated at the beginning of the year were surpassed.



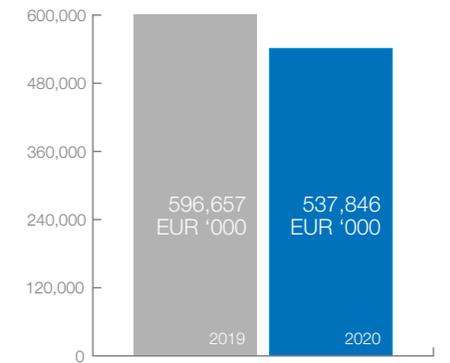
09 FREE CASH FLOW

Earnings
In the 2020 financial year the Wuppermann Group posted a company profit in the amount of EUR 15,534,000, whereas it was EUR 3,355,000 in the previous year.

Despite lower sales revenues in the amount of EUR 537,846,000 in 2020 (previous year: EUR 596,657,000), the Group gross profit was increased (10). After a gross profit of EUR 112,172,000 were achieved the Wuppermann Group entered a value in the amount of EUR 123,605,000. The increase in gross profit is due in particular to improved contribution margins in spite of lower sales volumes and sales prices. The burden from personnel costs and other operating expenses declined by 0.5 per cent in 2020 and amounted to EUR 87,600,000.

These two effects result in the improvement of EBITDA to EUR 36,006,000.

The financial result of the Wuppermann Group in the amount of EUR -843,500 could be reduced by 51 percent in comparison to the previous year. This improved financial result was due to the decline in the net financial liabilities during the year and lower interest rates, which could be realised due to the



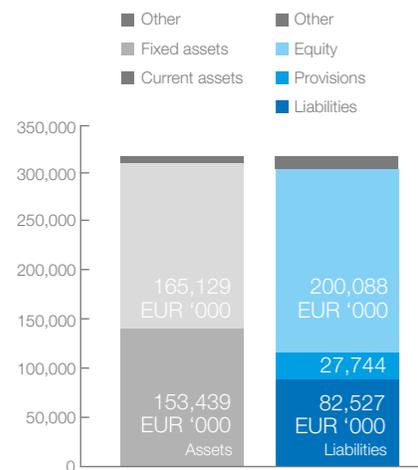
10 REVENUE

improved debt ratio in the course of the year.

Within the scope of the investment income, the Wuppermann Group was able to enter a dividend payment in the year 2020 of the non-consolidated subsidiary WOR in the amount of EUR 210,000.

Due to the higher profit of the Wuppermann Group, tax expenses in 2020 rose to EUR 4,849,000 (previous year: EUR 3,891,000). However, the Group's tax rate fell markedly from 54 percent to 24 percent. In particular, this is due to the further reduction of losses at WH.

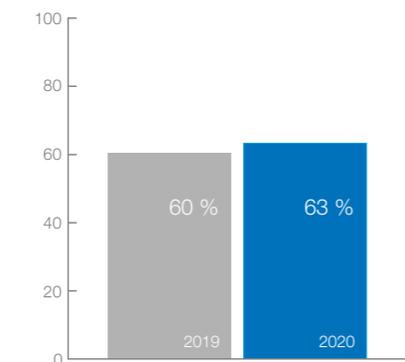
The earnings after minority interests (Wuppermann consolidated annual profit) amounts in 2020 to EUR 13,415,000 and is thus clearly above the previous year's figure in the amount of EUR 1,355,000. The share of annual profit assigned to other shareholders rose by six percent to EUR 2,119,000.



11 BALANCE SHEET TOTAL 2020

Wuppermann Hungary is the only operationally active company in the two business units Flat and Tube, which did not earn a positive result. However, WH was able to compensate for the loss in the last financial year reduced from EUR-11,274,000 to EUR -3,702,000 in 2019. At Group level furthermore, only the holding companies WAG and WAH contributed a negative result to the company result. The other companies in the Wuppermann Group earned positive results, with all production companies and the distribution company WS improving their results compared to the previous year.

WH's earnings position improved strongly in 2020, but continues to weigh on the Group. The planning envisages an improved development, so that positive earnings contributions are to be achieved in the planning horizon. For the other companies, the earnings situation can be described as good.



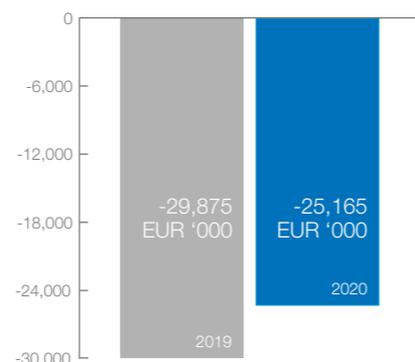
12 EQUITY RATIO

Financial position
The financial position of the Wuppermann Group has improved compared to the previous year and can be rated as good.

The balance sheet total increased by EUR 6,782,000 from EUR 312,208,00 to EUR 318,990,000 (11). In particular, the increase in receivables and other assets has contributed to this.

Depreciation and amortisation of WH's goodwill in 2019 are reflected in the reduction of the intangible assets. In the area of property, plant and equipment, the investments in fixed assets were lower than depreciation and amortisation in the 2020 financial year, despite some major investments in the WH and WMT companies.

In contrast, significant changes occurred in the area of current assets. On the one hand, inventories decreased by EUR 9,687,000 from EUR 84,201,000 to EUR 74,514,000. In addition to the lower price level in comparison to 2019, lower inventories at the end of the year have also contributed to this. On the other hand, Receivables and other assets rose from EUR 41,208,000 by EUR 29,421,000 to EUR 70,629,000. As of year-end 2019, we had used factoring



13 NET FINANCIAL POSITION

in the amount of EUR 37,867,000, which reduce the receivables accordingly. At the end of 2020, factoring is no longer used which contributes to a correspondingly higher amount of accounts. Adjusted for this effect, the claims and other assets would have fallen by EUR 8,445,000.

The other balance sheet items on the assets side have changed only slightly compared to the previous year. The positive earnings trend is also reflected in the development of equity. Equity increased by EUR 12,733,000 to EUR 200,088,000 as of 31 December 2020 compared to the previous year. The equity ratio has increased from 60 percent to 63 percent in 2020 (12).

Amounts owed to credit institutions fell from EUR 35,760,000 to EUR 22,002,000. This development is due to the repayment of long-term loans and lower use of overdraft facilities as of 31 December 2020. In addition, bank deposits are at a lower level than in the previous year and amount to EUR 8,295,000. Overall, this will lead to a further improvement in the debt situation at the end of 2020.

The trade payables have risen by EUR 3,329,000 to EUR 40,224,000 in com-

parison to the previous year. Other liabilities also rose slightly and amounted to EUR 8,843,000 at the end of the year. The liabilities from financing in the amount of EUR 10,500,000 correspond to the equity-like loan from the EBRD Bank to WH. The provisions have increased and amounted to EUR 27,744,000 as of the reporting date. Whereas the pension provisions only change by EUR 3,000, the tax provisions rose by EUR 790,000 to EUR 2,990,000 and other provisions by EUR 1,487,000 to EUR 11,584,000

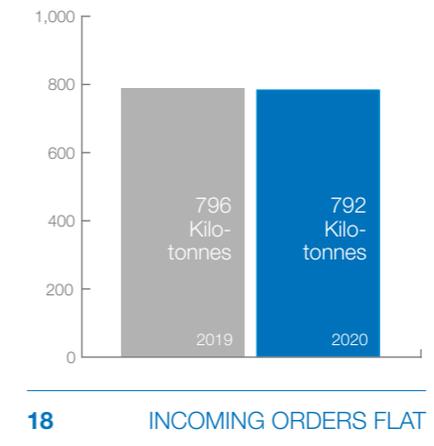
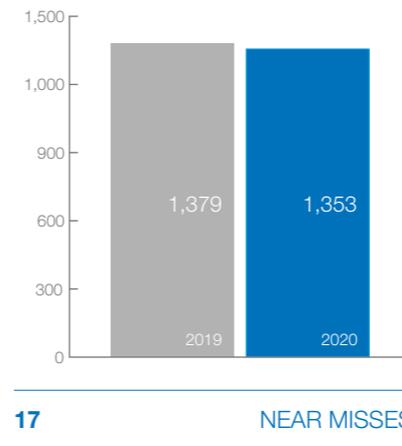
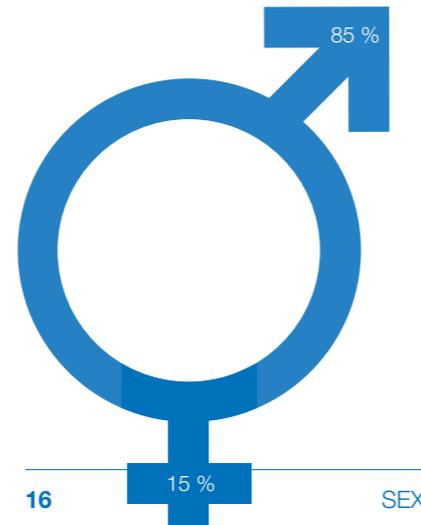
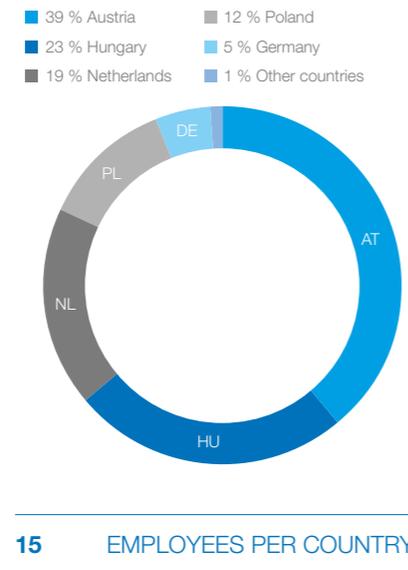
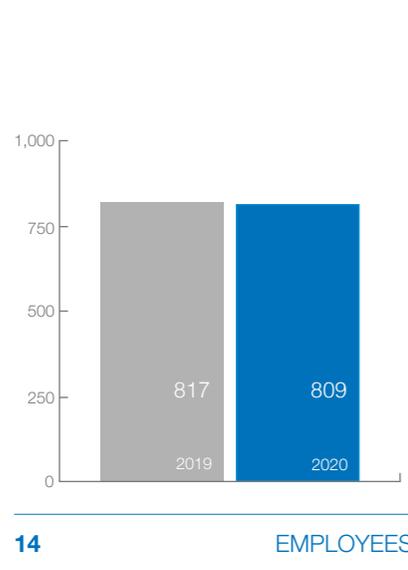
Financial position

