

Annual Financial Report 2021

TO THE FUTURE.



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*"Our financial year 2021 was marked by the economic recovery.
In the given environment, our strong operational performance
led to a favorable growth in earnings."*



MANAGEMENT REPORT

The consolidated management report relates to the IFRS consolidated financial statements according to Section 245a UGB (Austrian Commercial Code)

Financial highlights

THE FINANCIAL YEAR 2021

In 2021, the global economy recovered from the massive impact of the COVID-19 pandemic and economic performance picked up significantly during the year. After initial bottlenecks in vaccine supply, vaccination rates increased over the course of the year and showed their effects. As a result, restrictions were reduced, world trade regained momentum and

recovery continued gradually as the year progressed. While the renewed increase in COVID-19 infections led to some regional restrictions from the fall onwards, this had only a minor impact on the global economy. Uncertainties in the global markets were caused by supply problems and rising prices on the energy and raw material markets.

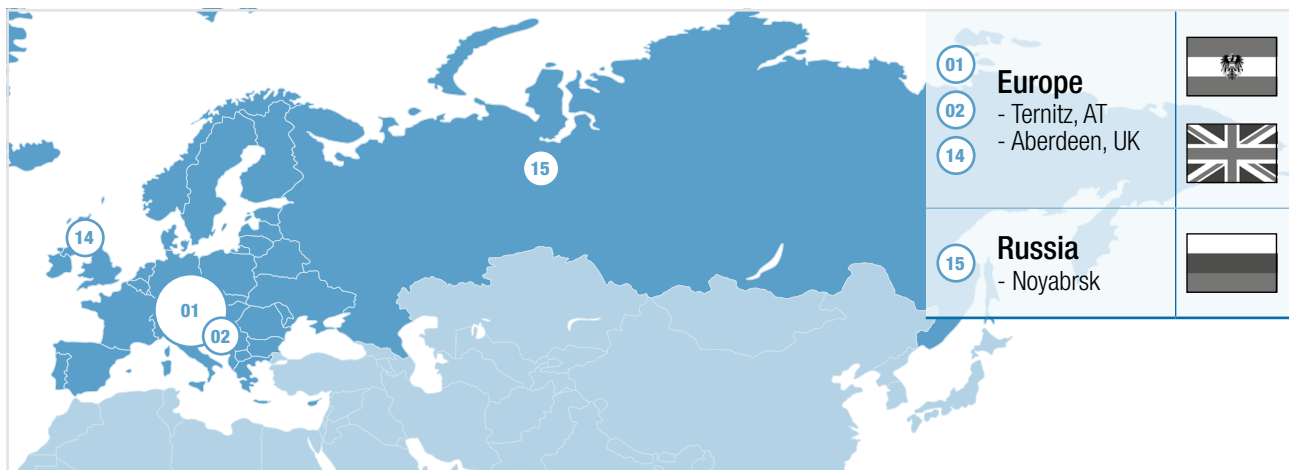
MARKET ENVIRONMENT

The positive signals from world trade and the associated global recovery ensured gradual growth of the world economy in the past financial year. According to current estimates by the International Monetary Fund (IMF), global economic output rose by 5.9 % in 2021, following a decline of 3.1 % in the previous year. The

increase occurred across the regions: Following a reduction of 4.5 % in 2020, the economic output of the industrialized nations grew by 5.0 % in 2021, while that of the emerging economies went up by as much as 6.5 %, compared to a decline of 2.0 % in 2020.¹

REGIONS

EUROPE AND RUSSIA



In Europe, despite continuing supply bottlenecks in logistic chains and restrictions due to COVID-19, an

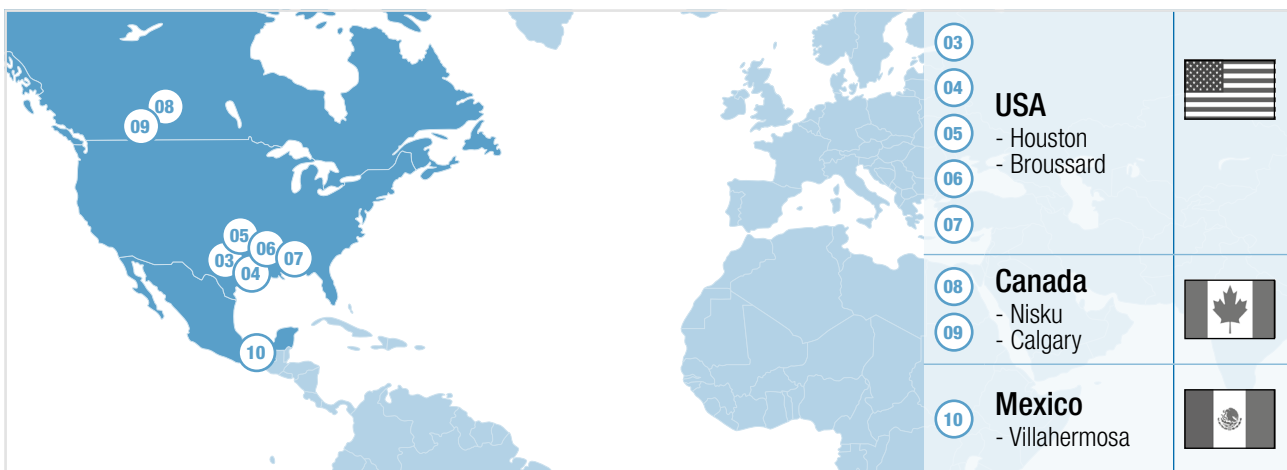
increasingly stable recovery prevailed, supported by gradually rising vaccination rates and higher mobility.

¹ IMF, World Economic Outlook Update, January 2022.

According to the IMF, the eurozone recorded a 5.2 % growth in economic output. Russia also saw an upturn, but this was lower than previously forecasted due to a weak harvest and a stronger-than-expected third wave of the pandemic. Here, economic output increased by 4.5 %.

The global implications of the current geopolitical unrest in the Russia-Ukraine conflict and the internationally imposed sanctions are not yet taken into account and cannot be assessed at the moment. In Russia, we generated sales in the single-digit million euro range through our local subsidiary in 2021.

NORTH AMERICA (INCLUDING MEXICO)



The North American economic environment initially recovered significantly from the pandemic. Due to the sharp reduction in inventories in the USA in the second quarter, which in some cases led to supply disruptions and falling consumption in the third quarter, economic

performance weakened slightly in the second half of the year, but strong growth was nevertheless recorded in 2021. In the full year, economic output in the United States increased by 5.6 %, while Canada reported a rise of 4.7 %, according to the IMF.

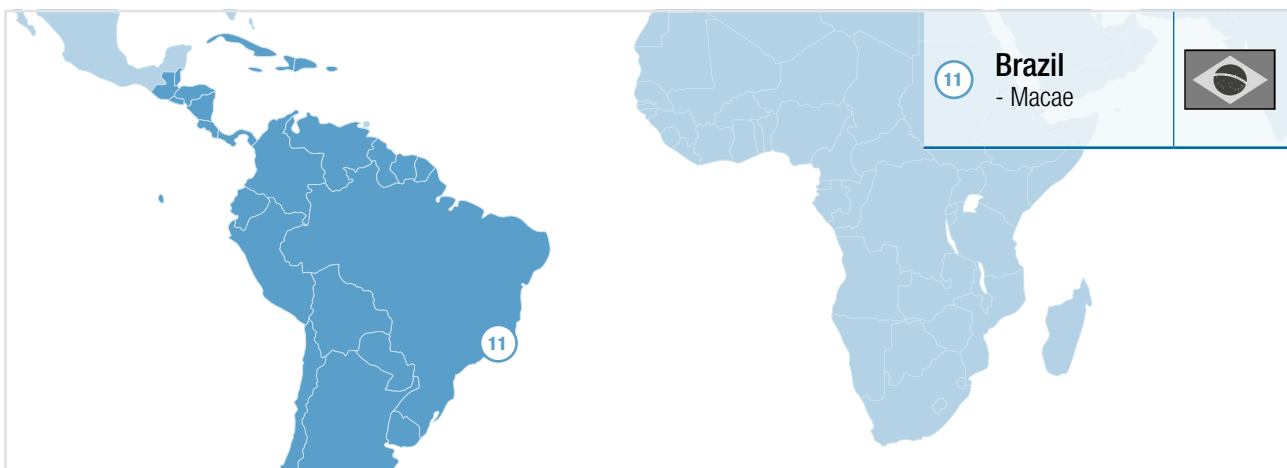
ASIA



The Asia-Pacific region recorded a significant recovery in economic activity at the beginning of the year, but this slowed as the year progressed. Asia was particularly hit by the highly contagious delta variant, leading to new peaks in the pandemic cycle. Alongside this development, the differences between the advanced

economies of Asia and the emerging markets and developing countries were deepening, due to vaccination coverage and political support. In China, economic output went up significantly, recording an increase of 8.1 % in 2021.

LATIN AMERICA



Economic recovery is underway in Latin America and the Caribbean (LAC), but the pandemic still casts a shadow over much of the region. Recovery was robust in the first quarter of 2021, but lost momentum in some

countries in the second quarter, which was due to the resurgence of COVID-19 cases. Real GDP grew by 6.8 % in 2021.

MIDDLE EAST



Recovery continued to be fragile in the Middle East and Central Asia. While the region was making good progress since the beginning of 2021, this was curbed by new challenges such as the pandemic wave in

countries with weak vaccination progress and rising inflation.² Economic output rose by 4.2 % in the region in 2021. Saudi Arabia recorded a 2.9 % increase in economic output.

ENERGY MARKET

In 2021, global energy demand picked up again after having dropped by 4 % in 2020, the largest absolute decline ever.³ The revival of economic activity in countries gradually recovering from the COVID-19 lockdowns led to an upturn in demand for all energy sources and technologies.⁴

According to the International Energy Agency (IEA), overall energy demand grew by about 4 % in 2021 compared to the previous year, almost returning to pre-crisis levels. In parallel, renewable energy capacity increased even more in 2021 than in the growth year of 2020, driven by photovoltaic systems, which

accounted for more than half of the total expansion in the field of renewable energies.⁵ Nevertheless, renewable energy growth still needs to be accelerated significantly to meet internationally agreed climate targets by 2050.

The fundamental recovery of the global economy also drove up demand for Natural gas and oil. To meet climate targets, Natural gas was classified as a transition resource. Global Natural gas demand increased by 183 billion cubic meters (bcm), or 4.7 %, in 2021, following a decline of 70 bcm, or 1.8 %, in 2020.⁶ This brought demand for Natural gas back well above pre-pandemic levels. Gas storage, which plays a key role

² IMF, Regional Economic Outlook, October 2021.

³ International Energy Agency (IEA), Global Energy Review 2021, April 2021.

⁴ International Energy Agency (IEA), World Energy Outlook, October 2021.

⁵ International Energy Agency (IEA) Renewables 2021, December 2021.

⁶ International Energy Agency Gas Market Report Q1-2022, January 2022.

in energy supply security as it can be adjusted flexibly to demand, currently exceeds 400 billion cubic meters (bcm) worldwide, or about 10 % of annual global energy demand.⁷

Average global oil demand also went up in 2021, with a reported growth of 5.6 million barrels per day (mb/d) or 6.1 % to 97.4 mb/d (2020: 91.8 mb/d), according to the IEA.⁸ The rising demand for oil and gas is also reflected in the global drilling rig count, which increased by 42 % during 2021 to 1,563 rigs (December 2020: 1,104 rigs). The increase was visible across all regions. The rig count in North America (US) went up by 71 % to 579 rigs (December 2020: 339 rigs), while internationally an increase of 25 % to 834 rigs was recorded (December 2020: 665 rigs).⁹

The economic recovery in 2021 tightened commodity markets and triggered strong price inflation. All commodity prices rose sharply during the year, including metal and oil and Natural gas prices. Natural gas prices recovered in all major regions in 2021, climbing to decade-plus highs in North America and all-time highs in Europe and Asia. The steep rise in gas prices is due to several factors: While demand grew significantly hand in hand with the economic recovery,

supply remained lower than expected due to capacity shortfalls along the entire gas value chain and below-average inventories in gas storage facilities. In addition, a large part of global gas deliveries is oil price-indexed, and gas deliveries also depend on political influences.¹⁰

The gas price started 2021 at USD 2.54/MMBtu (million British thermal units), arrived at its highs during the third and fourth quarters, and closed at USD 3.73/MMBtu at the end of December, an increase of 46.9%.¹¹ Oil prices also rose significantly again in 2021. As in previous years, they were supported by the OPEC alliance, which only gradually stepped up production volumes in line with demand development, thus underpinning the price trend. European Brent crude started 2021 at USD 51.80 per barrel and came to USD 77.78 on the last trading day, an increase of 50.2 %. In the same period, WTI rose from USD 48.52 per barrel to USD 75.21, an increase of 55.0 %.¹²

Global spending for exploration and production (E&P) rose by a total of 5.5 % in 2021, with growth being achieved exclusively at the international level. While North American E&P spending was on the decline and went down by as much as 2.0 %, international E&P spending rose by 7.4 %.¹³

⁷ International Energy Agency (IEA), World Energy Outlook 2021, October 2021.

⁸ International Energy Agency (IEA), Oil Market Report, February 2021.

⁹ Baker Hughes Rig Count.

¹⁰ International Energy Agency (IEA), Gas Market Report Q1-2022, January 2022.

¹¹ Bloomberg: NG1 Natural Gas (Nymex).

¹² Bloomberg: CO1 Brent Crude (ICE) und CL1 WTI Crude (Nymex).