The net financial position as of 31 December 2020 in the amount of EUR -25,167,000 has further reduced in comparison with the previous year's figure in the amount of EUR -29,875,000 (13). The cash flow from operating activities in 2020 is EUR 19,023,000. After cash flow from operating activities resulted primarily from the decrease in inventories and receivables in 2019, these increased significantly in 2020. This reflects the lower utilisation of factoring. This burden from the build-up of current assets can be compensated by the significantly improved accounts payable trade result and increased trade payables and other payables further. Investments were driven forward in the 2020 financial year despite the uncertain general conditions. Accordingly, the negative cash flow from investing activities increased from EUR -9,648,000 in 2019 to EUR -11,497,000. The increase is based in particular on the increase in the property, plant and equipment by EUR 2,087,000 to EUR 11,611,000. The further repayment of the long-term loans and dividend payments to the shareholders of Wuppermann AG and the minority shareholder in WSN, TATA, resulted in a negative cash flow from operating activities in the amount of EUR -5,717,000. This figure is signi-

ficantly lower than the 2019 figure of EUR -14,130,000, since on the one hand lower loan repayments were made and on the other hand payments from grants were received. These are the result of the state support programme of the Netherlands benefits provided by the Dutch state correspond to a subsidy payment. The cash-effective changes in the of cash and cash equivalents in 2020 in the amount of EUR 1,809,000 is attributable to the comparison to the previous year in the amount of EUR 12,065,000. Due to the improved debt situation and the higher EBITDA of the Group, achieving the target of a debt level less than one without using the of factoring has

been achieved. This resulted in fewer funds available as of the reporting date of 31 December 2020. The financial and liquidity position of the Group has further improved with a decline in debt in 2020.

	2020 EUR '000	2019 EUR '000
1. Operating cash flow	19,023	35,843
2. Cash flow from investing activities	-11,497	-9,648
3. Cash flow from financing activities	-5,717	-14,130
Change in cash and cash equivalents (subtotal 1 - 3)	1,809	12,065
Changes in cash and cash equivalents due to exchange rate movements, changes in the scope of consolidation and changes in valuation	0	0
Cash and cash equivalents at the beginning of the period	5,524	-6,541
Cash and cash equivalents at the end of the period	7,333	5,524
4. Composition of cash and cash equivalents		
Liquid assets	8,295	17,154
Financial receivable from affiliated companies from cash pool	-959	-869
Current account liabilities to banks	-3	-10,760
Cash and cash equivalents at the end of the period	7,333	5,524
Loan commitments	-22,000	-25,000
Other financing	-10,500	-10,400
Net financial position	-25,167	-29,875



2.3 Personnel

As of 31 December 2020, Wuppermann had 809 active and inactive employees (including trainees and organs) (14). On average over the year, the number was 817. Compared to the previous year this indicates on average a fall of 21 employees. On average, in the year 65 temporary workers were hired (previous year: 61). Out of the 817 employees, 44 were employed in Germany, 158 in the Netherlands 189 in Hungary, 99 in Poland, 322 in Austria and 5 in the rest of the world (15). The proportion of women in the Wuppermann Group in 2020 was 15%, as in the previous year (16). Whereas rates of between 3 and 15 percent are achieved in production companies, the proportion of female employees in the service and distribution companies is up to 50 percent.

Personnel at Wuppermann was particularly challenged in 2020 to make a great contribution to the management of the consequences of the coronavirus pandemic. First and foremost was the health of the employees. Within a very short time at the start of the year, concepts for mobile work and the best possible separation of the production teams were drawn up and implemen-

ted. In particular, the protection of employees against infection was to the fore here. As well as Group-wide regulations, such as the constant adaptation of the travel policy to the current situation, the specific situations of the individual sites were constantly taken into account. Regular information for all employees was intensified. The local crisis committees were responsible for communication on the ground. In order to prevent the loss of jobs, use was made of state support benefits in every national company.

Regardless of the coronavirus pandemic, it is of the utmost importance to us to further increase the occupational safety of our employees at all locations of the Wuppermann Group. Using the key figures Near Misses, Medical First Aid (MFA) and Lost Time Injury (LTI), the progress made in this area is made transparent.

Our accident frequency rate (LTI = number of accidents with lost time [1 day made in this area is made transparent and more] per 1 million working hours) was 12 in 2020, and therefore slightly below the value of 2019 in the amount of 13. The number of accidents was reduced from 19 to 16. The focus of the accidents is in the Tube

Business Unit. Here, there are still too many hand injuries. With targeted investments in occupational safety, especially at the site in Poland, these will in future be much less common. In 2020, the number of MFA (Medical First Aid) incidents fell from 73 to 66 reports. The number of reported near misses was maintained at a similar level and in 2020 amounted to 1,353 reports (17).

2.4 Sustainability/Climate Protection

In 2020, Wuppermann had the environmental impact of the „Heat-to-Coat strip galvanising process“ of the Wuppermann Group and the conventional cold strip galvanising process of our competitors investigated and a comparison of the two procedures drawn up. The investigation was carried out by the Fraunhofer Institute for Environmental, Safety and Energy Technology. It could be proved that our process emits 31 percent less CO₂ than the market standard galvanising process, in relation to our main production site in the Netherlands. At the Judenburg site in Austria, CO₂ emissions have been reduced by as much as 43 percent. This shows an advantage of the Wuppermann process everywhere

where the areas of application for galvanised hot strip and galvanised cold strip overlap. For every kg of galvanised strip steel we save 57 g CO₂ at the Moerdijk site and 78 g at the Judenburg site compared to the reference process. If one compares this with the application rate of the two locations, the result is a CO₂ saving of around 40,000 tonnes per year.

The fact that our heat-to-coat process is more environmentally friendly is largely due to the process design. Unlike with the standard strip galvanising method, we do not use any fossil fuels for heating the furnace, but only electricity. In addition, our maximum process temperature is significantly lower than that of the standard method, since we can avoid annealing at 750°C and only heat up to a galvanising temperature of around 450°C.

The environmental friendliness of the process is therefore also decisively influenced by the CO₂ balance of the electricity used. This is also the main reason why our site in Austria has an even better CO₂ footprint than the one in the Netherlands. Austria has a very high proportion of renewable electricity. The electricity requirements of our production and the electricity mix are

the most important levers for us for reducing the CO₂ emissions even further. Any improvement in the energy mix leads directly to a reduction in the CO₂ footprint of heat-to-coat galvanising. As the energy transition progresses our advantage will continue to increase.

Projects are underway at all sites to further reduce electricity demand. In addition, we are examining the possibilities of greatly increasing the share of renewable energies in the electricity mix at all locations.

2.5 Economic development of the Group

Flat Business Unit

At the beginning of the year, the market for flat steel showed signs of recovery. Good incoming orders were recorded and sales volumes reached the planned level. Towards the end of the first quarter, the economic environment deteriorated due to the coronavirus. The incoming orders and the sales volumes decreased in the second and third quarter. After the summer months, the hoped-for recovery materialised. Driven by a significant boost in demand, increasing incoming orders were recorded and in September

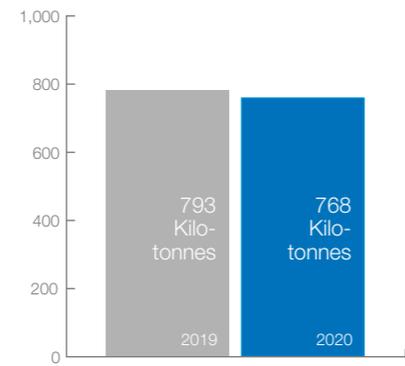
ber to November, sales volumes were again achieved at the planned level.

The incoming orders of the business in the amount of 792 kt was only 0.5 percent below the value of the previous financial year (18). In the second and third quarter, the pandemic caused a slump in demand, which was mainly compensated for by good incoming orders at the end of the year.

While WH was able to increase its incoming orders by 21 percent compared to the previous year, demand at WSN developed in the opposite direction. The incoming orders fell by eight percent compared to the previous year. The development at WSN is primarily attributable to the subdued demand in the field of fittings customers. The closures of furniture stores in the first lockdown are the main. The increase in incoming orders at WH was particularly due to the higher process and quality level, improved delivery readiness and the expanded production portfolio. The sales volume of the business unit in the amount of 768 kt fell compared to the previous year by three percent (19). In this market environment, we could not achieve the goal of increasing sales to 815 kt. The interaction of incoming orders and sales volume therefore causes the orders on hand at the end of the year to rise, which was primarily due to the increased demand-related behaviour of our customers.

In the year under review, the EBITDA of the business unit in the amount of 28,110 TEUR was above the value of the previous year and also exceeded the target (20).

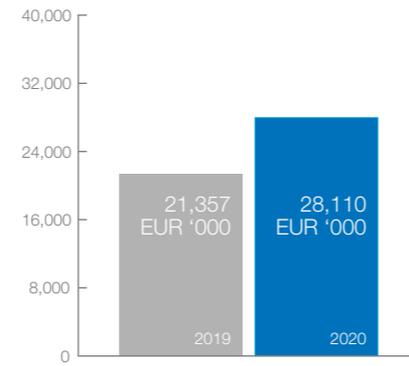
WSN had to absorb the largest decline in sales in the entire Group. With a nine percent lower sales volume compared to the previous year, the company capacity utilisation was not consistently ensured. The strong decline in volume represented a major challenge for WSN in 2020 but was compensated for through the use of support services, the increased of working hours balances and holiday reductions as well as further cost reductions. In the fourth quarter, WSN was then confronted with rising numbers of infections with well-utilised production. Supply to



19 FLAT SALES

our customers was ensured by a high degree of flexibility by employees. In this difficult market environment, WH achieved growth of twelve percent, but fell short of the plan for the financial year by five percent. New customers were acquired and the sales volumes from existing customers increased. The lower level of dependency on individual sectors in comparison to WSN, such as on the fittings industry, proved to be beneficial in the crisis situation. The positive development of Wuppermann Hungary, which greatly reduced its loss contribution shows that many of the measures implemented in 2019 and in 2020 could be made successful. As well as the improvement in the contribution margins, the increase in product quality, measured in the 1A rate of the production facilities contributed to this. In addition, in the the framework of the cost-saving programme known as Wuppermann STARK, further considerable cost reductions were realised.

WS - as a central purchasing and distribution company for the companies in the Flat Business Unit, in cooperation with the distribution companies WTS, WF and WOR, has been confronted with great challenges by the coronavirus pandemic. With the start



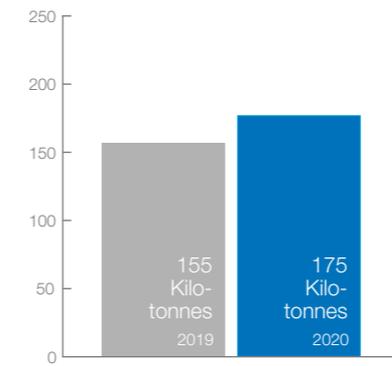
20 EBITDA FLAT

of the lockdown, demand slumped sharply and the existing orders slowed down. The ongoing coordination with our suppliers and ensuring supply for our customers were to the fore.

Tube Business Unit

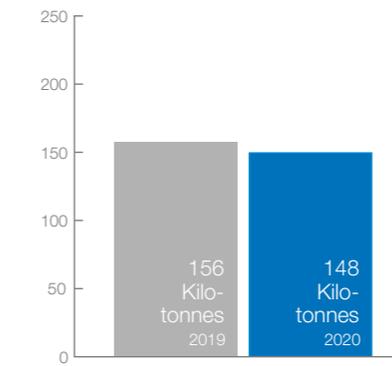
The reorganisation of the business units as part of the strategy in 2019 has led to even more intensive cooperation between the three tube locations WA, WMT and WPL. For WA in particular, the transformation to a tube site in 2020 meant a major challenge, as the distribution and supply chain activities were taken over by WS at the beginning of the year. The three tube companies held their own very well in a turbulent market environment.

By the end of the first quarter, the effects of the pandemic were already becoming apparent. WMT was particularly affected by the fall in demand. In the case of WMT, the decrease almost without exception affected the Tubes segment, while the Systems Engineering segment came through the crisis without a fall in sales. WPL, with its focus on high-quality black tube, had to absorb a decline in sales volume in the construction industry in the course of the year. These quantities were compensated for on the Pol-



21 INCOMING ORDERS TUBE

ish market and allowed a growth in sales volume - but not as planned. At times, both locations made use of short-time work to compensate for the un-derutilisation of capacity. WA was the only company in the Tube Business Unit to achieve the planned sales targets. Above all, the Tube Business Unit of WA was able to benefit from strong market demand for photovoltaic solutions. Supplying construction sites worldwide presents the entire group with major deadline challenges since construction sites have to be supplied with little time in advance. Only through good cooperation between the both business units, can production in such a tight time-frame be ensured. The close dovetailing of the two business units in the procurement process of the pickled slit strip for the Tube Business Unit is the key to success here. The companies in the Tube Business Unit get a large proportion of their raw materials from the sister company WH. Using practical storage concepts, good coordination of production planning and good logistics concepts, supply at competitive prices can be ensured at all times. Driven by strong demand in the fourth quarter, the incoming orders in 2020 compared to the previous year previous year were increased by 13 percent to 175 kt (21).



22 TUBE SALES

This showed the same picture in the Tube Business Unit as in the Flat Business Unit. Due to the good incoming orders at the end of the year, the order volume rose considerably.

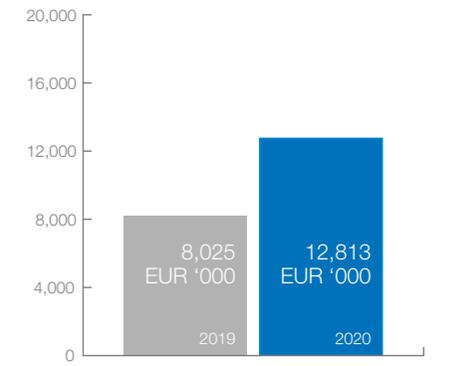
The sales volume of the Business Unit could not reach the level of the previous year, it was at the level of 148 kt, only three percent behind plan (22).

The good start to the year was followed by a fall in sales volumes right into the third quarter. The months of September to November developed in a similar way to that of the of the Flat sites, so that the sales could once again reach the level of the plan.

EBITDA in the amount of EUR 12,813,000 in the year under review was above the value of the previous year and also above plan (23).

While the challenge for WA lay in taking over the entire distribution activities and integration into the Tube Business Unit and this was conservatively taken into account in distribution planing, the sales margin could be significantly improved.

The diversification at the site further advanced in recent years with the



23 EBITDA TUBE

strengthening of the Systems Engineering segment in 2020 contributed to the stabilisation of the business success of WMT. In the whole year, the System Engineering sector recorded a high level of incoming orders, which led to an increase in sales and in the months of April to August, was able to compensation for the elimination of quantities in the Tube segment.

The technical further development and the increase in occupational safety of WPL was the focus, alongside the further increase in profitability in the past financial year. Further investments were implemented and give WPL the opportunity to expand its product portfolio and increase occupational safety.

3. Supplementary report

After the balance sheet date, no extraordinary events occurred.

4. Opportunity and Risk Report

4.1 Chancen- und Risikobericht

Risk management at Wuppermann includes all measures for the systematic detection, analysis assessment, monitoring and control of opportunities and risks. Through integration into the controlling processes, it is an integral part of value-oriented corporate management in the group.

The standardised opportunity and risk management process ensures that the Management Board and the Supervisory Board are informed promptly and in a structured manner about the current opportunity and risk situation of the Group. The organisational embedding in the area of Corporate Controlling enables active shaping of opportunity and risk management that is integrated in the planning and reporting process. Principles, responsibilities and the risk/opportunity management process are documented in the Wuppermann Group's risk management manual and are practised throughout the company. In the 2020 financial year, the Management Board reported to the Supervisory Board at each meeting on the respective status of the opportunities and risks of the Wuppermann Group. Despite the comprehensive analysis, the occurrence of risks cannot be systematically excluded and the realisation of opportunities cannot be systematically ruled out. The aim is to deal with opportunities and risks in an ongoing, transparent and controlled manner. We develop the Wuppermann Group's risk management system continuously. In 2020, we converted the previous re-

porting to a digital solution, so that in the future we will be even better able to involve the risk managers in the risk management process.

Opportunity Report:

At Wuppermann, we understand opportunities to be events or developments with a significant positive impact on the possibilities to surpass corporate goals. Opportunity management therefore comprises the systematic handling of these opportunities and potentials in the Group. By linking 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 reorientation with a stronger focus on the respective activities in the newly created Flat and Tube business units creates opportunities to further increase the efficiency of the companies in the merger as a business unit.

For Wuppermann, opportunities arise from the consistent implementation of measures by the companies that are defined and adopted in the annual planning cycle. Thus, even in the 2020 financial year, which was marked by the coronavirus pandemic, WH was able to achieve an improved company result compared to the plan through a continuous improvement in productivity and quality as well as a further focus on the Wuppermann Stark cost-saving programme.

Opportunities can also be created through targeted investments in the technical capabilities of our production sites. In this way, another optimisation of our customer and product portfolio becomes possible. The investments made at WH in 2020 in increasing the furnace capacity leads to a significant expansion of the production capabilities. The further development of the

ZincMagnesium coating and the production of large volumes of zinc will be positively affected. As before, the focus is on capacity utilisation at the plant in Hungary. In 2020, further opportunities were identified and measures taken to realise the potentials. In this way, Wuppermann has proven that it clearly causes lower CO₂ emissions in the galvanising process than the competition. This results in a further differentiation feature on the market, which can be used specifically in the marketing of the products in the future. More opportunities to reduce energy costs and CO₂ emissions result from energy-saving projects that have been initiated in every plant.