¹³ Evercore ISI, The 2021 Evercore ISI Global E&P Spending Outlook, December 2021.

BUSINESS DEVELOPMENT IN 2021

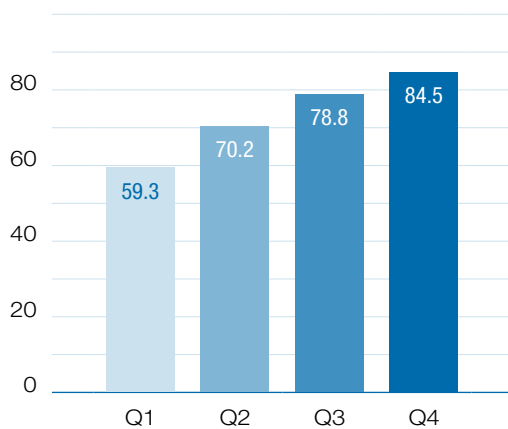
In the 2021 financial year, the SBO Group continued on its growth path and generated a clearly positive result. SBO significantly increased bookings and earnings, and was matching the sales level reported in 2020, whose first quarter had still been largely unaffected by the pandemic and therefore produced strong sales figures.

Following the dramatic pandemic-related slump in the global economy in the second quarter of 2020, SBO returned to steady and sequential quarterly growth. The business results for 2021 prove a strong return to the profit zone.

QUARTERLY GROWTH 2021

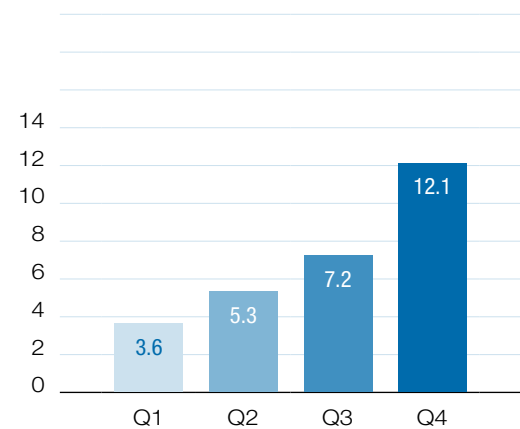
SALES

IN MEUR

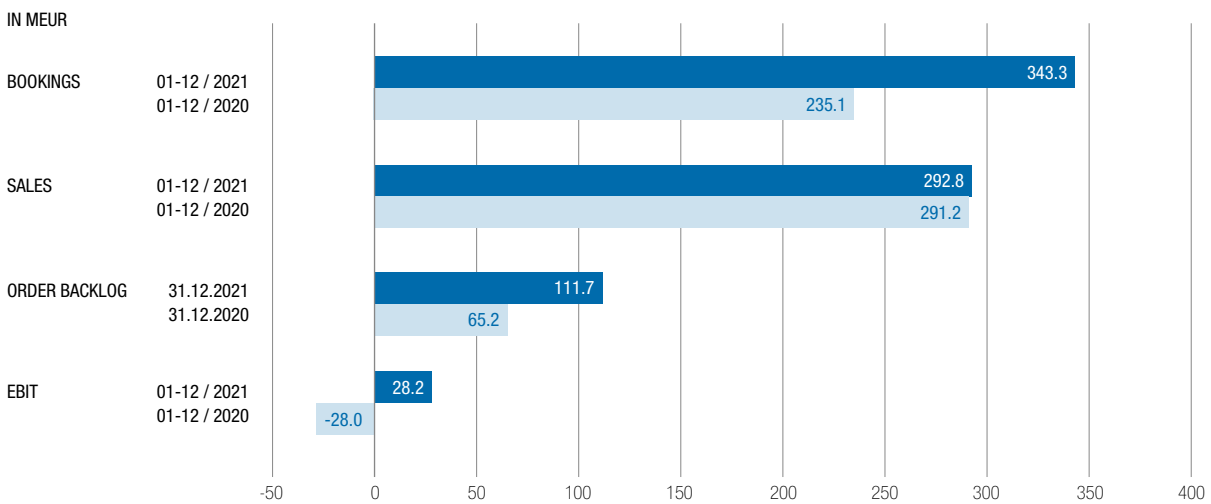


EBIT

IN MEUR



SALES AND EARNINGS



SBO Group sales arrived at MEUR 292.8 (2020: MEUR 291.2). Bookings climbed by close to 50 % to MEUR 343.3 (2020: MEUR 235.1). The order backlog at the end of 2021 was MEUR 111.7 (31 December 2020: MEUR 65.2).

Operating profits were improved substantially as well: Earnings before interest, taxes, depreciation and amortization (EBITDA) doubled to MEUR 60.0 (2020: MEUR 27.1). Profit from operations (EBIT) returned to positive territory and came to MEUR 28.2, following a

loss of MEUR minus 28.0 in 2020. The EBITDA margin rose to 20.5 % (2020: 9.3 %), and the EBIT margin came to 9.6 % (2020: minus 9.6 %).

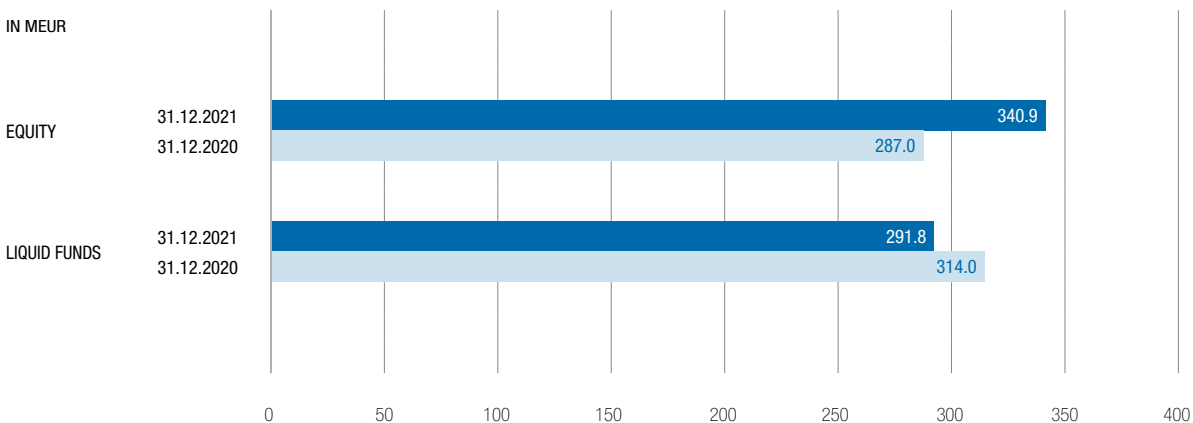
The financial result for 2021 stood at MEUR minus 4.8 (2020: MEUR minus 3.2). Having gone up substantially, profit before and after tax arrived clearly in the profit zone: profit before tax rose to MEUR 23.4 (2020: MEUR minus 31.2), profit after tax came to MEUR 21.0 in 2021 (2020: MEUR minus 21.7). Earnings per share were EUR 1.33 (2020: EUR minus 1.38).

SEGMENT RESULTS

The SBO Group's business is divided into two segments, "Advanced Manufacturing & Services" (AMS) and "Oilfield Equipment" (OE). While sales generated in the AMS segment arrived below last year's figure at MEUR 141.4 (2020: MEUR 159.7), profit from operations (EBIT) before one-off items rose

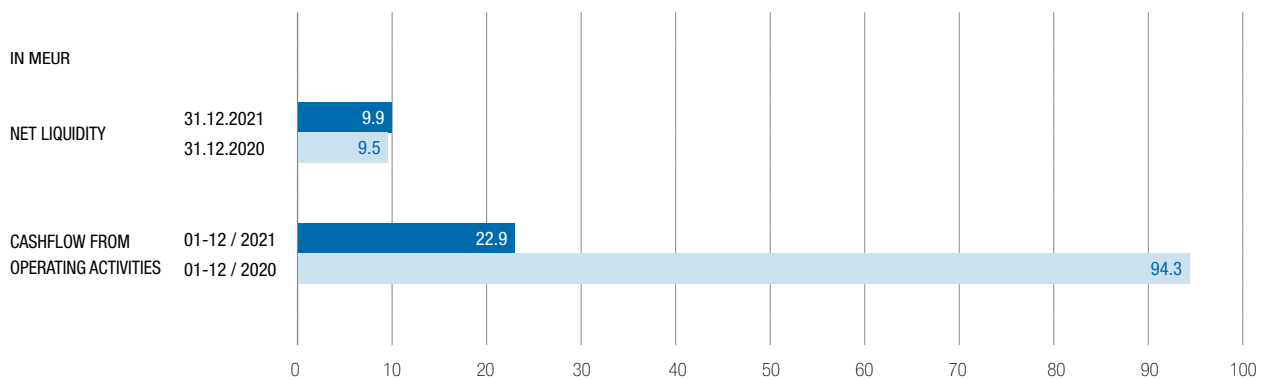
to MEUR 16.1 (2020: MEUR 14.4). In the "Oilfield Equipment" (OE) segment, sales went up by 15 % to MEUR 151.4 (2020: MEUR 131.5), and profit from operations (EBIT) before one-off items reached a positive MEUR 10.4 following a loss of MEUR minus 6.8 in the previous year.

BALANCE SHEET FIGURES AND CASHFLOW



Equity of the SBO Group increased by around 19 % in 2021 and arrived at MEUR 340.9 in 2021 (2020: MEUR 287.0). SBO's equity ratio improved to 42.3 % (2020: 36.9 %). Liquid funds came at MEUR 291.8

(2020: MEUR 314.0). Net liquidity of MEUR 9.9 arrived at a similar level year-on-year (2020: net liquidity MEUR 9.5), and gearing stood at minus 2.9 % as at 31 December 2021 (2020: minus 3.3 %).



The cashflow from operating activities reflects rising business volumes and the associated increase in working capital, coming to MEUR 22.9 in 2021 (2020: MEUR 94.3), free cashflow went to MEUR minus 17.0 (2020: MEUR 80.1), including net cash outflows in the amount of MEUR 21.1 from investing activities in connection with the legal proceedings regarding

the acquisition of the minority interests in Downhole Technology (now The WellBoss Company, LLC). Capital expenditure on property, plant and equipment and intangible assets (CAPEX) amounted to MEUR 19.4 (2020: MEUR 16.2). As at 31 December 2021, purchase commitments for property, plant and equipment amounted to MEUR 3.2 (2020: MEUR 3.7).

DIVIDEND PROPOSAL

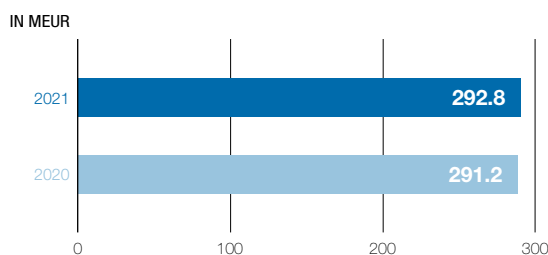
The Executive Board will propose to the Annual General Meeting on 28 April 2022 to distribute a dividend for the

financial year 2021 of EUR 0.75 per share (2020: no dividend payment).

ANALYSIS AND RESULTS

The consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS).

Sales



Sales increased by 0.6 % from MEUR 291.2 in 2020 to MEUR 292.8 in 2021. Sales development was highly divergent in the two years. While the first quarter of 2020 was still largely unaffected by the COVID-19 pandemic and was very strong in terms of sales arriving at MEUR 108.9, sales fell sharply in the next quarters following the pandemic-related drastic slump in the global economy, reaching their low of MEUR 51.9 in the third quarter. Subsequently, sales showed a continuous increase: after MEUR 54.7 in the fourth quarter of 2020, MEUR 59.3 in the first quarter of 2021, MEUR 70.2 in the second quarter of 2021, and MEUR 78.8 in the third quarter of 2021, the company generated MEUR 84.5 in the fourth quarter of 2021.

As in the previous years, the US dollar remained the most important currency for the SBO Group. In 2021, 79 % (compared to 76 % in 2020) of sales were generated in US dollars, with approximately 59 % (compared to 57 % in 2020) of expenses also incurred in US dollars. As the average exchange rate for 2021 of EUR 1 = USD 1.1835 was weaker than in 2020, when it had been EUR 1 = USD 1.1413, it had a dampening effect regarding translation of local sales. The US dollar rose considerably in relation to the euro in the course of the year. The closing price on 31 December 2021 was EUR 1 = USD 1.1326, up by around 8 % from EUR 1 = USD 1.2271 on 31 December 2020.

Exchange rate development

IN EUR / USD	HIGH	LOW	AVERAGE	CLOSING
2021	1.2338	1.1206	1.1835	1.1326
2020	1.2281	1.0707	1.1413	1.2271

In the preparation of the annual financial statements 2020 and 2021, the average exchange rates of these years have been used for the consolidated

profit and loss statements, and the closing rates as of 31 December for the consolidated balance sheets.

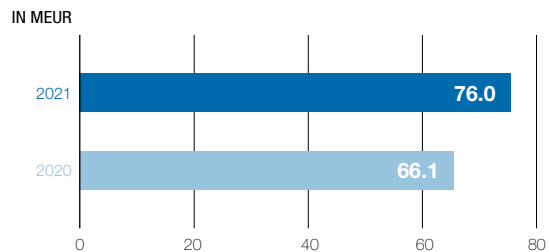
Sales by business segments

IN MEUR	2021	2020
“Advanced Manufacturing & Services” (AMS)	141.4	159.7
“Oilfield Equipment” (OE)	151.4	131.5
Total sales	292.8	291.2

While the “Advanced Manufacturing & Services” (AMS) segment benefited from sound capacity utilization at the beginning of the year 2020, significant cutbacks on customers’ CAPEX spending impacted the late-cycle AMS segment during the course of 2020. Due to the late-cycle business of AMS, and the recovery setting in with a time lag, sales in 2021 of MEUR 141.4 were still 11.4 % below the sales figure of MEUR 159.7 in 2020.

The “Oilfield Equipment” (OE) segment was hit particularly hard in 2020 by the weakness of the North American market, which had set in as early as March 2020, as reflected in a dramatic drop in the number of active drilling rigs and sharply declining activities. Due to the increasing market recovery since the low point in the third quarter of 2020, which initially started in North America, and the associated rise in drilling and completion activities, particularly in North America, sales in 2021 went up by 15.1 % to MEUR 151.4, from MEUR 131.5 in 2020.

Gross profit

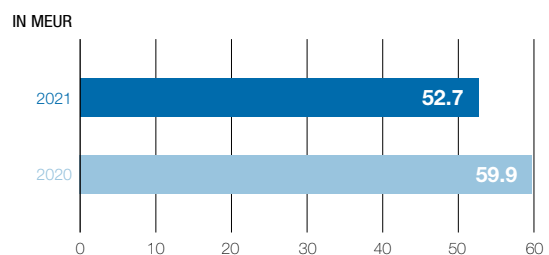


Following MEUR 66.1 in 2020, gross profit in 2021 rose to MEUR 76.0, and with it the gross margin, which increased from 22.7 % in 2020 to 25.9 % in 2021.

The higher gross margin is a result, on the one hand, of higher operating output in 2021, and, on the other hand, of cost reductions implemented in 2020 that became fully effective in 2021.

The major elements of production costs are expenses for materials and energy, costs of personnel and depreciation of fixed assets.

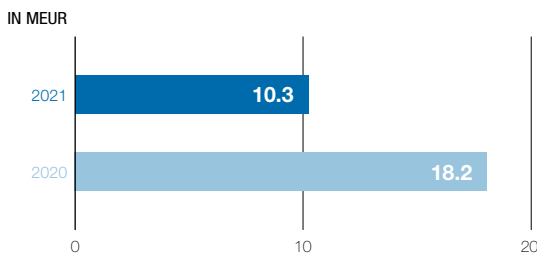
Selling, general, and administrative expenses



Selling, general, and administrative expenses decreased by 12.1 % from MEUR 59.9 in 2020 to MEUR 52.7 in 2021 as cost-cutting measures had been implemented. They fell from 20.6 % of sales for the year 2020 to 18.0 % for the year 2021.

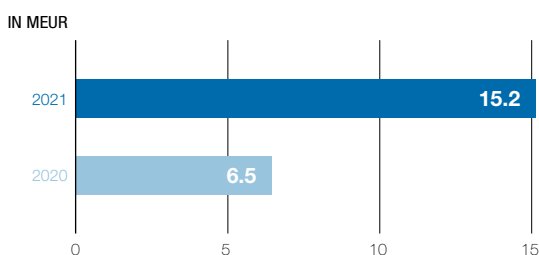
Selling, general, and administrative expenses consist mainly of salary and salary-related expenses, professional fees, travel and entertainment costs, communication and insurance expenses.

Other operating expenses and income



Other operating expenses amounted to MEUR 10.3 in 2021 (2020: MEUR 18.2). This line item includes research and development expenses of MEUR 7.5 (2020: MEUR 8.3) as well as exchange losses of MEUR 2.6 (2020: MEUR 9.8). The strong increase of the US dollar against the euro over the course of the year led to a significant decline in exchange losses resulting in a drop in other operating expenses.

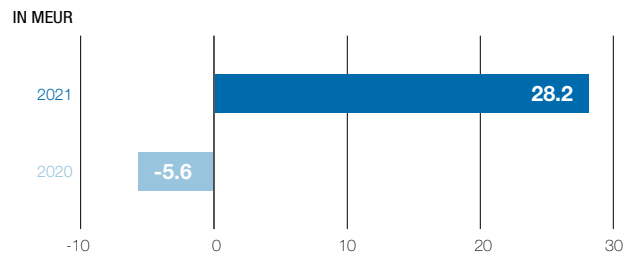
Other operating income



Other operating income in 2021 totaled MEUR 15.2 (2020: MEUR 6.5) and, apart from exchange gains, consisted of subsidies related to COVID-19, rental income, service charges and income from the sale of fixed assets. The increase in other operating income is due mainly to higher exchange gains of MEUR 8.1 in 2021, compared to MEUR 3.0 in 2020, as well

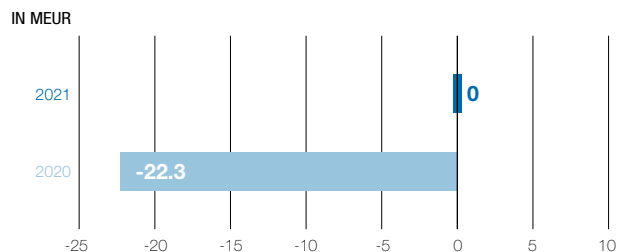
as income from subsidies related to COVID-19 of MEUR 4.8, compared to MEUR 0.0 in 2020.

Profit from operations before non-recurring items



Due to the increase of gross profit, lower administrative expenses and positive exchange rate effects, profit from operations before non-recurring items of MEUR minus 5.6 in 2020 rose to MEUR 28.2 in 2021, accounting for 9.6 % of sales, compared to minus 1.9 % in the previous year.

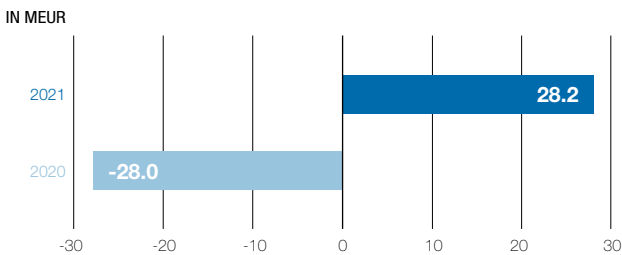
Non-recurring items



In the 2021 financial year, no expenses for non-recurring items were incurred. In 2020, expenses for non-recurring items totaled MEUR 22.3, of which MEUR 20.2 related to asset impairments in North America. Thereof MEUR 12.1 related to impairment of goodwill, and MEUR 1.7 to impairment of property, plant and equipment, and MEUR 0.9 to impairment of intangible assets, and MEUR 5.5 to impairment of inventories. In addition, expenses of MEUR 1.4 were incurred for the restructuring of production sites in the United Kingdom and Mexico. A further MEUR 0.8

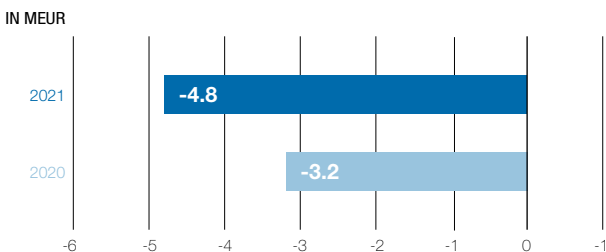
related to the result from the deconsolidation of the closed subsidiary in Mexico.

Profit from operations



Profit from operations increased from MEUR minus 28.0 in 2020 to MEUR 28.2 in 2021 due to higher profit from operations before non-recurring items as well as the absence of expenses from non-recurring items in 2021, thus achieving 9.6 % of sales, compared to minus 9.6 % in the previous year.

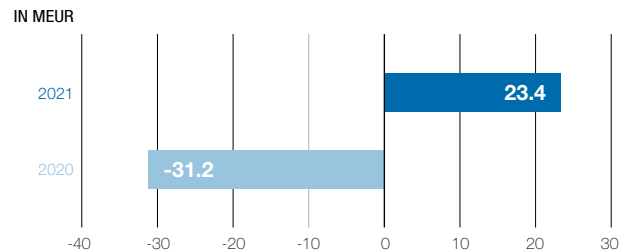
Financial result



The financial result in 2021 was MEUR minus 4.8, compared to MEUR minus 3.2 in 2020, which is due to lower interest income from USD deposits.

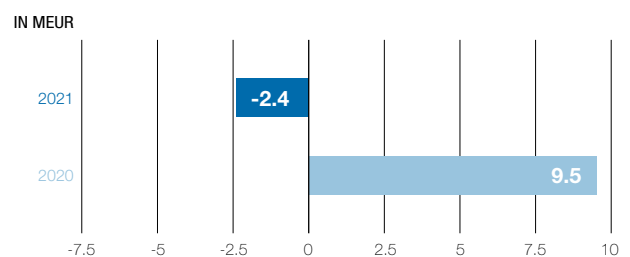
In the past financial year, the net interest result was MEUR minus 4.9 (2020: MEUR minus 3.2). The net interest result also includes the profit portion of the shares and participation rights in individual subsidiaries held by the respective managements, which came to MEUR minus 0.4 in 2021 (2020: MEUR 0.0).

Profit before tax



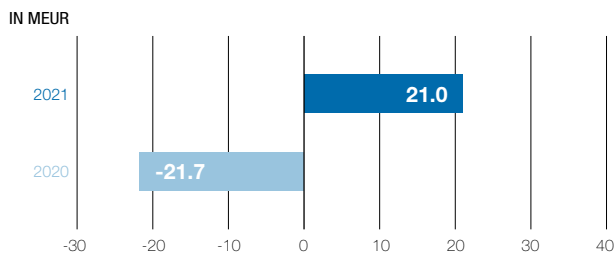
Profit before tax for 2021 standing at MEUR 23.4 is clearly positive, compared to the loss before tax of MEUR minus 31.2 in 2020.

Income taxes



Income taxes in 2021 amounted to MEUR minus 2.4 (2020: MEUR 9.5), consisting of current tax expenses of MEUR 4.8 and deferred tax income of MEUR 2.4. The low tax rate of 2021 is, among other things, a result of tax effective impairments of investments in subsidiaries and tax benefits abroad in connection with COVID-19 support schemes.

Profit after tax / dividend



Profit after tax for 2021 was MEUR 21.0, compared to MEUR minus 21.7 in the year before. Earnings per share arrived at EUR 1.33 in 2021, compared to EUR minus 1.38 in 2020. The Executive Board proposes to the Annual General Meeting to distribute a dividend of EUR 0.75 per share.

Net assets and financial position

Group equity as at 31 December 2021 was MEUR 340.9, compared to MEUR 287.0 as at 31 December 2020. This increase is due to profit after tax and the stronger USD, which led to a positive development of the currency translation reserve. The equity ratio increased to 42.3 %, compared to 36.9 % as at 31 December 2020.

Following a net liquidity of MEUR 9.5 as at 31 December 2020, a net liquidity of MEUR 9.9 was reported as at 31 December 2021. As a result of the increase in equity, gearing (net debt as a percentage of equity) increased slightly from minus 3.3 % as at 31 December 2020 to minus 2.9 % as at 31 December 2021.

Cashflow from profit came to MEUR 40.4 in 2021, compared to MEUR 36.6 in 2020. The key components of this indicator in 2021 were profit after tax of MEUR 21.0 (2020: MEUR minus 21.7), and depreciation, amortization, and impairment of MEUR 31.8 (2020: MEUR 55.0).

Net working capital rose from MEUR 120.1 as at 31 December 2020 to MEUR 149.9 as at 31 December 2021. This rise is mainly due to an increase in trade receivables and inventories because of higher sales and a significant increase of bookings especially in the second half of 2021. As a result, cashflow from operating activities of MEUR 22.9 remained below the high level reported in the previous year (MEUR 94.3).

Net cash outflows from investment activities totaled MEUR 39.9 (2020: MEUR 14.2), of which MEUR 19.4 (2020: MEUR 16.2) were spent for additions to property, plant and equipment and intangible assets. Thereof, MEUR 10.3 were used for the "Oilfield Equipment" (OE) segment, mainly for further expanding the rental fleet of drilling motors and downhole circulation tools and replacement investments in machines. In the AMS segment, MEUR 9.1 were spent essentially on machinery.

Another material component of net cash outflows from investing activities is a surety deposit paid in August 2021 in connection with the legal proceedings regarding the acquisition of the minority interests in Downhole Technology (now The WellBoss Company, LLC) in the amount of MEUR 21.1 (see Note 20).

This payment has reduced the free cashflow in 2021 to MEUR minus 17.0, compared to MEUR 80.1 in 2020. Adjusted for the above-mentioned payment of MEUR 21.1, the free cashflow in 2021 amounts to MEUR 4.1.

Report on the main features of the internal control system and risk management system with regard to the financial reporting process

The Executive Board has overall responsibility for the risk management of the SBO Group, whereas direct responsibility lies with the managing directors of the operational entities. Consequently, the system of internal continuous reporting to corporate headquarters plays a particularly important role in identifying risks at an early stage and implementing countermeasures. Operational entities provide the necessary information by timely monthly reporting to the Executive Board.

The Group has defined uniform standards for the global subsidiaries regarding implementation and documentation of the complete internal control system and, in particular, the financial reporting process. The underlying objective is to avoid risks leading to incomplete or erroneous financial reporting.

Furthermore, internal reports prepared by subsidiaries are checked for plausibility at corporate headquarters and compared with budgets in order to take appropriate action whenever deviations occur. For this purpose, subsidiaries are required to prepare annual budgets and mid-term planning to be approved by the Executive Board. In addition, liquidity planning of the subsidiaries is continuously monitored and aligned with the requirements defined by the holding company.