Risk Report:

At Wuppermann, we understand risks to be generally imminent events or developments with a negative impact on the possibilities to achieve corporate goals.

Wuppermann AG, as the central service provider has, in the year under review, transferred risks to insurers across the Group. Tailored to the risk-bearing capacities of the Group, we agree appropriate excesses for the individual Insurance policies.

The overall risk situation arising from the analysis and assessment of the individual risks has improved in comparison with the previous year.

In the course of the regular reporting of the Management Board to the Supervisory Board, an even stronger focus was given to the existential risks. Particular attention continued to be paid to the top risk of „Growth WH“. The measures are included in the three categories „Sales“, „SCM“ and Quality/Capability“. The risk „Port Usage Contract“ no longer exists since 2020. In the three measure categories, significant progress was made in 2020. This is

reflected accordingly in the improved result of the company. Within the framework of our three-year planning, we are assuming a steady improvement in earnings.

From today's perspective, the Group risks are therefore known and prioritised. There are no risks that could endanger the continued existence of the company.

Identified risks are assessed on a Groupwide basis. We assess the risks described below in terms of their probability of occurrence. A probability of occurrence of less than 25 percent corresponds to a classification as „improbable“, between 26 percent and 50 percent of a classification „possible“, between 51 percent and with a probability of occurrence of over 75 percent the rating is „highly probable“. On the other hand we assess the risks with regard to the possible economic impact on the basis of the scaling „low (< EUR 250,000)“, „medium“ (EUR 250,000 - EUR 1,000,000), „high“ (EUR 1,000,000 - EUR 5,000,000) and „very high“ (> EUR 5,000,000).

Macroeconomic risks:

If positive impulses from the world economy and, in particular, the important market for Wuppermann fail to materialise, there are economic risks for the Group. We constantly follow the changes in the country specific general conditions in order to take measures at an early stage to minimise risks, if necessary.

The outlook for growth in the global economy is still dominated by great uncertainty. The further course of the coronavirus pandemic entails considerable risks. Protection of our employees is the top priority. Possible new lockdown measures can greatly affect our business activities. The focus as part of risk management in this pandemic therefore continues to be on:

// The daily tracking of relevant information on status and behaviour recommendations,

// The taking of measures to secure the supply to our customers and

// Securing the Group's liquidity.

The development of the steel price also has an influence on the economic development of the target markets relevant to Wuppermann. Highly volatile steel prices, which we experienced in 2020, pose major challenges for both our customers and us as suppliers.

The probability of occurrence of these risks is probable and has a high impact.

Financial risks:

One of the central tasks of Wuppermann AG is to coordinate and guarantee the financial requirements within the Group. In order to ensure solvency at all times, we hold a rolling monthly liquidity planning meeting in accordance with the cash and cash equivalents. Within the context of cash pooling, the funds are disbursed to the companies according to their needs. To do this, we optimise Group financing and limit the financial risks.

As of 31 December 2020, the cash and cash equivalents amounted to EUR 8,295,000, the freely available and not exploited credit lines to EUR 60,000,000 and EUR 40,000,000. The net debt of the Group was EUR -25,165,000.

To ensure liquidity and control the debt level of the Wuppermann Group, factoring was used at certain times in 2020 i.e. the sale of receivables to banks. Factoring is a financing instrument that we can use in the framework of the syndicated financing agreed with our house banks in the amount of EUR 40,000,000. Furthermore, Wuppermann has access to credit lines in the amount of EUR 60,000,000 in the next two years.

The occurrence of financial risks is improbable and has a medium impact.

Default risk:

In the supply and service business receivables and default risks are monitored on an ongoing basis by the Group companies. Additionally, trade credit insurance policies are concluded.

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

Financing risks:

To secure favourable financing, the Group uses derivatives. Currently, there are interest rate hedges in the amount of EUR 4,500,000. The hedges have been concluded synchronously with the underlying transaction.

As part of financing the investment in Hungary and the syndicated finance concluded in 2019, agreements were concluded with banks, which provide that the ratio between the financial liabilities to EBITDA in the consolidated financial statements as of each balance sheet date do not exceed 300 per cent or 325 percent. As of 31 December 2020, the debt-equity ratio was at 0.43 and thus well below this limit. The risk of not complying with certain financial ratios is controlled using active liquidity management.

The formation of valuation units in accordance with Article 254 HGB results in no negative effects from the financial instruments in the Group.

There is a risk that subsidies for the plant in Hungary will have to be repaid if the conditions are not met. A repayment of the subsidy can only be demanded in connection with a required minimum number of personnel, which is 173 employees at the site. This agreement is valid until 2023. As of 31 December 2020, a total of 178 employees were employed at the site. Also, if the number of personnel was below the limit, the repayment of the subsidy would only be adjusted on a pro-rata basis. Overall, we estimate the occurrence of financing risks as improbable with few effects.

Sales risks:

The economic risks described in the section "Macroeconomic risks" can limit our activities and thus lead to sales risks. In particular, the further effects of the coronavirus pandemic could lead to considerable sales risks.

The operational planning for 2021 provides for an increase in the sales figures of our services and products. In particular, achieving of WH's objectives presupposes that orders will be gained in the Eastern European market. For this purpose, specific sales targets and strategies, as well as responsibilities were defined.

The probability of occurrence of sales risks is possible with strong effects.

Procurement risks:

In order to be able to manufacture our high-quality products, we need raw materials and other input materials, as well as energy and freight capacity. The purchase prices can fluctuate considerably depending on the market effects. The risk from strongly fluctuating purchase prices must be passed on to the customer in the form of adjusted sales prices. Also, suppliers can fail, so that the optimal supply of our production and thus of our customers can be endangered. Measures to reduce the procurement risk for the Group include the development of alternative suppliers, in order to reduce dependence on individual suppliers, as well as the further digitalisation in the procurement process, which gives us faster scopes for action. The probability of occurrence of procurement risks is possible with strong effects.

Production risks:

Risks from unexpected output and quality problems can occur at any time. Above all, there is the risk of an interruption to operations, which can

lead to longer production failures. With preventive maintenance and further training of our employees and a stock of spare parts we try to keep the risk as low as possible. Insurance policies have been concluded to an appropriate extent for all production companies that are designed to mitigate the financial loss in an emergency. The coronavirus development is a major challenge for 2021. Interruptions to production due to increased infection figures, the loss of shifts right up to complete plant closures are possible consequences which must be avoided by strictly adhering to the hygiene measures.

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

Personnel risks:

In order to achieve sustainable economic success, Wuppermann needs dedicated and highly-qualified employees in every company. The main risks here are not finding people to fill vacancies or losing expert employees. We're trying to reduce these risks by positioning ourselves as an attractive employer. Measures can be seen in the field of in-service further training and in the timely identification of further development opportunities in the Group. As a result of the pandemic, there may also be temporary personnel bottlenecks. Protecting the health of employees is the top priority.

The focus on the issue of job security by means of the Top key indicator or the LTI rate is supported intensively by reporting and evaluating near misses and accidents with Medical First Aid. The accident pyramid, which compares the severity and frequency of occupational accidents, creates the necessary transparency, to constantly and sustainably increase occupational safety.

The occurrence of personnel risks is improbable with medium effects.

Environmental risks:

In our manufacturing companies there are risks of air and water pollution. The Group companies are also subject to various state conditions and various governmental requirements and laws in the respective countries with respect to environmental protection. To minimise the risk, we are continuously investing in the maintenance and renovation of our facilities. We therefore assume that the obligations that may arise from the environmental risks will have no significant influence on the financial position or consolidated result. Also insurance policies have been concluded to a sufficient degree of all companies.

The occurrence of environmental risks is considered to be improbable with low effects.

Information Security Risks:

At Wuppermann, the information technology (IT) used throughout the Group in all business units is becoming increasingly important. Wuppermann's IT-supported business processes are exposed to various information security risks. The advancing digitalisation and the associated further IT integration of business processes presupposes that the resulting risks will be minimised further. There are risks with regard to the unauthorised access to sensitive electronic company data and with respect to the lack of availability of the systems as a result of malfunctions and disasters. The number of attacks on the IT infrastructure continues to rise. We limit the risk of an unauthorised access to corporate data by using firewall systems and other measures using the ERDIS programme (increasing information security).

In addition, security is enhanced by the restrictive assignment of access permission to systems and information as well as through the provision of backup versions of the critical data files. The ongoing adjustments to the increasing requirements information security are an integral part of the objectives of WBS IT employees. In 2020, investments in the Wuppermann ERDIS programme are expected to be in the amount of EUR 100,000 and for 2021 we are planning investments in the amount of EUR 90,000. There is also insurance to protect against the consequences of „cybercrime“.

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

Risks in the Flat Business Unit:

We expect a slight recovery in our core markets in the 2021 financial year following the market downturn in 2020. If demand does not recover as a result of the coronavirus pandemic, there is a risk that the Flat Business Unit will not meet its sales and earnings targets. Should these risks occur, we will attempt to use external support services to the appropriate extent.

On the procurement side, risks arise from strongly fluctuating input material prices and the non-availability of the right materials at the desired time. We try to reduce the price risk by structuring our customer contracts accordingly and by stipulating that the sales volumes are to be secured „back-to-back“. The constant optimisation of our supply chain activities gives us more room for manoeuvre to fulfil our customers' wishes in the best possible way.