Group controlling monitors subsidiaries' compliance with accounting regulations. Moreover, the annual financial statements of all operational subsidiaries and

holding companies are audited by international auditors. At the Executive Board's regular meetings with local managing directors, current business development and foreseeable risks and opportunities are discussed.

In addition to the International Financial Reporting Standards, internal Group guidelines are in place for the preparation of the consolidated financial statements to ensure uniform presentation by the companies reporting (accounting and disclosure issues). A certified consolidation program equipped with the necessary auditing and consolidation routines is used for automated preparation of the consolidated financial statements.

Events after the balance sheet date

Reference is made to Note 40 in the consolidated financial statements.

Information according to Section 243a and Section 267 (3) 3 UGB (Austrian Commercial Code)

Reference is made to Note 22 in the consolidated financial statements.

Hedging transactions

Reference is made to Notes 4.6 and 34 in the consolidated financial statements.

OUTLOOK

Following a global increase in economic output of 5.9 % in 2021, the International Monetary Fund (IMF) forecasts global economic growth to come to 4.4 % in 2022. The economies of the industrialized countries are expected to grow by 3.9 %, after a rise of 5.0 % in 2021 and a decline of 4.5 % in 2020. As for economic growth of the emerging and developing countries, the IMF expects an increase of 4.8 % in 2022, following a rise of 6.5 % in 2021 and a decline of 2.0 % in 2020.

This means that the recovery in global economic output should continue in a slightly weaker form in 2022. However, these forecasts depend to a large extent on the further course of the COVID-19 pandemic, the development of price increases on the energy and raw material markets, and the bottlenecks in supply chains which hampered production in Europe and the USA in particular and led to higher prices for imported consumer goods.¹⁴

Forecast of economic development in individual regions and countries¹⁵

- In the eurozone, economic output is projected to grow by 3.9 % in 2022 (compared to 5.2 % in 2021), while Russia, as estimated by the IMF, should achieve economic growth of 2.8 % in 2022 (compared to minus 4.5 % in 2021)
- The economy in the United States is expected to grow by 4.0 % in 2022 (compared to 5.6 % in 2021), and in Canada by 4.1 % (compared to 4.7 % in 2021). In Latin America, the economy should grow by 2.4 % in 2022 (compared to 6.8 % in 2021)
- In the Middle East and Central Asia regions, the economy is expected to grow by 4.3 % in 2022 (compared to 4.2 % in 2021)
- In China economic output is projected to increase by only 4.8 % in 2022 (compared to 8.1 % in 2021)
- The global implications of the current geopolitical unrest in the Russia-Ukraine conflict and the internationally imposed sanctions are not yet taken into account and cannot be assessed at the moment. In Russia, we generated sales in the single-digit million euro range through our local subsidiary in 2021.

¹⁴ IMF, World Economic Outlook Update, January 2022.

¹⁵ IMF, World Economic Outlook Update, January 2022.

Since energy demand returned to pre-pandemic levels in 2021, the International Energy Agency (IEA) projects that energy consumption will continue to rise. Among fossil fuels, Natural gas demand is expected to see the largest increase compared to 2019. By 2030, global demand is expected to be 15 % above 2020 levels, with the main growth driven almost exclusively by emerging and developing countries. Industry accounts for nearly 40 % of total demand growth by 2030, with demand in China alone expected to be 40 % higher in 2030 than in 2020. By 2050, Natural gas demand is expected to increase by about 30 % from current levels.¹⁶

Demand for gas and oil is also expected to rise in 2022: Gas demand is projected to increase by 39 bcm to 4,148 bcm mb/d¹⁷, and demand for oil by 3.2 mb/d to 100.6 mb/d¹⁸. Demand for both energy sources is expected to go up by 2030 as well: gas demand should grow by 10.8 % to 4,554 bcm, and demand for oil by 5.7 % to 103.0 mb/d.

Even if there are uncertainties caused by the further impact of the COVID-19 pandemic and delays in supply chains, accompanied by price increases for many raw materials, projections assume that the global economy should experience growth. In addition, rising demand for energy combined with underinvestment in exploration and production in recent years speaks for increasing oil and gas demand, which should have a positive effect on SBO's current core business.

For 2022, renowned banks and analyst firms expect global spending for exploration and production (E&P) to increase by 16.0 %. As a result, global E&P spending should arrive clearly above the growth figure of 5.5 % in 2021, representing the first globally upswing since 2018. The driver is the North American market, where E&P spending should climb by 21.0 %. The projected total growth rate for the United States is 23.5 %, and 7.7 % for Canada. International growth should rise by 15.0 %.¹⁹

We believe to see sound economic growth in 2022. According to expectations, sharply rising spending for exploration and production should strengthen a positive outlook for activities in our industry. As a result, demand for the products and services of our two segments should go up substantially. The global implications of the current geopolitical unrest in the Russia-Ukraine conflict and the internationally imposed sanctions are not yet taken into account and cannot be assessed at the moment.

In our newly developed Strategy 2030 we will take steps for building a new business segment outside the current core business. Global developments such as climate change and the associated energy transition, decarbonization and automation are creating new opportunities. We aim to use our many years of expertise in a wide range of fields, coupled with our innovation capability to drive the future development of the company and, at the same time, explore the market for innovative technologies, especially in the areas of energy transition and green tech.

¹⁶ International Energy Agency (IEA), World Energy Outlook 2021, October 2021.

¹⁷ International Energy Agency (IEA), Gas Market Report Q1-2022, January 2022.

¹⁸ International Energy Agency (IEA), Oil Market Report, February 2021.

¹⁹ Evercore ISI, The 2021 Evercore ISI Global E&P Spending Outlook, December 2021.

Non-Financial Highlights
ESG MANAGEMENT

PART 1: **NON-FINANCIAL
STATEMENT**

THE LEGAL FRAMEWORK: NADIVEG, UN AGENDA 2030 AND EU TAXONOMY

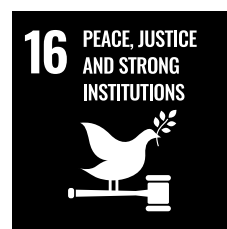
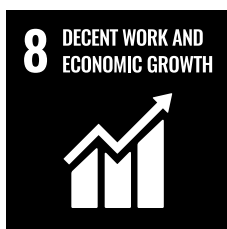
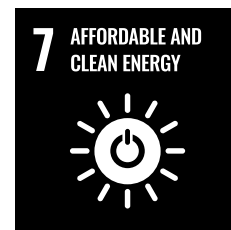
Our Annual Report has been prepared in accordance with the provisions of the Austrian Sustainability and Diversity Improvement Act (Nachhaltigkeits- und Diversitätsverbesserungsgesetzes or NaDiVeG). In addition, we are committed to the United Nations “Agenda 2030 for Sustainable Development”, which is a global plan to promote sustainable peace and prosperity and protect our planet. Since 2016, all countries have been working to translate this shared vision to fight poverty and reduce inequalities into national development plans.

By adopting Agenda 2030, all countries have committed themselves to ending poverty and hunger, ensuring the lasting protection of the planet through sustainable management of its natural resources and prompt action on climate change, and building peaceful, just and inclusive societies. Common focal points of global sustainable development of current complex societal challenges are the 17 Sustainable Development Goals (SDGs):

We have defined the goals that we can influence and have anchored them in the sustainability management of the SBO Group.

Out of the 17 SDGs, the following 13 are considered particularly relevant for SBO:

SUSTAINABLE DEVELOPMENT GOALS



THE EU TAXONOMY REGULATION AT A GLANCE

One goal of the European Green Deal is to drive a carbon-neutral economy. Article 8 of the EU Taxonomy Regulation (Regulation (EU) 2020 / 852) has set the course for greater transparency of sustainability measures. The Taxonomy is intended to standardize the perception of environmental sustainability of business activities and serve as a basis for investment decisions.

The sustainability criteria are closely linked to the six EU environmental objectives:

Climate change mitigation (from 2022)

A significant contribution to climate protection can be achieved by, among other things, strengthening the use of environmentally friendly technologies, increasing energy efficiency or establishing an energy infrastructure for decarbonization.

Climate change adaptation (from 2022)

Adaptation solutions that reduce the risk of adverse impacts on the current or future climate will be used for evaluation. At a minimum, they must reduce or avoid the site- and context-specific impacts of climate change on the business activity or on the environment in which the company operates.

Sustainable use and protection of water and marine resources (from 2023)

Measures such as proper disposal of municipal and industrial wastewater, promotion of access to clean drinking water, or careful use of water resources are considered for assessment.

Transition to a circular economy, waste prevention and recycling (from 2023)

Reusable, durable products, recycling options, or reduced use of primary raw materials are among the possible assessment criteria, as is infrastructure for environmentally sound waste management.

Pollution prevention and control (from 2023)

The reduction of emissions and the improvement of air, water or soil quality in the company's environment while promoting human health can be used as a benchmark for evaluation.

Protection and restoration of biodiversity and ecosystems (from 2023)

This involves determining the extent to which a contribution is made to the conservation of natural and near-natural habitats, or sustainable forest management and agriculture are supported systematically.

According to the Taxonomy Regulation, an economic activity is considered ecologically sustainable if it makes a significant contribution to the realization of at least one environmental objective and does not cause significant harm to any of the other environmental objectives (“Do No Significant Harm”). In addition, it must comply with the specified minimum protection during implementation and meet the technical assessment criteria.

In addition to the ecological criteria, Taxonomy-aligned business activities must also meet minimum social protection standards. These include compliance with the OECD Guidelines for Sustainable Development and the United Nations Guiding Principles on Business and Human Rights, which comprise the Declaration on Fundamental Principles and Rights at Work by the International Labor Organization and the International Bill of Human Rights. They are important in that the declaration of EU Taxonomy-alignment should apply equally to economic activities outside the EU.

The EU Taxonomy is continuously adapted and the criteria are regularly assessed. Thus, new sectors and activities that develop over time will be taken into account.

MATERIALITY ANALYSIS: STAKEHOLDERS AND THEMATIC AREAS OF SUSTAINABILITY

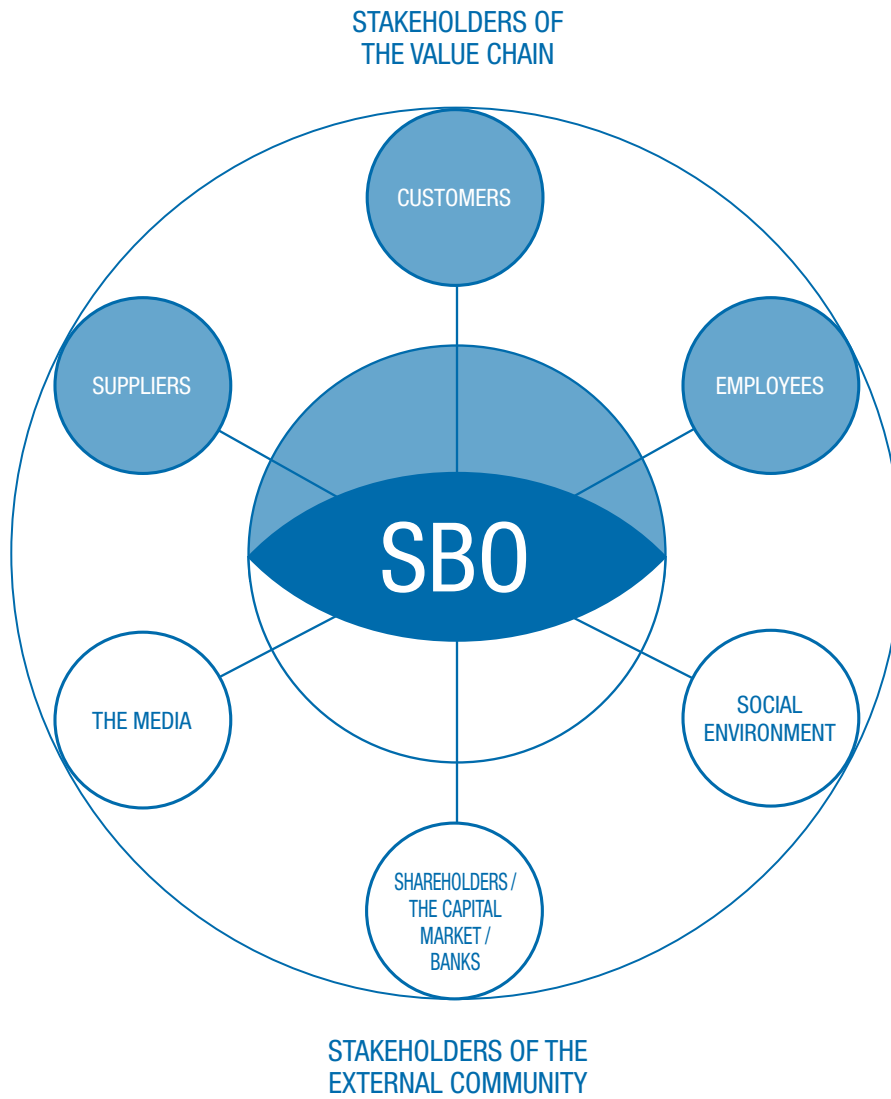
In its sustainability management, the SBO Group focuses on the economic, ecological and social effects of its activities. As part of a materiality analysis, we have identified relevant stakeholders, recorded the most important thematic areas for sustainability and defined twelve key action areas.

OUR STAKEHOLDERS

In the SBO Group, we define as stakeholders those people and organizations that we are in contact with, influence our business development and have an effect on our activities. The analysis and identification of these stakeholders is based on the characteristics and specifics of our business activities, including, among others, the global presence of our production sites and subsidiaries, our special role as a leading niche provider and the value chain of our industry.