Thus, market uncertainties on the sales and procurement side in particular,

as well as earnings and margin risks due to high import pressure and global overcapacities, are among the risks of the economic development of the Flat Business Unit. In the event of a deterioration in the overall economic situation, the risk of customer insolvencies also increases.

Wuppermann counters these risks by concentrating on promising market segments with lower volatility and by maintaining long-term customer and supplier relationships. In the case of customer insolvency, an attempt is made to minimise the risk of bad debts by means of intensive monitoring and the conclusion of trade credit insurance policies.

The probability of occurrence of risks in the Flat Business Unit is assessed as possible with a high impact on earnings.

Risks in the Tube Business Unit:

We consider the development of the core markets of the Tube Business Unit to be more stable. The market decline in 2020 was not as severe compared to the markets of the Flat Business Unit. Nevertheless, we expect market demand to recover in the Tube Business Unit as well. However, a failure to recover demand as a result of the coronavirus pandemic would mean that forecast values could not be achieved. Should these risks materialise, we will attempt to retain our qualified employees and reduce the burden on earnings by resorting to short-time working.

Due to the close integration of the two business units on the procurement side, the risks of the Flat Business Unit can be transferred to the Tube Business Unit in a similar manner. Through forward-looking stock-keeping and sensible additions via spot purchases, the Tube Business Unit can have a positive influence on the supply situation.

The focus on demanding market segments, the constant further development of production processes and the cultivation of long-term customer relationships, which was initiated in the Tube Business Unit in recent years, are to be seen as the key to growth. Our customers' good payment practice results in a relatively low risk of non-payment. This is also covered by trade credit insurance.

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

Liability risks from the sale of the Systems Engineering Business Unit:

As part of the sale of the systems engineering companies in 2017, standard market guarantees and compensation provisions were agreed with the buyer. The latter also include customary caps and statutes of limitations. Wuppermann has subjected every guarantee issued to careful review with the involvement of all key knowledge carriers. In 2020, no warranty claim was filed by the new owner.

Overall, the risk of a claim by the buyer against Wuppermann under the purchase agreement is considered improbable with a low impact.

4.2 Forecast report

At the time the plan was prepared in the fourth quarter of 2020, we assumed that market demand would continue to recover in fiscal year 2021. However, the overall positive outlook for 2021 is clouded by the uncertainty surrounding the further development of the coronavirus pandemic. Even now, it is not possible to take the effects of the coronavirus pandemic into account. The constantly changing infection situation, the political decisions regarding possible lockdowns and the unforeseeable progress in the vaccination programme show that constant deviations from the plan are to be expected in 2021 as well. This limited ability to plan is reflected accordingly in the informative value of our budgeted figures, especially over a longer planning horizon.

In addition, the Wuppermann Management Board expects the earnings figures for the 2021 financial year to reflect the measures developed by the companies as part of the strategy process. The further development of the WH in 2021 will continue to be a key factor in achieving the statutory targets. The

operational improvement achieved in 2020 is expected to stabilise in 2021. The development of new customers is a particular focus of WH's activities. The further reduction of WH's loss contribution is planned on this basis.

The Wuppermann Group's sales volume is expected to increase to 994 kt compared to 2020 in the uncertain market environment. The planned EBITDA for the year 2021 is below the level of the year 2020, which includes significant positive one-off effects. We are planning EBITDA for 2021 in the amount of EUR 33,428,000.

Capital expenditures for the 2021 financial year in the amount of EUR 14,397,00 are planned and are therefore above the level of the year 2020 in the amount of EUR 11,611,000. However, the investments are still slightly below the planned level of depreciation for the companies in the amount of EUR 15,078,000. From a planning perspective, we are assuming a further slight reduction in debt. The free cash flow for 2021 is expected to be EUR 13,191,000, also due to the higher investments, but may be significantly negatively impacted, especially in the event of further price increases for input materials.

Leverkusen, 16. March 2021**Wuppermann AG, Vorstand**

Johannes Nonn

Dr. Arndt Laßmann

ANNUAL FINANCIAL STATEMENTS

Profit and loss account

IN EUR '000	2020	Previous year
1. Revenues	537,846	596,657
2. Decrease/increase in inventories of finished goods and work in progress	-7,865	-7,459
3. Other activated net performance	48	83
4. Other operating income	6,368	5,653
5. Cost of materials		
a) Cost of raw materials, consumables and supplies and of purchased merchandise	395,669	466,199
b) Cost of purchased services	17,122	16,563
6. Personnel expenses		
a) Wages and salaries	38,678	36,628
b) Social security contributions and expenses for pensions and other employee benefits	9,337	9,865
• of which for pensions: EUR 1,293,000 (previous year: EUR 1,332,000)		
7. Depreciations on intangible fixed assets of property, plant and equipment	14,989	15,294
8. Other operating expenses	39,585	41,561
9. Income from investments	210	77
10. Other interest and similar income	13	24
• thereof from affiliated companies: EUR 0 (previous year: EUR 0)		
11. Interest and similar expenses and income	857	1,679
• thereof from compounding: EUR 341,000 (previous year: EUR 364,000)		
• thereof to affiliated companies: EUR 1,000 (previous year: EUR 0)		
12. Taxes on income and earnings	4,849	3,891
• thereof deferred taxes: EUR -516,000 (previous year: EUR -1,005,000)		
13. Group result after taxes	15,534	3,355
14. Consolidated net income	15,534	3,355
15. Profit/loss for the year attributable to non-controlling interests	-2,119	-2,000
16. Net income attributable to Wuppermann Group	13,415	1,355
17. Profit carried forward	105,104	108,163
18. Allocation to other revenue reserves	-1,541	-4,016
19. Changes in the scope of consolidation	0	28
20. Consolidated retained earnings	116,978	105,530

Consolidated balance sheet

ASSETS IN EUR '000	31/12/2020		Previous year
A. FIXED ASSETS			
I. Intangible assets			
1. Concessions, industrial property rights and similar rights and assets acquired for consideration, as well as licences to such rights and assets	581		677
2. Goodwill	10,746		12,132
		11,327	12,809
II. Property, plant and equipment			
1. Land, land rights and buildings including buildings on third-party land	58,366		58,531
2. Technical equipment and machinery	80,745		82,083
3. Other equipment, factory and office equipment	9,855		10,637
4. Advance payments and assets under construction	2,473		2,331
		151,439	153,582
III. Financial assets			
1. Shares in affiliated companies	32		32
2. Shares in associated companies	2,331		2,331
		2,363	2,363
		165,129	168,754
B. CURRENT ASSETS			
I. Inventories			
1. Raw materials and supplies	40,981		42,836
2. Unfinished goods, unfinished services	8,227		10,018
3. Finished products and goods	25,305		31,347
		74,513	84,201
II. Receivables and other assets			
1. Accounts receivable trade	42,339		34,090
2. Other assets	28,290		7,118
		70,629	41,208
III. Cash on hand and bank balances		8,295	17,154
		153,437	142,563
C. PREPAID EXPENSES		424	891
		318,990	312,208

LIABILITIES IN EUR '000	31/12/2020		Previous year
A. EQUITY			
I. Subscribed capital	21,285		21,285
Treasury shares	0		-35
	21,285		21,250
II. Capital reserve	269		269
III. Retained earnings	46,279		44,773
IV. Consolidated retained earnings	116,978		105,530
V. Equity difference from currency translation	-657		-281
VI. Non-controlling interests	15,934		15,814
		200,088	187,355
B. SPECIAL ITEM FOR INVESTMENT GRANTS AND SUBSIDIES AND SUBSIDIES FOR FIXED ASSETS		8,494	8,233
C. PROVISIONS			
1. Provisions for pensions and similar obligations	13,170		13,167
2. Tax provisions	2,990		2,200
3. Other provisions	11,584		10,097
		27,744	25,464
D. LIABILITIES			
1. Amounts owed to credit institutions	22,002		35,760
2. Accounts payable trade	40,224		36,895
3. Amounts owed to affiliated undertakings	959		869
4. Liabilities from financing	10,500		10,400
5. Other liabilities	8,843		6,606
• thereof from taxes: EUR 4,120,000 (previous year: EUR 3,326,000)			
• of which under social security: EUR 889,000 (previous year: EUR 866,000)			
		82,528	90,530
E. PREPAID EXPENSES		38	3
F. DEFERRED TAX LIABILITIES		98	623
		318,990	312,208

Development of Group fixed assets 2020

IN EUR '000	Cost of acquisition and production						accumulated amortisations						Carrying amounts		
	01/01/2020	Currency differences	Accruals	Transfers	Changes in the scope of consolidation	Dispos-als	31/12/2020	01/01/2020	Currency differences	Accruals	Transfers	Disposals	31/12/2020	31/12/2020	Previous year
I. Intangible assets															
1. Concessions, industrial property rights and similar rights and assets acquired for consideration, as well as licenses to such rights and assets	6,595	40	160	52	0	0	6,847	5,918	40	308	0	0	6,266	581	677
2. Goodwill	15,105	0	0	0	0	0	15,105	2,973	0	1,386	0	0	4,359	10,746	12,132
	21,700	40	160	52	0	0	21,952	8,891	40	1,694	0	0	10,625	11,327	12,809
II. Property, plant and equipment															
1. Land, leasehold rights and buildings, including buildings on non-owned land	95,689	-120	2,161	166	0	0	97,896	37,158	-73	2,445	0	0	39,530	58,366	58,531
2. Technical equipment and machinery	199,486	-363	5,061	1,874	0	232	205,826	117,403	-250	8,136	0	208	125,081	80,745	82,083
3. Other equipment, factory and office equipment	31,666	-32	1,993	90	0	469	33,248	21,029	-18	2,714	0	332	23,393	9,855	10,637
4. Advance payments and assets under construction	2,331	-9	2,396	-2,182	0	63	2,473	0	0	0	0	0	2,473	2,331	
	329,172	-524	11,611	-52	0	764	339,443	175,590	-341	13,295	0	540	188,004	151,439	153,582
III. Financial assets															
1. Shares in affiliated companies	32	0	0	0	0	0	32	0	0	0	0	0	0	32	32
2. Shares in associated companies	2,732	0	0	0	0	0	2,732	401	0	0	0	0	401	2,331	2,331
	2,764	0	0	0	0	0	2,764	401	0	0	0	0	401	2,363	2,363
	353,636	-484	11,771	0	0	764	364,159	184,882	-301	14,989	0	540	199,030	165,129	168,754