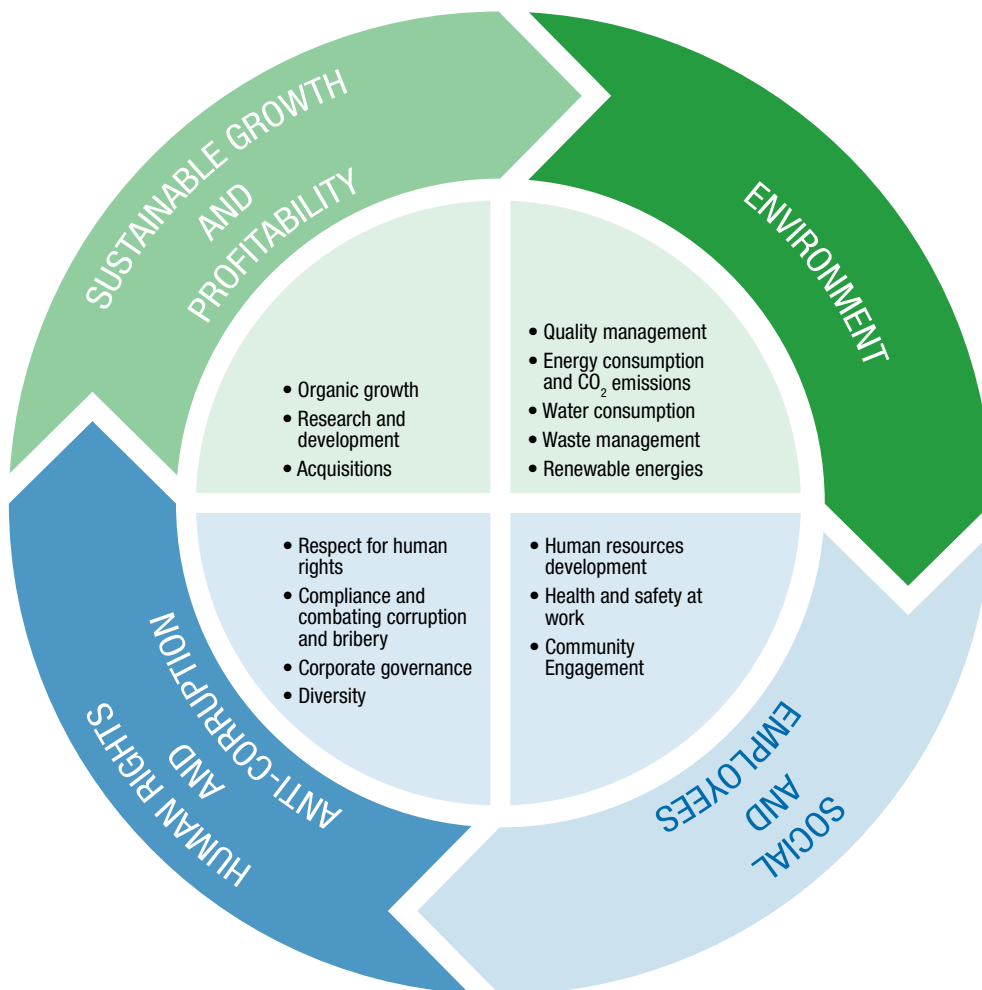
We consider our stakeholder value to be a key factor for our corporate management. We break down our stakeholders according to their interests in the following two main groups:

1. Suppliers, employees and customers – that is all who are part of the value chain. These stakeholders are particularly interested in operational performance criteria, such as safe work processes, high-quality products and sustainable value-adding business relationships.
2. Owners and the financial and capital market, the social environment and the media are the second group of our stakeholders. They are primarily interested in our business success and our activities from an ecological and social perspective.



Maintaining close contact with all stakeholder groups and a partnership-based exchange are pivotal to us, as this helps us identify risks early and take proactive countermeasures as necessary. At the same time, this approach contributes to our business success and reputation.

The following SDGs and sustainability themes are of strategic significance to SBO:



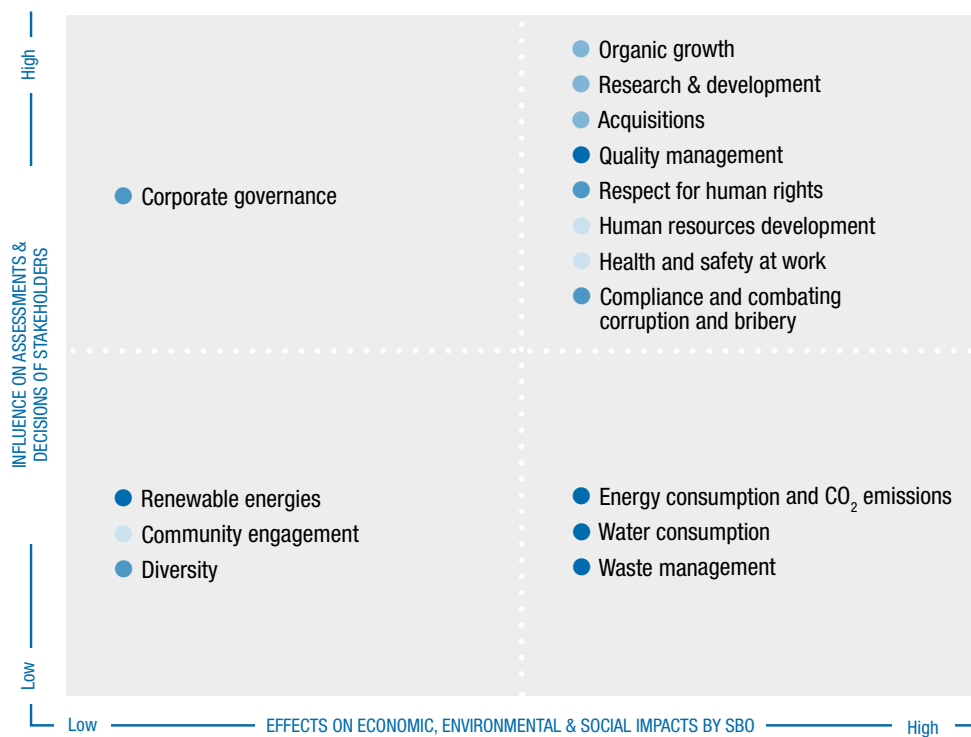
KEY TOPICS OF SUSTAINABILITY

In course of entry into force of the Sustainability and Diversity Improvement Act, we have conducted interviews with managing directors and employees, analyzed discussions with customers, assessed internal quality and supplier management guidelines, evaluated staff training and development programs, and held talks with capital market participants. Consequently, the SBO Group has identified key areas of sustainability in accordance with its business model.

Two criteria were used to group and rate the material topics:

1. according to their impact on our stakeholders and their decisions regarding SBO, and
2. the social, ecological and economic effects of the SBO Group.

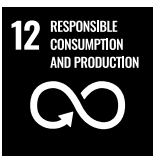
The result is a two-dimensional materiality matrix that serves as foundation of our sustainability strategy. Topics that did not appear recurrently in the evaluation were classified as “slightly” relevant, while those defined as “highly” relevant had been considered essential in at least two of the sources used.



This results in the following material fields of action for SBO:

MATERIAL FIELDS	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG	SDG
	3	4	5	6	7	8	9	10	12	14	15	16	17
Organic growth / Research & development / Acquisitions				•	•	•	•						•
Quality management							•		•				
Respect for human rights	•	•	•	•	•	•	•	•	•	•	•	•	•
Human resources development		•	•					•					
Health and safety	•												
Compliance and combating corruption and bribery			•					•				•	
Corporate governance			•			•		•					
Energy consumption and CO ₂ emissions					•				•	•	•		
Water consumption				•					•	•	•		
Waste management									•	•	•		

We cover these fields of action in our strategic ESG areas, where we manage and record the relevant topics. Part 2 of our non-financial statement describes these areas and their development in the reporting year in detail. In line with our communication guidelines, we do not provide forecasts on key performance indicators and specific targets.



ESG MANAGEMENT APPROACH

The SBO Group operates along the lines of a long-term strategy and sustainable business practices. Under our sustainable growth strategy, our goal is to create long-term added value and to work in a spirit of trust with our stakeholders, employees, suppliers and customers. Being one of our three pillars, Environment, Social and (Corporate) Governance (ESG) themes are firmly integrated in our corporate strategy (see also “Strategy 2030”).

Alongside this direct anchoring of ESG themes, the corporate strategy provides for building a new segment in line with environmental objectives. Management is exploring the market for new business areas, searching for highly profitable niches with a sound technology focus, primarily in the areas of energy transition and green tech, which will secure SBO a role as a leading supplier of high technology solutions and products even outside its core business beyond 2030.

Our ESG strategy itself starts from an industry-wide high level of environmental efficiency and foresees further improvement in all areas.

Reporting standards were drawn up and key performance indicators (KPIs) defined for central management together with target values. Their purpose is to identify potential inefficiencies and enable targeted management of the fields considered strategic. In the Environment (“E”) area this includes in particular the maintenance of a strong environmental efficiency, which is demonstrated by a low CO₂ emissions figure compared with the rest of the industry, optimized water and waste management, and the promotion of circular economy, as there are major ecological benefits from returning steel scrap to the production of starting material. In the Social (“S”) area, the focus is on employee safety and development. Governance (“G”) is divided into the strategic areas of responsibility, compliance and risk management, as well as digitalization.

We have traditionally pursued a policy of transparent reporting. In recent years the focus has been on reporting Scope 1 and Scope 2 information from the business activities of a highly specialized steel manufacturer and equipment supplier. A new feature included in reporting is the classification of financial indicators according to environmentally relevant aspects, in particular the EU environmental targets. In the opinion of SBO's management, Natural gas as an energy resource is of long-term strategic importance for achieving climate targets. In addition, a project has been launched to prepare the Group for professional Scope 3 reporting. To further expand ESG communication, particularly toward the capital and financial markets, we are further strengthening our activities and are striving for competitive ESG ratings. The first such rating has been provided by ISS ESG.

SBO's current business activities include the machining of high-alloy, non-magnetic steels in high-tech processes and the development and sale of equipment which, in addition to applications in the field of geothermal energy, is primarily used for the efficient extraction of crude oil and Natural gas. According to relevant forecasts, global demand for these raw materials will increase beyond the year 2030, with a focus on the efficient and most environmentally friendly extraction of these resources. Natural gas in particular plays a special role from an ecological point of view: Gas as a fuel has an energy density comparable to liquid fuels and at the same time scores with a significantly higher ecological efficiency. For example, the switch from coal to gas since 2010 - especially in the power sector in the United States and Europe, as well as in buildings and industry in China - has resulted in global emissions in 2020 being around 750 million tons of CO₂ lower than they would have been before.²⁰ In terms of eco-efficiency criteria, Natural gas thus makes a significant contribution to achieving climate targets. SBO currently generates a significant portion of its revenues from the sale or rental of products used to extract Natural gas.

²⁰ International Energy Agency (IEA), World Energy Outlook 2021, October 2021.

Swift and efficient communication paths within our Group ensure compliance with ESG requirements. Processes are constantly monitored and improved by both the SBO Executive Board and Group Compliance. Violations of our Code of Conduct are penalized. Furthermore, we pursue a zero tolerance policy toward any form of corruption or anti-competitive behavior. We create programs for our employees to continuously promote them, keep them at the highest possible level of training and retain them in the long term.

QUALITY MANAGEMENT

As a quality and technology leader, we set ourselves the highest standards for our products and in production. We are constantly working on the reliability and performance of our products and further improvement of our manufacturing processes. In the process, each product is specified on the basis of clearly defined characteristics and is then inspected continuously. Each production step is recorded in a quality control chart and confirmed by the employees in charge.

Our quality management accompanies the complete product life cycle and ranges from the manufacturing process to our service and repair shops, which safeguard optimal maintenance of our products. We document and analyze complaints and improve the products and processes concerned as required. Our machines meet state-of-the-art standards and are regularly measured against them. By ensuring the highest possible quality we not only maintain our competitiveness, but also strengthen our customers' trust in the SBO Group and in our subsidiaries.

Our DNA consists of innovation and speed. We act according to the "Quality First" principle: our core competence is to develop, produce and market sophisticated high-quality products with a USP (Unique Selling Proposition) that create added value for our customers. We differentiate ourselves through technology and ongoing research and development. Our innovations create a measurable advantage for our customers. We manage the Group based on clear common rules and values which we all share. Flat hierarchies guarantee short decision-making paths and allow us to react promptly to changing market conditions.

In the SBO Group's high-precision manufacturing processes, material-adapted and precise machining of non-magnetic specialty steels, accuracy and quality assurance are essential factors. This also includes additive manufacturing processes of metal components in 3D printing (DMLS) which the SBO Group uses to gradually open up new sectors. As global technology leader, SBO produces components that are used by customers in various industries and for directional drilling for oil and gas. This technology develops reservoirs with utmost precision and achieves a high recovery rate with only one mother well over a large number of horizontal wells. Drilling motors distributed by the SBO Group are designed to be extremely reliable and powerful in achieving high penetration rates in particularly hard rock formations. We provide special tools to clean or seal boreholes as needed during the drilling process, reducing the risk of pressure fluctuations in the drilling fluid.

Regular quality tests conducted at our production sites guarantee compliance with quality standards. Many of our worldwide locations work according to the leading industry standards API Spec Q1, 7-1 and / or ISO 9001 and are audited accordingly at continuous intervals. At our Ternitz site, we have additionally obtained certification according to EN ISO 14001 (environmental management). We have digitalized work steps in the areas of quality management as well as product and process control by using state-of-the-art software solutions to automate processes in production that require intensive planning and are prone to errors. This saves time, reduces costs and leads to a significant increase in overall efficiency while reducing defects.