Consolidated statement of changes in equity

IN EUR '000	Equity of Wuppermann AG													Non-controlling interests			Group equity	
	Subscribed capital			Reserves							Equity difference Retained translation	Profit carried forward	Consolidated net income, of the parent company	Total	Non-controlling interests difference retained currency translation net income for the year	Profit/loss for the year attributable to non-controlling net income for the year	Total	Total
	Subscribed capital	Own shares	Total	Capital reserve		Total	statutory reserves	other retained earnings	Total	Total								
				Article 272 para. 2 No. 1-3 HGB	Article 272 para. 2 No. 4 HGB													
As of 31 December 2019/1 January 2020	21,285	35	21,250	0	269	269	1,859	42,914	44,773	45,042	-281	104,147	1,383	171,541	13,814	2,000	15,814	187,355
Acquisition/disposal of treasury shares		-35	35			0		-35	-35	-35				0			0	0
Transfer to/withdrawal from reserves			0			0		1,541	1,541	1,541		-1,541		0			0	0
Distribution			0			0			0	0		-425		-425	-2,000		-2,000	-2,425
Reclassification of the remaining consolidated net income for the previous year			0			0			0	0		1,383	-1,383	0	2,000	-2,000	0	0
Currency conversion			0			0			0	0	-376			-376			0	-376
Change in the scope of consolidation			0			0			0	0							0	
Consolidated net income			0			0			0	0			13,414	13,414		2,120	2,120	15,534
As of 31 December 2020	21,285	0	21,285	0	269	269	1,859	44,420	46,279	46,548	-657	103,564	13,414	184,154	13,814	2,120	15,934	200,088

Net financial position

IN EUR '000	2020	2019
1. Operating cash flow	19,023	35,843
2. Cash flow from investing activities	-11,497	-9,648
3. Cash flow from financing activities	-5,717	-14,130
Changes in cash and cash equivalents (subtotal 1 - 3)	1,809	12,065
Changes in cash and cash equivalents due to exchange rate, consolidation and valuation changes	0	0
Cash and cash equivalents at the beginning of the period	5,524	-6,541
Cash and cash equivalents at the end of the period	7,333	5,524
4. Composition of cash and cash equivalents		
Liquid assets	8,295	17,154
Financial receivable from affiliated companies from cash pool	-959	-869
Current account liabilities to banks	-3	-10,760
Cash and cash equivalents at the end of the period	7,333	5,524
Loan commitments	-22,000	-25,000
Other financing	-10,500	-10,400
Net financial position	-25,167	-29,875

Consolidated cash flow statement

IN EUR '000	2020	Previous year
Profit for the period (including minority interests) before extraordinary items	+15,534	+3,355
+/- Taxes	+4,849	+3,891
+/- Interest result	+844	+1,579
- Other investment income	-210	0
+/- Depreciation/appreciation in value of capital assets	+14,999	+15,294
+/- Increase/decrease in provisions	+1,149	+256
+/- Other non-cash expenses/income	-46	-400
-/+ Profit/loss from the disposal of fixed assets	-40	+245
-/+ Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-20,736	+19,772
+/- Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	+5,000	-4,467
- Income taxes paid	-2,320	-3,682
Cash flow from operating activities	+19,023	+35,843
- Payments for investments in intangible assets	-160	-224
+ Proceeds from disposals of property, plant and equipment	+261	0
- Payments for investments in property, plant and equipment	-11,611	-9,524
+ Interest received	+13	+100
Cash flow from investing activities	-11,497	-9,648
- Payments for the acquisition of treasury shares	0	-60
- Payments to company owners and minority shareholders	-2,425	-2,857
- Payments for the redemption of bonds and (financial) loans	-3,083	-10,012
+ Proceeds from grants/allowances received	+307	+114
- Interest paid	-516	-1,315
Cash flow from financing activities	-5,717	-14,130
Changes in cash and cash equivalents	+1,809	+12,065
Cash and cash equivalents at the beginning of the period	+5,524	-6,541
Cash and cash equivalents at the end of the period	+7,333	+5,524

COMPOSITION OF CASH AND CASH EQUIVALENTS	2020	Previous year
Liquid assets	+8,295	+17,154
Financial receivables from affiliated companies from cash pooling	-3	-869
Current liabilities to banks	-959	-10,761
Cash and cash equivalents at the end of the period	+7,333	+5,524

CONSOLIDATED NOTES AS AT 31/12/2020

General information

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 and the German Stock Corporation Act (AktG) as well as the supplementary provisions of the Articles of Association.

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

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

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

In order to present the financing situation, the balance sheet was extended by the item "Liabilities from financing".

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 in the companies included in the consolidated financial statements in the 2020 financial year.

The following companies are included in the consolidated financial statements as of the reporting date of 31 December 2020:

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

The balance sheet date of all companies included in the consolidated financial statements is 31 December 2020.

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 at equity due to its minor importance.

Wuppermann Otel România S.R.L., Bucharest, RO, (WOR) (share: 99.97%) will - as in previous years - due to minor importance - not be included consolidated financial statement. As of 31 December 2020, the equity is EUR 1,076,000; the annual profit for 2020 is EUR 261,000.

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 principles of realisation and recognition of loss were respected; assets were valued at most at procurement or manufacturing costs.

Intangible assets and property, plant and equipment

Intangible assets, property, plant and equipment and financial assets are valued at acquisition or production cost, taking depreciation into account. Scheduled amortisation was carried out using the straight-line method. Depreciation is charged over the expected useful life of the asset in accordance with the depreciation tables customary in the industry or official depreciation tables. Low-value fixed assets with acquisition costs up to a value of EUR 800.00 are completely

depreciated in the year of acquisition in line with the tax regulations. Differences on the assets side from consolidation transactions after 31 December 2009 are capitalised and depreciated over a period of ten years as a result of our experience on the product life cycle and duration of the industry.

The depreciation periods in Wuppermann Group are:

Intangible assets (without goodwill)	3-4 years
Goodwill	10 years
Land, leasehold rights and buildings, including buildings on non-owned land	33 years
Technical equipment and machinery	10-20 years
Other equipment, factory and office equipment	3-10 years

Financial assets

Financial assets are valued at acquisition cost. Depreciations are made at the lower fair value if the value reduction is permanent.

Interest-free loans are recognised at their present value.

Inventories

Inventories are values at procurement or production costs or at the lower value on the balance sheet. Components of the manufacturing costs for finished and unfinished products also include appropriate portions of the necessary material and production overheads, as well as production-related depreciation. The valuation corresponds to the capitalised production costs. Interest on borrowings and distribution costs are not capitalised. Raw materials and supplies are valued using the moving average price method, taking into account the lower of cost or market principle. Valuation adjustments are made for inventory risks resulting from increased storage periods or reduced usability, as well as for loss-free valuation.

Receivables and other assets

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

Receivables that have been legally assigned to a factor and where the factoring company has assumed the risk of failure are not listed in the balance sheet.

Cash and cash equivalents

Cash and cash equivalents are carried at nominal value.

Prepaid expenses

Deferred income is used for allocation of effort appropriate to the period. Expenditure before the balance sheet date that represent expenditure for a certain time after this date, are accruals and deferred income in accordance with Article 250 para. 1 HGB.

Deferred Tax

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.

Special items for investment grants and subsidies for fixed assets

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

Pension provisions

Liabilities from pension pledges are determined according to the projected unit credit method. Future salary and pension adjustments are taken into account. The valuation of pension provisions is based on the 2018 G mortality tables by Klaus Heubeck. The remuneration adjustment was set at 0.00% and the pension increase at 1.75%. No fluctuation is taken into account. The actuarial interest rate used to calculate the obligation is 2.30% (10-year average) The interest rate used to determine the distribution-barred difference in accordance with Article 253 para. 6 of the HGB is 1.60% (7-year average).

The obligations arising from the severance pay scheme in Austria will also be determined with the projected unit credit method on the basis of the 2018 G

mortality tables by Klaus Heubeck and an interest rate of 2.34% (10-year average). In this context, a salary dynamic of 2.5% was taken into account.

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 corresponds to the acquisition cost. These reinsurance policies are assigned to the respective beneficiaries so that they are not accessible to all their creditors and may only be used to settle the debts.

Other provisions

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 7 years corresponding to their remaining term, taking into account price and cost increases.

Depending on length of service, Wuppermann makes anniversary payments. The obligation was based on the basis of the 2018 G mortality tables by Klaus Heubeck and an interest rate of 2.30% (10-year average). As an end time of the employment, the age of 65 was assumed for women and men. A fluctuation of 6%, a salary dynamic of 2.5% and a social security rate of around 20% was considered.