To ensure that our suppliers meet the defined high quality standards of SBO they are evaluated at regular intervals with regard to the materials supplied and their certifications. In case of critical suppliers, we carry out assessments on site, first article inspection or an analysis of the origin of the product concerned. If a supplier does not meet our high standards, we will terminate the business relationship in case of doubt.

RESEARCH & DEVELOPMENT

Another core competence of the SBO Group is its ongoing commitment to research & development (R&D). We continued to drive forward our innovations in 2021:

Goose Neck Drilling – Goose Neck Drilling, an established and patented process, has been improved considerably by another invention. The use of electrical discharge machining (EDM) makes it possible to drill contact-free deep and narrow bores. When using the Goose Neck Drilling process, controlled curved bores can be created inside work pieces made of high-alloy, non-magnetic stainless steels.

Intelligent Monitoring System – Using intelligent tool monitoring allows to control tools adapted to material and application in the manufacture of products made of high-alloy, non-magnetic stainless steels. By significantly increasing the number of measuring points in the tool head and providing measured values in real time, the speed can be controlled variably and the overall performance curve can be increased with significantly less material wear.

Smart Dart System – The Smart Dart System has been evolved and refined. It combines the benefits both of the Plug-n-Perf and the efficient Sliding Sleeve technology for well completion. The Smart Dart opens any amount of sleeves following an individually adjustable, mechanical system. Thereby, multiple sleeves can be opened with a single dart in a frac phase.

Dissolvable Plugs – Dissolvable Plugs are plugs that dissolve completely and constitute a reliable method to temporarily isolate zones in well completion. Their compact design eliminates the need for drilling out and cleaning after well completion and leaves no residues that would have to be removed from the well.

Direct Metal Laser Sintering (DMLS) – DMLS is an additive manufacturing technology to produce customized, highly complex metal parts in a short time using high-precision 3D metal printing. SBO's DMLS offering has been expanded to include machines equipped with an extended, one meter high Z-chamber.

These examples and many other innovations under development in our global network demonstrate that we are actively working to maintain our quality leadership.

RESULTS AND RISKS

In the risk report, which is part of the consolidated financial statements, the SBO Group gives a comprehensive overview of the risks the company is exposed to. All risks have arisen from our own business activities and not from our business relationships, products or services. No non-financial risks from the supply chain have been identified so far. In this chapter, we only deal with risks associated with sustainable corporate management.

The risks listed below have been evaluated based on non-financial key performance indicators and the qualitative explanations provided in the areas of production, products and suppliers:

Environmental issues

Manufacturing processes and products with regard to direct risks to air, water and soil: relevant KPIs such as CO₂ emissions or waste quantities are compared for assessment.

Social and employee matters

Employee development, employee turnover and recruiting in an environment where there is strong competition for well-trained professionals, as well as lost time due to workplace-related accidents or COVID-19 infections.

Compliance

Qualitative reports on violations of corporate governance, such as incidents of disregard for human rights (e.g. discrimination), corruption and bribery, as well as increased requirements regarding information security.

The following risks are regularly identified and documented in order to initiate strategic improvements as required:

Market environment

The oil and gas industry, in which a large portion of our products are currently used, is traditionally characterized by cyclical phases. By broadening our product and customer portfolio and initiating diversification, we are actively seeking to mitigate these risks as best as possible. Additionally, in the current pandemic environment, supply chain bottlenecks are occurring worldwide, but hardly affected the SBO Group.

Need-oriented human resources planning

The cyclical industry environment requires a high degree of flexibility and prompt reaction to heavily fluctuating market movements. During upswings, our challenge is to rapidly expand our capacities, while in downturns, with declining bookings and low capacity utilization, we need to adjust our personnel resources. We reduced the number of dismissals in past cycles by introducing, for instance, short-time work and time accounts. In the economic recovery phase surrounding the COVID-19 pandemic, one focus was on building up the workforce. We actively counter the competitive environment in the recruitment of skilled workers and ensure a skilled workforce going forward by introducing pinpoint measures such as the training of apprentices. We consider a possible shortage of labor within our industry a challenge. Isolated staff shortages due to mandatory quarantine as a result of COVID-19 precautions were taken into account in personnel planning and were covered well.

Safety at work

Misconduct and carelessness in work processes entail risks for the safety of our employees at the workplace. Introduction or implementation of site-specific HSE programs is mandatory within the SBO Group. In addition, to keep risks of accidents as low as possible, other key measures apply, such as specific directions for each workplace, detailed instructions on the respective work processes, signs and forward-looking training and upskilling measures to minimize the risk of accidents. In the COVID-19 environment, we also stepped up hygiene and disinfection requirements and strictly monitored compliance with legal provisions.

Quality assurance

Product defects such as material breakage may involve risks for our customers and the environment. Such incidents, for instance, could damage or contaminate the soil. We actively counteract these risks through consistent quality management in our supply chain and production. This serves to protect the environment as well as the business success both of our customers and the SBO Group.

Compliance and anti-corruption regulations

At SBO, strict internal rules and regulations define binding, ethical conduct throughout the Group. Non-compliance with these rules could cause serious economic drawbacks and harm our reputation. We support our employees worldwide through regular exchange at managerial level and by providing to-the-point training measures to further entrench ethical behavior and ensure full compliance with our regulations. This provides our employees worldwide with in-depth training on corruption prevention.

Data privacy and trade secrets

Our business model as a leading technology company conducting innovative research and development activities is subject to particularly high protection requirements. The protection of trade secrets includes confidential treatment of research and development data, know-how, confidential business figures including planning and budgets, and data related to customers and employees. The SBO Group maintains a data protection regime that is based on the regulations established by the European Union (EU General Data Protection Regulation / EU GDPR). In the area of IT security, the SBO Group takes active preventive measures against potential cyber attacks. In 2021, there were isolated attempts to attack the IT system, but they were successfully averted.

Climate change

Climate change itself and its possible consequences have been monitored by the SBO Group for years with regard to possible consequences on the Group's business activities. Due to the latest regulations of the European Union, aspects of climate change on companies and economic activities within the EU have gained significant weight. The European climate policy requires the long-term transformation of the energy sector with the aim of gradually replacing fossil fuels with renewable energies, and neutralizing their emissions so that the net zero target for 2050 can be achieved respectively. Tighter climate regulations could trigger a decline in oil demand within the EU and affect SBO Group's core business due to lower demand for tools for drilling for oil. However, according to long-term market expectations, global demand for this resource is expected to continue to grow for a long time. Moreover, recently the European Union has also recognized Natural gas as an essential transitional resource for achieving climate goals within the framework of the extension of the classification criteria according to the EU Taxonomy Regulation; moreover, the tools of the SBO Group are equally used in drilling for crude oil and Natural gas. However, the goods and services produced by the SBO Group are mainly demanded outside the European Union, so that the European climate policy has only a partial impact on the economic activities and (production) sites of the SBO Group.

SBO Group's (production) sites have a relatively low energy consumption, which will be further reduced by appropriate measures in the coming years. Therefore production sites only partially affected by rising energy prices and also any surcharges for CO₂ taxes. Currently, in view of the existing data situation, it would be disproportionate to determine climate scenarios and their impact on the SBO Group, especially since the economic activities of the SBO Group are only a small extent subject to physical climate risks in terms of temperature changes, wind, precipitation or erosion. Overall climate-related risks are currently classified as low.

The risks identified were evaluated internally and incorporated into our work procedures and manuals. Mitigation measures were taken as required. Implementation of the measures was checked in regular audits. In the 2021 financial year, we focused our audits on numerous topics, such as regarding employees and information security. Expansion of photovoltaic capacities at our locations is evaluated.

PART 2: ESG DEVELOPMENTS IN 2021

OVERVIEW OF MAJOR DEVELOPMENTS IN 2021

COVID-19: MEASURES TO PROTECT OUR EMPLOYEES

We have maintained the strict precautionary measures to prevent COVID-19 in the production operations of our subsidiaries. In addition to educating employees, this included tightened hygiene measures, keeping minimum distances and blocked access in cases of suspicion. Travel activities were almost non-existent and, where reasonable and possible, administrative staff worked from home at least partly. All government regulations were strictly adhered to.

CLIMATE CHANGE AND ENERGY TRANSITION

In its Strategy 2030 the SBO Group has defined the goal of contributing equally to energy security and the global energy transition. In the coming years, we aim to drive forward the building of a new business segment and become a major player in the global energy transition and green tech industry. In doing so, we aim to become a front runner in the new energy future. At the same time, we will leverage our existing capabilities and competencies to ensure energy security in times of rising demand.

The range of products and services offered by our existing subsidiaries supports the secure supply of energy. Natural gas and crude oil are relevant in this respect because, in addition to meeting energy demand, they are also important basic materials for technologies in the field of renewable energies. In addition, Natural gas has been defined as a bridging technology and, if used more intensively, can reduce the share of coal, for example, and thus lower CO₂ emissions in power generation, where coal is currently the largest source and also the largest single source of CO₂ emissions.

In 2021, for instance, power generation from coal increased by 9 %, driving up CO₂ emissions from total power generation by almost 7 %.²¹ Electricity production is expected to go up by half by 2040. A reduction in the share of coal in the energy mix is therefore essential. Pending an across-the-board switch to less polluting and more efficient technologies, CO₂ emissions can be significantly reduced by using gas instead of coal. Nearly half of the world's CO₂ emissions today come from coal. Gas has a CO₂ efficiency that is about 45 % better than coal.²² Accordingly, gas will continue to play an important role in ensuring a secure energy supply in the coming decades.

In their own production operations, the SBO subsidiaries pay attention to the efficient use of resources such as energy or water and continuously optimize measures to keep the carbon footprint as low as possible.

SBO REPORTING ON THE EU TAXONOMY REGULATION

The EU Taxonomy Regulation requires companies to classify their business activities according to the catalog of criteria in Annex 1 to Delegated Regulation (EU) 2021 / 2139 and to check them against technical screening criteria, “Do No Significant Harm” criteria as well as criteria for minimum social protection. If the business activities are attributable to one or more of the sustainable economic activities, if they are Taxonomy-eligible, if they also meet the technical screening criteria and those of “Do No Significant Harm”, they are Taxonomy-aligned.

The Regulation will become applicable in stages: As of 1 January 2022, companies are required to report, regarding the objectives (1) climate protection and (2) adaptation to climate change, those business activities that are Taxonomy-eligible according to the catalog of criteria. This reporting is based on the proportion of Taxonomy-eligible and Taxonomy-non-eligible economic activities in sales, capital expenditures (CapEx) and operating expenditures (OpEx). Reporting of Taxonomy-alignment of their business activities will follow as of 1 January 2023.

²¹ International Energy Agency (IEA), Electricity Market Report, January 2022.

²² International Energy Agency (IEA), World Energy Outlook 2021, October 2021.

SBO has prepared measures to identify also the technical screening criteria and the “Do No Significant Harm” criteria, but not applied for the 2021 financial year. Determination of sustainable economic activities was derived directly from the economic activities of the SBO Group. Therefore, the SBO Group partly comes under the defined economic activities and is thus Taxonomy-eligible in this respect. The Management notes that the Taxonomy legislation of the European Union aims to promote investments in sustainable economic activities and that, to this end, those economic activities that contribute most to the achievement of EU environmental goals have been addressed, but that the very narrow catalog of criteria poses major challenges for the supplier industry in particular. Even if relevant economic activities within a certain sector are to be treated equally, it is difficult to link the supplier industry to the strict catalog of criteria of the EU Taxonomy, as under strict interpretation, which is to be applied according to the legislator’s intention, business activities typically pursued by the supply industry are not covered by the catalog of sustainable economic activities.

Regarding the SBO Group, the following is reported:

The activity of the SBO Group as manufacturer of high-alloy, non-magnetic stainless steels and the manufacture of products made of steel, iron and aluminum are basically covered by the catalog of criteria for sustainable economic activities as defined by the EU Taxonomy. Also contained are activities the company pursues in the field of renewable energies.

The product offering in the field of drilling and completion of wells could not be allocated to any economic activity according to Annex 1 to Delegated Regulation (EU) 2021 / 2139. Similarly, the company is neither engaged in the production nor in the processing of gas. Therefore, the classification criteria related to gas, valid from 2023, have not been included in the determination of economic activities. Developments in this regard will be closely monitored and, if necessary, taken into account accordingly in the next reporting year.

The SBO Group has determined Taxonomy-eligibility according to the following economic activities:

- 3.9. Manufacture of iron and steel

An economic activity in this category is a transitional activity according to Article 10(2) of the EU Taxonomy Regulation.

The processing of iron and steel is eligible under the "Manufacture" criterion and reported as "Manufacturing" according to financial criteria as well. Additionally, the raw material is produced in shared responsibility with the main supplier. The value creation of the forming and treatment of the raw material takes place within the SBO Group itself. The raw materials are protected - to the extent that they have not yet expired - in patents to which the SBO Group holds property rights.

The company's activities in the production of electricity from photovoltaic solar technology are covered together with the economic activities mentioned above.

On this basis, the following key performance indicators are reported:

FIGURES IN %	SALES	CAPEX	OPEX
Taxonomy-eligible in total	44.0 %	37.6 %	23.9 %
thereof enabling or transitional activities	44.0 %	37.6 %	23.9 %
Taxonomy-non-eligible	56.0 %	62.4 %	76.1 %

DETAILED EXPLANATIONS

The following Key Performance Indicators (KPI) are calculated in accordance with Annex 1 of the Commission Delegated Regulation (EU) 2021 / 2178.