Liabilities

Liabilities are stated at the settlement amounts.

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 equity (excluding net income), which is translated at historical rates, were translated into euros at the respective average spot exchange rate on the balance sheet date. Differences arising from the translation of equity due to the change in exchange rates compared with the previous year were treated as equity differences from currency translation with no effect on income.

Expenses and income were translated at the average exchange rates for the year. The annual results of the translated profit and loss accounts were transferred to the balance sheets and the differences to the exchange rate translation on the balance sheet date were treated as equity differences from currency translation with no effect on income:

The main exchange rates relate to:

		31/12/2020		31/12/2019	
		Rate cutoff date	D-rate	Rate cutoff date	D-rate
Country	Currency	for EUR 1	for EUR 1	for EUR 1	for EUR 1
Poland	PLN	4,5597	4,4680	4,2568	4,2975
Sweden	SEK	10,0343	10,4815	10,4468	10,5867

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 the entire 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 additional shares in a subsidiary are acquired (increase) or disposed of (decrease) after control has been obtained without losing the status of a subsidiary, these transactions are regarded as acquisitions or disposals.

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

Differences arising from the translation of foreign financial statements, as well as from the consolidation of capital and liabilities, are recognised in equity and reported under the item „Currency translation differences“.

All profits and losses from intra-group supply and service relationships are eliminated, as is income from investments in consolidated companies. Intragroup sales and other intragroup income are offset against the expenses attributable to them.

The elimination of interim profits in reported inventories from intragroup deliveries was waived due to insignificance.

Notes to the consolidated balance sheet

Fixed assets

Intangible assets and property, plant and equipment

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.

Financial assets

The company owns capital shares 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

Accumulated write-downs on inventories amount to EUR 3,626,000.

Receivables and other assets

Value discounts for individual risks were recognised in the amount of EUR 60,000 and for the general credit risk in the amount of EUR 0.

IN EUR '000	31/12/2020	31/12/2019
Accounts receivable trade	42,339	34,090
of which with a residual term of more than one year	0	0
Other assets	28,290	7,118
of which with a residual term of more than one year	3,808	3,409
	70,629	41,208

Since June 2018, receivables have been sold without recourse. The volume not shown in the balance sheet as of the balance sheet date amounts to EUR 18.4 million. The factoring agreements provide for a term until June 2022.

Wuppermann sold risks for trade receivables in the amount of EUR 18.7 million to the factor, but waived payment of the purchase price. The purchase price receivable of 18.7 million is reported under other assets.

The other assets relate, among other things, to payment claims against banks for undisbursed purchase prices for factoring in the amount of EUR 18,444,000 (previous year: EUR 288,000) and claims from reinsurance policies that cannot be offset amounting to EUR 3,808,000 (previous year: EUR 3,409,000).

Deferred Tax

Deferred tax assets are largely based on taxable value differences within the fixed assets and on value differences within the inventory. Offset deferred tax assets largely result from deviating differences between the valuations within the pensions 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 reported net.

The tax rates used as a basis for the valuation vary between 9% and 25%.

As of 31 December 2019, deferred tax liabilities in the amount of EUR 623,000 were posted. In the 2020 financial year, the amount fell by EUR 525,000, meaning that as of 31 December 2020 deferred tax liabilities in the amount of EUR 98,000 were posted.

Equity

The share capital of Wuppermann AG is divided into 4,250,000 (EUR 21,285,000) no-par value shares (notional value EUR 5.00823). In the previous year, there were still 4,257,000 (EUR 21,285,000) no-par value shares (notional value EUR 5). In accordance with the resolution of the Annual General Meeting of Wuppermann AG on 16 May 2020, in the 2020 financial year Wuppermann AG redeemed 7,000 fully paid-up no-par value shares in the company in the simplified redemption procedure pursuant to Article 237 para. 3 No. 3 of the AktG without a capital reduction. At the Annual General Meeting, a resolution was passed to amend Article 4 para. 2 of the Articles of Association and to adjust the number of no-par value shares accordingly.

The subscribed capital of EUR 21,285,000 reported in the consolidated balance sheet (previous year: EUR 21,250,000 after offsetting against treasury shares), the capital reserve of EUR 269,000 (previous year: EUR 269,000) and retained earnings of EUR 46,279,000 (previous year: EUR 44,773,000) are consistent with the disclosure in the separate financial statements of the AG.

An amount of EUR 1,541,000 was allocated to other revenue reserves.

The equity generated amounts to EUR 46,279,000 (retained earnings) and EUR 116,978,000 (consolidated net profit) (previous year: EUR 105,530,000). There are distribution blocks in the amount of EUR 349,000 (previous year: EUR 414,000).

With regard to the development of equity, reference is made to the consolidated statement of changes in equity.

Special item for investment grants and and subsidies for fixed assets

The investment grants (government grants) of EUR 8,494,000 carried as liabilities (previous year: EUR 8,233,000) are not deducted from the acquisition costs of the corresponding assets in the balance sheets of two (previous year: two) subsidiaries, but are shown separately on the liabilities side. The grants are released in instalments in accordance with the respective period of use.

Pension provisions

The amount blocked from distribution amounts to EUR 349,000 (previous year: EUR 414,000).

In accordance with Article 246 para. 2 sentence 2 HGB, claims from reinsurance policies amounting to EUR 351,000 (fair value) were offset against the settlement amount of the pension obligations in the same amount.

Non-offsettable asset values from reinsurance policies are reported in the amount of EUR 3,808,000 (previous year: EUR 3,409,000) are reported under other assets.

Tax provisions

The expenses of the current assessment year are reported. The obligations arising from the notices issued are reported under liabilities.

Other provisions

The other provisions in the financial year mainly relate to EUR 4,761,000 for obligations from performance-related remuneration and bonuses, for outstanding invoices (EUR 1,842,000), for company anniversaries (EUR 1,553,000), for leave not taken (EUR 763,000) and for overtime (EUR 364,000).

Liabilities

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

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

Wuppermann AG entered into a syndicated loan agreement with a consortium of banks on 28 June 2019. This agreement includes a credit line of up to EUR 60 million and runs until 30 June 2022.

A further credit line of EUR 10.5 million relates to a repayment loan from DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, dated 19 August 2014.

This loan was valued on 31 December 2020 at EUR 4.5 million. Wuppermann Stahl GmbH has assigned a receivable for this amount.

LIST OF LIABILITIES IN EUR '000	Remaining term			Total	
	up to 1 year	more than up to 1 year	thereof over 5 years	31/12/2020	31/12/2019
Amounts owed to credit institutions	10,002	12,000	0	22,002	35,760
(previous year)	20,760	15,000	0	0	0
Accounts payable trade	40,224	0	0	40,224	36,895
(previous year)	36,895	0	0	0	0
Liabilities to affiliated companies	959	0	0	959	869
(previous year)	869	0	0	0	0
Liabilities from financing	0	10,500	0	10,500	10,400
(previous year)	0	10,400	0	0	0
Other liabilities	8,843	0	0	8,843	6,606
(previous year)	6,606	0	0	0	0
	60,028	22,500	0	82,528	90,530
	65,130	25,400	0	0	0

Contingent liabilities

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

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

As part of the sale of the systems engineering companies in 2017, standard market guarantees and compensation

provisions were agreed with the buyer. The latter also include customary caps and statutes of limitations. Wuppermann has subjected every guarantee issued to careful scrutiny with the involvement of all key sources of knowledge, so that the risk of the buyer's claim against Wuppermann being as-

Contingent liabilities						
Guarantor	in favour of [company]	Type	Supplier / Bank	Expiry date	Guarantee amount in EUR '000	Use as of 31 December 2020 in EUR ,000
W	WA/WMT/WPL	Payment guarantee	ISD Dunafer Co. Ltd., Hungary	30/12/2021	1,200	1,200
W	WPL	Payment guarantee	U.S. Steel Kosice s.r.o., Slovakia	30/12/2021	2,500	138
W	WH	Payment guarantee	U.S. Steel Kosice s.r.o., Slovakia	30/12/2021	12,000	1,362
W	WH	Payment guarantee	ArcelorMittal Flat Carbon Europe SA, Luxembourg	30/12/2021	12,000	5,604
W	WH	Payment guarantee	ThyssenKrupp Steel Europe AG, Duisburg, Germany	30/12/2021	3,000	299
W	WH	Payment guarantee	Voestalpine Stahl GmbH, Linz, Austria	31/03/2022	7,000	684
W	WH	Payment guarantee	NLMK Sales Europe SA., Belgium	30/12/2021	6,000	4,725
W	WH	Payment guarantee	Tata Steel IJmuiden B.V., Netherlands	30/12/2021	2,500	896
W	WA/WMT/WPL	Payment guarantee	Trafigura PTE	30/04/2021	2,500	2,122
W	WA/WMT/WPL	Payment guarantee	Salzgitter Flachstahl	30/12/2021	4,500	4,423
W	WH	Payment guarantee	Valtec Italia SRL	30/12/2021	700	223
W	WH	Guarantee - Financing	UniCredit Bank Hungary Zrt	30/07/2022	11,000	10,000
W	WH	Guarantee - Financing	Commerzbank Hungary	30/07/2022	8,250	7,500
W	WS	Guarantee - Financing	Commerzfactoring GmbH		2,000	0
					HUF '000	HUF '000
WI	WH	Guarantee	Hungarian Ministry of Foreign Affairs and Trade	30/09/2022	2,930,460	0

serted under the purchase agreement is remote.

Other financial obligations

The Group has other financial obligations from rental and lease agreements for the coming years in the amount of EUR 432,000 (previous year: EUR 1,301,000) to third parties.

The financial obligations to third parties arising from investment projects already under way 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 hedging is 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 shown in the balance sheet using the freezing 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 hedged items and hedging instruments. The valuation units formed under consideration of the hedging transactions are updated monthly.

The fair values of the forward exchange transactions are calculated on the basis of the closing rate at the hedging

rate. The fair values of interest rate swaps are determined by discounting the expected future cash flows over the remaining term of the contract on the basis of current market interest rates and the yield curve, or on the basis of quoted prices. The market values are based on internal calculations or bank valuations.

No forward exchange contracts were concluded in the 2020 financial year.

In order to hedge against rising longterm interest rates, interest rate swaps with a nominal value of EUR 4,500,000 were in place as of the balance sheet date. The agreements are aligned with the loan repayments and expire on 30 June 2022. The market value as of the reporting date was EUR -31,000.

Transactions not included in the balance sheet

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

As at 31 December 2020, receivables of EUR 18.7 million are not included in the balance sheet.

Notes to the income statement

Revenues breakdown as follows:

Revenues Group	2020 EUR '000	2019 EUR '000
by business units		
Flat	389,914	438,388
Tube	147,804	158,130
Service	128	139
	537,846	596,657
by regions		
Germany	96,744	116,797
Other EU countries	408,375	448,275
Other	32,727	31,585
	537,846	596,657

Extraordinary income and expenses and Income and expenses from currency effects

Other operating income includes extraordinary income from subsidies in the amount of EUR 2,064,000 (previous year: EUR 626,000) and income from the sale of the System Engineering activities in 2017 of EUR 1,199,000 (previous year: EUR 0). There is income from exchange rate differences in the amount of EUR 459,000 (previous year: EUR 256,000).

Currency exchange losses in the amount of EUR 751,000 (previous year: EUR 276,000) are posted as expenses.

Non-periodic income and expenses

The resolution of other provisions and accrued liabilities in the amount of EUR 622,000 is included as non-periodic income.

Interest and similar expenses and income

The expenses include the income share from allocation to the pension provisions in the amount of EUR 341,000, which was posted net with the income from the cover assets in the amount of EUR 6,000.

Other information

Transactions with related parties companies and individuals

Legal transactions with affiliated companies and individuals at conditions unusual on the market were not concluded in the in the financial year.

Cash flow statement

Cash and cash equivalents comprises currency and currency equivalents minus liabilities to credit institutes due at any time and other current loans that are part of the liquid funds.

The liquid resources are composed of the following (see table below):

IN EUR '000	2020	2019
Liquid assets	8,295	17,154
Financial receivables from affiliated companies from cash pooling	-959	-869
Current liabilities to banks	-3	-10,761
Cash and cash equivalents at the end of the period	7,333	5,524

Exemption provision of Article 264 para. 3 HGB

Wuppermann Stahl GmbH, Wuppermann Beteiligungsgesellschaft mbH and Wuppermann Staba GmbH, 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 were members of the Management Board of the parent company Wuppermann AG:

Johannes Nonn, Engineer, Königswinter/Germany, Management Board, Spokesman of the Management Board of Wuppermann AG, areas of responsibility: Vertrieb, Einkauf, Supply Chain Management, Personnel and Social Welfare, Public Relations, Business Development, Production Flat and Tube, and for the field of Research and Development.

Dr Arndt Laßmann, businessman, Düsseldorf/Germany, Chief Financial Officer of Wuppermann AG, areas of responsibility: Controlling/ Finance and Accounting, IT, Law.

The following people resigned from the Management Board:

As at 23/02/2020 Dr.-Ing. Robert Kühn, engineer, Moritzburg/Germany, areas of responsibility were: Overall responsibility for Wuppermann Hungary Kft., supporting Dr.-Ing. Peter Jongenburger, who was responsible for the five Flat and Tube production sites as well as Research & Development.

As at 16/05/2020

Dr-Ing. C. Peter Jongenburger, Engineer, Voorburg/Netherlands, areas of responsibility were: Production Flat & Tube Products, Research & Development/Technical Products, quality management.

As a result of the new strategy of Wuppermann AG and the associated reorganisation of the Flat and Tube Business Units since May 2020, the Management Board has comprised only two members.

Total remuneration of the Management Board

The total remuneration of the Management Board of Wuppermann AG amounted to EUR 3.5 million in 2020.

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 2020 financial year:

1. Prof. Dr. rer. pol. Klaus Rüdiger Trützschler, Chairman of the Supervisory Board, graduate mathematician, graduate business mathematician, resident in Essen
2. Dr .C. L. Theodor Wuppermann, Deputy Chairman, businessman, resident in St. Augustin, and
3. Dipl.-Kfm. Jan Philipp Wuppermann, Managing Partner of BÜFA Beteiligungen GmbH, resident in Berlin.

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 2023 financial year:

4. Dipl.-Volksw. Peter Bosbach, Self-employed consultant, resident in Herdorf,
5. Bernd Wehling, Industrial businessman, resident in Breitenfurt, Austria,
6. Drs. Max Wuppermann, M.A, businessman, resident in Odenthal.

The Honorary Chairman of the Supervisory Board is Dr-Ing. Gustav Theodor Wuppermann, Leverkusen.

Total remuneration of the Supervisory Board

The remuneration of the Supervisory Board of Wuppermann AG amounts to EUR 188,000.

Total remuneration of former 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 EUR 819,000.

The pension provisions for former members of management and the Management Board of Wuppermann AG and their surviving dependants amounted to 31 December 2020 EUR 4,871,000.

Auditor's fee

The fees of the Group auditor incurred in the financial year amount to EUR 78,000 for services rendered by the domestic auditor in connection with the annual and consolidated financial statements as of 31 December 2020.

Employees

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

Employees	2020
female employees	121
male employees	645
	766

Furthermore, an average of 13 trainees and 2 organs were employed.

Proposal for the appropriation of profits of the parent company

Wuppermann AG closed the 2020 financial year with a net profit of EUR 4,941,000. When the annual financial statements were prepared, EUR 1,541,000 was allocated to other revenue reserves.

The Management Board of Wuppermann AG proposes to distribute a dividend of EUR 0.80 per share from the retained earnings of EUR 3,400,000.

Leverkusen, 16. March 2021

Wuppermann AG

Management Board

Johannes Nonn

Dr Arndt Laßmann

INDEPENDENT AUDITOR'S REPORT

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 2020, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January 2020 to 31 December 2020, 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 fiscal year from 1 January 2020 to 31 December 2020.

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 net assets and financial position of the Group as at 31 December 2020 and of its results of operations for the fiscal year from 1 January 2020 until 31 December 2020 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 para. 3 sentence 1 HGB, we declare that our audit has not led to any reservations concerning the propriety of the consolidated financial statements and the Group management report.

BASIS FOR THE AUDIT OPINIONS

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 principles is set out in the section „AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS“ of our Report on Form 20- F. 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 AND THE SUPERVISORY BOARD 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 principles of proper accounting 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. Furthermore, it is their responsibility to state the facts associated with continuing the business activity, where relevant. They are also responsible for including the continuation of the business activity on the balance sheet on the basis of the accounting principle, unless actual or legal circumstances stand in the way of this.

In addition, management is 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 considers 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 accounting process for the preparation of the consolidated financial statements and the Group management report.

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

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Group management report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and with our audit findings, the audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of 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 violations or inaccuracies and are considered material if they could reasonably be expected, individually or in the aggregate, to influence the economic decisions of users taken on the basis of these consolidated financial statements and the Group management report.

During the audit, we exercise due discretion and maintain a critical attitude. In addition

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

// An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and 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 procedures.

// we evaluate the appropriateness of the accounting methods used by the legal representatives and the justifiability of the estimated values and associated information presented by the legal representatives.

// we draw conclusions about the appropriateness of the accounting principles used by the legal representatives for continuing the business activities and on the basis of the audit certificate obtained, whether there is a major uncertainty associated with events or circumstances that could throw up significant doubts in the ability of the company to continue its business activity. If we conclude that there is a material uncertainty, we are required to draw attention in our auditor's report to the related disclosures in the annual account and the management report or, if such disclosures are inadequate, to modify our relevant audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit certificate. Future events or circumstances may however result in the company no longer being able to continue its business activity.

// we assess the overall presentation, the structure and the content of the consolidated financial statements, including the statements as to whether the consolidated financial statements presents the business incidents and events used as a basis in such a way that the financial statements present a picture of the assets, financial and income situation of the Group that corresponds to the actual circumstances, while respecting the German generally accepted principles of accounting.

// we obtain sufficient appropriate audit evidence for the company's accounting information or business activities within the Group in order to be able to issue audit opinions on the consolidated financial statements and the consolidated management report. We are responsible for leading, monitoring and carrying out the Group audit. We bear the sole responsibility for our audit opinions.

// we assess the consistency of consolidated the management report with the consolidated financial statements, its compliance with the law and the view of 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 particularly 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 opinion on the forward-looking statements or the underlying assumptions. There is a considerable unavoidable risk that future events may differ materially from the forward-looking statements.

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

Düsseldorf, 16. March 2021

BDO AG
Auditors

Signed Eckmann
German Public Auditor

signed Hüneke
German Public 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.

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

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



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