KPI related to turnover (turnover KPI)

The proportion of turnover is calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned (or, for the present reporting period, Taxonomy-eligible) economic activities (numerator), divided by the net turnover (denominator).

KPI related to capital expenditure (CapEx) (CapEx KPI)

The denominator covers additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator shall also cover additions to tangible and intangible assets resulting from business combinations.

The numerator equals to the part of the capital expenditure included in the denominator that is any of the following:

- related to assets or processes that are associated with Taxonomy-aligned economic activities, or
- part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned ('CapEx plan'), or
- related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, as well as other economic activities listed in the relevant delegated acts, and provided that such measures are implemented and operational within 18 months

KPI related to operating expenditure (OpEx) (OpEx KPI)

The denominator covers direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

The numerator equals to the part of the operating expenditure included in the denominator that is any of the following:

- related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development, or
- part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe, or
- related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts, and provided that such measures are implemented and operational within 18 months.

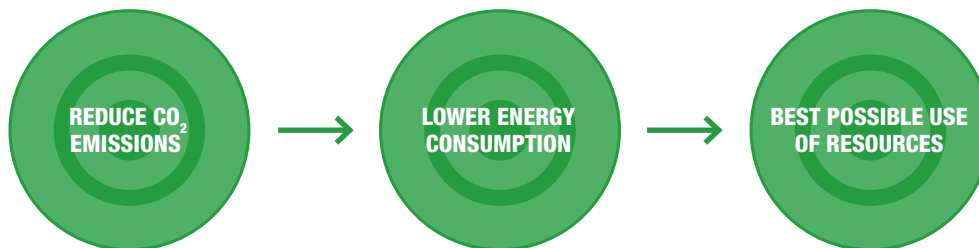
The SBO consolidated financial statements as of 31 December 2021 have been prepared in accordance with the principles of the International Financial Reporting Standards (IFRS) and the interpretation of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the EU. The principles of the IFRS consolidated financial statements for determining sales, CapEx and OpEx serve as the basis for deriving Taxonomy-aligned KPIs. In order to avoid double counting, only revenues with external customers were checked for Taxonomy eligibility, thereby also enabling a simple and transparent reconciliation to the consolidated Group sales. When recording the Taxonomy-eligible CapEx, a screening for Taxonomy eligibility was carried out at individual company level, followed by subsequent reconciliation to the consolidated CapEx of the SBO Group. In order to record the Taxonomy-eligible OpEx, intercompany settlement was excluded in advance when determining the denominator in order to avoid double counting, followed by screening for Taxonomy eligibility at individual company level and subsequent aggregation.



ENVIRONMENT: ENVIRONMENTAL CONCEPT

As a provider of sophisticated manufacturing processes, our group of companies places high value to minimizing the impact on the planet despite our industrial production activities. We regularly analyze our processes and their impact on the environment, identify possible optimizations and successively implement them. We document our progress in our regular publications on ESG. Environmental measures are adapted to site-specific conditions. We work consistently to ensure supreme quality and to further reduce waste generation and energy and water consumption. Although the SBO Group increased production in 2021, we have nevertheless been able to reduce our water consumption. Energy consumption has gone up as more energy-intensive production steps were utilized to a higher extent.

ENERGY CONSUMPTION AND CO₂ EMISSIONS



The production of our products requires energy, mainly electricity, which is largely sourced from public power grids, trying to avoid the use of generators where possible. We strive to reduce our energy consumption and make the best possible use of the resources through ongoing efficiency enhancement. Our clear aim is to gradually reduce the SBO Group's CO₂ emissions.

At our largest production site in Ternitz we operate a photovoltaic system with a total output of 720 kWp (kilowatt peak). Part of our electricity demand in production can therefore be covered with renewable energy and contributes to reducing CO₂ emissions. We are constantly enhancing our use of resources, especially through the continuous optimization of our systems.

Overall energy consumption increased in 2021 as more energy-intensive production steps were utilized to a higher extent. A new feature is the reporting of emissions according to Scope 1 and 2. The disproportionate increase in Scope 1 emissions is due to the increase in activities and the inclusion of company vehicles as an emission factor. Total energy consumption in production rose to 10,936.0 gigajoules (GJ) in 2021, an increase of 11.2 % year-on-year (2020: 9,836.1 GJ). Calculated carbon dioxide emissions were 11,193.4 tons (2020: 10,160.2 tons, +10.2 %).

ENERGY CONSUMPTION OF THE SBO GROUP

	UNIT	2021	2020
Energy consumption*	GJ	10,936.0	9,836.1
CO ₂ emissions	Tonnes	11,193.4	10,160.2
thereof direct, Scope 1	Tonnes	2,797.9	2,142.6
thereof indirect, Scope 2	Tonnes	8,395.5	8,017.6

* Energy consumption based on the calculation of the Umweltbundesamt (Federal Environmental Office) as at October 2017 (for more information see: <http://www5.umweltbundesamt.at/emas/co2mon/co2mon.html>)

This corresponds to an intensity of 38.23 tons of CO₂ equivalent per EUR 1 million of sales.

WATER CONSUMPTION



Since water is one of the most valuable resources in our world SBO pays great attention to its economical, efficient and careful use at all locations. The main objectives of our water management are the reduction of water consumption, efficient use of water resources and appropriate wastewater treatment. As water-based emulsions are an essential coolant in the machining of stainless steels, we use circulation water instead of process water for cooling machines at some production sites.

In recent years, the SBO Group has taken numerous measures to structurally reduce its water consumption. Considerable improvements have been achieved, especially at the site in Austria. In the coming years, it is planned to change over additional machines to circulating water, which should bring about further savings.

In 2021, the SBO Group's worldwide water consumption was 59,114.8 cbm (2020: 83,687.4 cbm), curbing water consumption by almost 30 % despite the general increase in production. Some sites source water supply simultaneously from industrial water and public water pipelines, with the main focus on industrial water.

WATER WITHDRAWAL OF THE SBO GROUP

	UNIT	2021**	2020
Water withdrawal*	cbm	59,114.8	83,687.4
thereof industrial water	cbm	44,740.7	54,900.9
thereof water from public systems	cbm	14,374.1	28,786.5

* Water withdrawal at the respective operationing site, if identified reliably

** Water withdrawal excluding water consumed from the rental of space by third-party companies

WASTE MANAGEMENT



As early as when developing and selecting materials, in particular stainless steels, the SBO Group pays attention to the reduction of pollutant-containing raw materials. As a result, production rejects are largely free from pollutants and their disposal is environmentally safe. As a fundamental principle, we order materials close to limit specifications such as

shape and size, therefore requiring less material, avoiding unnecessary production waste and reducing our ecological footprint as transport volumes are kept low.

Within the SBO Group, a sound input-output ratio is achieved in most manufacturing processes. In order to minimize production waste and retain it in the value chain, we sell a large portion of steel chips from the production process as valuable raw material for steel production. Waste that cannot be reused is disposed of at all locations in accordance with the latest environmental standards. Depending on the location, lubricants such as production oils are collected during oil separation in ongoing production, filtered and reintroduced in the production cycle. Continuously increasing the recycling rate is part of the environmental management at SBO.

In 2021, 5,677.9 tons of total waste were generated across the Group (2020: 4,535.3 tons), including 689.6 tons of hazardous waste. In addition to metal waste from production that is classified as hazardous under the Basel Convention, hazardous waste also includes contaminated cleaning water from tools used in drilling operations. Total waste went up by around 25 % due to higher production activity.

WASTE MANAGEMENT OF THE SBO GROUP

	UNIT	2021**	2020***
Total waste*	Tonnes	5,677.9	4,535.3
thereof non-hazardous waste	Tonnes	4,988.2	4,013.7
thereof hazardous waste	Tonnes	689.6	521.6
Internationally shipped waste classified as hazardous (acc. to Basel Convention)	Tonnes	0.0	0.0

* Total waste including production waste and packaging material, whether sold as secondary material or disposed of professionally. Hazardous waste including waste water contaminated by hazardous waste. Definition of hazardous waste based on Basel Convention

** Total waste excluding waste caused from the rental of space by third-party companies

*** Restated due to unification of definition of "hazardous waste"



SOCIAL AND HUMAN RESOURCES CONCEPT

The SBO Group is convinced that its well-trained and highly specialized employees are crucial to sustainable business success. The teams in the production department of SBO's subsidiaries ensure top-notch quality of our products and thus the satisfaction of our customers. We protect and promote our experienced team and provide an appealing, safe working environment. Our common core values building on mutual respect, trust and professionalism provide a sound basis for communication between our employees and management.

We wish to create and promote equal opportunities and diversity: We hire our employees based exclusively on their qualifications and regardless of nationality, origin, ethnic and political affiliation or belief. We have established employee representation at all locations where our employees have asked us to do so. We respect the fundamental right to freedom of association in our worldwide subsidiaries and, where established, have a good understanding with the works council as well as the trade unions.

In an environment marked by COVID-19, we again took far-reaching measures in the 2021 financial year to protect the health of our employees and ensure their highest possible safety. The strict guidelines and precautions introduced at our production sites in 2020, including mandatory face masks, maintaining safe distances or regular disinfection, were preserved in 2021. Delivering appropriate information and training, we raised our workforce's awareness for the importance of these measures and urged them to strict compliance. This approach aims to ensure that health risks are minimized or systematically avoided. Where feasible, we arranged for options to work from home in the administrative area. Meetings were largely switched to video conferences, and business trips were replaced by video or telephone conferences.

HEALTH AND SAFETY AT WORK

Launching systematic measures, the SBO Group ensured that the risks of illness and health hazards in the Company were kept as low as possible throughout its worldwide network soon after the outbreak of the COVID-19 pandemic. Our pronounced goal was and remains the best possible protection of our team from infections. We developed appropriate guidelines at an early stage and implemented them without delay to largely prevent internal COVID-19 infections in order to pro-actively avoid relevant interruptions to operations. These and other specific operating instructions help us minimize the risk of infection in the workplace.

We are committed to the standards of the Occupational Health and Safety Assessment Series (OHSAS). Apart from our internal rules for the prevention of COVID-19 infections, we have introduced a number of activities to keep our staff healthy and productive, including first aid courses for medical care in emergencies. At some sites, we offer access to gyms, and in some cases we have set up separate fitness rooms in compliance with COVID-19 precautions.

Safety at the workplace is a top priority for the entire SBO Group. We have established strict internal safety guidelines and their compliance is regularly monitored. They consist of clearly defined work processes and responsibilities, path markings and stringent instructions for the use of equipment and machinery. Employees are continuously updated on the applicable safety guidelines and local legal provisions on occupational safety. The aim is to avoid accidents and eliminate sources of accidents as far as possible. Depending on local conditions, we have appropriate checklists and emergency plans in place.

Where necessary and possible, we regularly upgrade our processes to ensure even greater safety. We encourage our employees to play an active role and take action against potentially unsafe working practices. Thanks to the consistent implementation of these measures, the number of work-related accidents is low throughout the Group and went down further in 2021. The lost time injury rate (LTIR) in 2020 was 9.0 accidents per one million working hours (2020: 12.9 accidents per one million working hours). The severity of accidents (SA) was 24.0 lost workdays per incident (2020: 9.0 lost workdays per incident) and increased due to longer lost time of singular employees. We actively strive to keep the number of incidents low. All incidents are documented and reviewed for potential for improvement.

SAFETY AT WORK

	UNIT	2021	2020
Lost-time incident*	Number of accidents with lost time (1 day and more)	19	32
Work-related fatality	Number	0	0
Lost time injury rate (LTIR)	Number of accidents with lost time (1 day and more) per 1 million working hours	9	13
Fatal accident rate (FAR)	Number of fatalities per 1 million working hours	0	0
Severity of accident (SA)	Number of lost days (calendar days without accident day) in relation to the number of accidents (i.e. average lost time)	24	9

* Incidents included from lost time of 8 working hours

HUMAN RESOURCES DEVELOPMENT AND FLEXIBLE WORK-TIME MODELS

The labor market is undergoing a process of structural transition: globalization, automation and digitalization are coming up against a changed society, not least due to the effects of the COVID-19 pandemic. The battle for talents and skilled workers is becoming more intense. As SBO Group, we have taken steps to meet these challenges for years in our human resources program and have implemented attractive remuneration alongside sound training and upskilling concepts. This helped us counteract a potential shortage of employees and expand our team in 2021, hand in hand with the onset of the economic upswing, throughout the entire SBO Group. We were able to recruit new young team members for our award-winning apprenticeship training program, increasing the number of our apprentices to 26 in 2021.

TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT, GENDER AND REGION*

31.12.2021

EMPLOYEES	AUSTRIA	NORTH AMERICA (INCL. MEXICO)	REST OF WORLD	TOTAL
Total	365	575	327	1,267
STATUS				
White-collar	70	216	138	424
Blue-collar	269	359	189	817
Apprentices	26	0	0	26
GENDER				
Men	325	517	274	1,116
Women	40	58	53	151
Diverse	0	0	0	0

*Total number each as at December 31, countries defined by registered seat of the employing company

**TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT,
GENDER AND REGION*****31.12.2020**

EMPLOYEES	AUSTRIA	NORTH AMERICA (INCL. MEXICO)	REST OF WORLD	TOTAL
Total	353	464	314	1,131
STATUS				
White-collar	69	204	129	402
Blue-collar	257	260	185	702
Apprentices	27	0	0	27
GENDER				
Men	314	414	265	993
Women	39	50	49	138

* Total number each as at December 31, countries defined by registered seat of the employing company

Our subsidiaries offer flexible working time models worldwide depending on the specific function. It goes without saying that we comply with local working time restrictions and regulations. Full-time and part-time employment models are offered in central work areas. In 2021, 2.5 % of our employees worked part-time (2020: 2.7 %).

TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT AND REGION 2021

TYPE OF CONTRACT	AUSTRIA	NORTH AMERICA (INCLUDING MEXICO)	REST OF WORLD	TOTAL
Total	365	575	327	1,267
Full-time	349	571	315	1,235
Part-time	16	4	12	32

TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT AND REGION 2020

TYPE OF CONTRACT	AUSTRIA	NORTH AMERICA (INCLUDING MEXICO)	REST OF WORLD	TOTAL
Total	353	464	314	1,131
Full-time	338	462	300	1,100
Part-time	15	2	14	31

Performance-related remuneration is an important pillar in attracting and retaining the best specialists for our company. This is why we attach great importance to fair remuneration. Depending on the success of the company, our employees receive performance-related variable remuneration in addition to their regular pay.

We do not only invest financially in the employees of the SBO Group, but, in addition to mandatory schemes, also offer them ongoing training and further education programs. We provide a productive, innovative work environment and encourage our workforce actively to make their contribution to further product development. At our site in Ternitz, we train the skilled workers of tomorrow under our apprentice program, which we have developed specifically for the tasks at SBO. SBO has repeatedly received awards for this commitment to training.

In 2021, the focus of training was not only on operational topics. At 72 %, the main emphasis was on health and safety, the share of technical education and further training stood at 12 %. In addition, in-depth training was provided in applied IT (8 %). The hours spent for training and upskilling measures tripled year-on-year in 2021 and came to a total of 59,078 hours, representing a volume of 46.6 hours of training per employee.

EDUCATION AND FURTHER TRAINING BY EMPLOYEE CATEGORY AND TRAINING FOCUS*

2021

TOTAL HOURS	HEALTH & SAFETY	INFORMATION TECHNOLOGY	LEGAL & COMPLIANCE	TRAINING & QUALIFICATION	MANAGEMENT	ADMINISTRATION	PRODUCTION
59,078	72 %	8 %	8 %	12 %	12 %	35 %	53 %

* Education and further training including internal and external training programs except for onboarding activities.

EDUCATION AND FURTHER TRAINING BY EMPLOYEE CATEGORY AND TRAINING FOCUS

2020

TOTAL HOURS	HEALTH & SAFETY	INFORMATION TECHNOLOGY	LEGAL & COMPLIANCE	TRAINING & QUALIFICATION	MANAGEMENT	ADMINISTRATION	PRODUCTION
17,407	48 %	10 %	2 %	40 %	7 %	19 %	74 %

COMMUNITY ENGAGEMENT

For the SBO Group, partnership-based relationships with local communities are crucial. Our goal is to form strong communities and support the social environment at our sites. Therefore, it is essential for us to build and maintain mutual trust, foster respectful relationships and invest in local development. In this context, we provide financial support to organizations such as the Red Cross and other NGOs.

DIVERSITY

The coming together of different generations, genders and cultures is important for the further development of the Company. Accordingly, when refilling positions, close attention is paid to diversity in addition to professional qualifications. Stronger broadening of diversity within the Group is also a component of Strategy 2030. A detailed description of the diversity concept can be found in the Corporate Governance Report.

DIVERSITY BY GENDER AND FUNCTION* 2021

	EMPLOYEES	MIDDLE MANAGEMENT	TOP MANAGEMENT	TOTAL
Total	1,116	126	25	1,267
Men	993	99	24	1,116
Women	123	27	1	151
Diverse	0	0	0	0

* Recorded for the first time in year 2021



GOVERNANCE: CONCEPT FOR THE RESPECT FOR HUMAN RIGHTS AND FOR COMBATING CORRUPTION AND BRIBERY

RESPECT FOR HUMAN RIGHTS

The SBO Group conducts its business operations with the highest respect for the catalog of internationally recognized human rights. We are committed to the principles of equal opportunity and equal treatment in working life, regardless of skin color, gender, origin, nationality, ethnic or political affiliation, religion, age, sexual orientation, language or physical or psychological impairments. We regard diversity as an important factor of success and promote diversity in our industry. A detailed description of the diversity concept of the SBO Group is available in the Corporate Governance Report.

Executives and employees are obliged to take appropriate action to detect, prevent and mitigate potential and actual violations of human rights. Our Code of Conduct confirms that we are committed to ethical conduct and integrity and that we consistently enforce such conduct worldwide, regardless of local conditions. No human rights violations were reported in the SBO Group during the period under review.

COMPLIANCE AND PREVENTION OF CORRUPTION

To ensure the trust of our stakeholders at all times, transparency, predictability and an open communication policy are integral parts of our corporate management. We regard legally compliant and ethical behavior as indispensable for our reputation and as an essential element for the successful business development of the SBO Group. The uniform implementation of correct corporate governance throughout the Group and the early identification and avoidance of risks and potential misconduct are ensured by our Compliance Management.

Consistent compliance and intensified training in this area prevented attempted fraud via e-mails. All such attacks on information security were averted in 2021. In addition, we had conducted an external audit on IT security.

We provide a whistleblowing service to actively encourage our employees to openly report misconduct and other incidents and situations that may not comply with the Code of Conduct. It is also available to our employees through anonymous communication channels such as our own online platform. The reports are processed centrally in the holding company. There were no reports placed on the whistleblowing platform in the 2021 financial year.

We pursue a zero-tolerance policy with regard to any form of bribery, fraud and corruption. Group Management is committed to actively combating corruption and bribery and to complying with relevant laws and regulations. Any behavior that is contrary to the principles of business ethics and prudent business conduct will be sanctioned harshly. These requirements are laid down in strict Group-wide guidelines and are subject to zero tolerance for both employees and business partners.

Compliance with these strict prohibitions is constantly monitored in day-to-day business. Training and professional contact persons ensure that our employees follow the Group-wide guidelines. In the period under review, no incidents relating to corruption or bribery were identified at SBO. Furthermore, no official measures were taken with regard to potential corruption offences nor were legal claims asserted for breach of regulations.

"Since 2005, we have been committed to the Austrian Corporate Governance Code and consistently implemented its rules. This is how we contribute to strengthening confidence in Austrian companies and the Austrian capital market."



CORPORATE GOVERNANCE REPORT

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO) has committed itself to comply with the Austrian Corporate Governance Code since 2005 and has consistently implemented its rules. The Austrian Corporate Governance Code is a set of rules meeting international standards for responsible management and governance of companies. By observing the Austrian Governance Code, SBO makes a contribution to strengthen trust in Austrian companies and the Austrian capital market.

The Austrian Corporate Governance Code, as amended in January 2021 and applicable to this report, is accessible on the website of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

SBO complies with the Austrian Corporate Governance Code. The rules of the Code are subdivided into three categories:

First: L-Rules (Legal Requirements):

They describe mandatory legal requirements that must be complied with by law.

Second: C-Rules (Comply or Explain):

This category contains customary international provisions; non-compliance must be explained.

Third: R-Rules (Recommendation):

These rules are recommendations only; non-compliance requires neither disclosure nor explanation.

SBO complies fully with the mandatory legal requirements (L-Rules). The disclosure requirement pursuant to L-Rules 29a and 50 with regard to the compensation of members of the Management Board and Supervisory Board is complied with in the compensation report.

Regarding the 2021 financial year, SBO had to prepare both a consolidated and a non-consolidated Corporate Governance Report. Pursuant to Art. 267b in conjunction with Art. 251 (3) UGB (Austrian Business Code), these reports may be merged into one report. Therefore, this report contains the data required pursuant to Art. 243c UGB as regards both the parent company (SBO) and the subsidiaries of SBO included in consolidation. The diversity concept according to Art. 243c (2)(3) UGB is described in the subchapter "Diversity concept".

EXPLAIN

SBO largely complies with the C-Rules. Deviations are explained as follows (according to the guidelines under Annex 2b to the Austrian Corporate Governance Code):

C-Rule 27

The remuneration policy provides for reclaiming variable remuneration components from management board members, if it becomes clear that they were paid out on the basis of obviously false data ("clawback"). This rule applies to new contracts or contract extensions, but not to existing contracts.

C-Rule 28

The remuneration of 6,000 SBO shares per year agreed with CEO Gerald Grohmann is subject to a two-year restriction on disposal and encumbrance (instead of at least three years). In the opinion of the Supervisory Board, the objectives of C-Rule 28 are also achieved with a two-year retention period.

C-Rule 39

The Rule provides, inter alia, that a committee of the Supervisory Board shall be authorized to take decisions in urgent cases. As the Supervisory Board of SBO has only a limited number of members and took decisions promptly in urgent cases in the past, SBO has not set up such a committee. As it is always the full Supervisory Board that deals with such matters, this ensures that the expertise of all members of the Supervisory Board is taken into account in its decisions in urgent cases as well.

C-Rule 41

In line with the Austrian Corporate Governance Code, the function of the Nomination Committee is exercised by the joint Nomination and Remuneration Committee, instead of a Nomination Committee established separately from the Remuneration Committee. As the Executive Board consists of only two members and the Nomination and Remuneration Committee is responsible for all other issues related to the Executive Board, this appears to be appropriate for efficiency purposes.

THE EXECUTIVE BOARD

The rules of procedure for the Executive Board govern the composition and working method of the Executive Board, cooperation between the Executive Board and the Supervisory Board, the procedure in the event of conflicts of interest, information and reporting duties of the Executive Board and the approval requirements of the Supervisory Board which also extend to the material business transactions of the major subsidiaries. The Executive Board consists of two members whose allocation of responsibilities is regulated as described below. Fundamental decisions are the responsibility of

the full Executive Board. These include, in particular, the specification of the company's objectives and definition of the corporate strategy. As a rule, the Executive Board holds meetings at least once a week to provide each other with information and adopt resolutions. The members of the Executive Board are obliged to keep each other informed of all important events and business transactions.

In the 2021 financial year the Executive Board was composed of the following members:

	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT	END OF CURRENT TERM OF OFFICE
Gerald Grohmann Chief Executive Officer	1953	3 October 2001	31 December 2023
Klaus Mader Chief Financial Officer	1970	1 October 2015	30 September 2023

Gerald Grohmann holds a Supervisory Board mandate each at Berndorf AG, Berndorf Immobilien AG and Berndorf Automotive AG.

Allocation of responsibilities

Allocation of responsibilities and cooperation of the members of the Executive Board are governed by the rules of procedure for the Executive Board.

The Executive Board has not set up any committees. The areas of responsibility allocated to the members of the Executive Board have been laid down by the Supervisory Board as follows, notwithstanding the collective responsibility of the Executive Board:

Gerald Grohmann	Strategy, marketing, technology, public relations, sustainability, compliance
Klaus Mader	Finance and accounting, human resources and legal matters, digitalization

As representatives of the SBO parent company, the members of the Executive Board perform a supervisory function at the subsidiaries included in consolidation

(see consolidated financial statements), similar to that of a supervisory board function in Austrian stock corporations, but no management or executive function.

THE SUPERVISORY BOARD

In the 2021 financial year, the Supervisory Board was composed of five members elected by the Annual General Meeting:

	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT	END OF CURRENT TERM
Norbert Zimmermann Chairman	1947	10 April 1995	2022
Brigitte Ederer Deputy Chairwoman	1956	23 April 2014	2024
Helmut Langanger	1950	29 April 2003	2024
Wolfram Littich	1959	27 April 2016	2026
Sonja Zimmermann	1972	24 April 2018	2023

According to the articles of association of SBO, each year one member of the Supervisory Board resigns from the Supervisory Board at the end of the Annual General Meeting, safeguarding effective control by the shareholders. The resigning member can be re-elected immediately.

Other seats in supervisory boards or comparable functions in Austrian or foreign listed companies are disclosed as follows:

	COMPANY	FUNCTION
Norbert Zimmermann	-	-
	Marinomed Biotech AG	Member of the Board of Directors as Non-Executive Director
Brigitte Ederer	ams-OSRAM AG	Member of the Board of Directors as Non-Executive Director
Helmut Langanger	-	-
Wolfram Littich	-	-
Sonja Zimmermann	Bank für Tirol und Vorarlberg Aktiengesellschaft	Member of the Board of Directors as Non-Executive Director

No member of the Supervisory Board holds a management or supervisory function in one of the subsidiaries of the SBO Group included in consolidation.

Working method of the Supervisory Board

In exercising its functions, in particular monitoring and strategic support of the Executive Board, the Supervisory Board discusses the situation and targets of the Company and adopts resolutions.

The rules of procedure for the Supervisory Board govern in detail the composition, working method and tasks of the Supervisory Board, the procedure in conflicts of interest, and all committees (Audit Committee, Nomination and Remuneration Committee) and their responsibilities.

The Supervisory Board held five meetings in the period under review. Moreover, the Executive Board submitted several oral and written reports to the Supervisory Board to inform about the development of business and the situation of the Company and the Group companies.

The main focus of discussions was on the strategic orientation and development of the Group and on major business transactions and measures taken. As part of the Group strategy, the long-term market environment changing toward net zero and the associated opportunities and risks for the existing business model and the future strategic realignment of the Group were also discussed. In addition, the Supervisory Board was informed on a semi-annual basis about the topics of information security, as well as other compliance-relevant topics.

The members of the Supervisory Board personally attended all meetings of the Supervisory Board in the period under review.

Committees

The Supervisory Board appoints the members of the Audit Committee and the Nomination and Remuneration Committee from among its members.

No separate Strategy Committee nor a committee to take decisions in urgent cases has been set up; pertinent matters are dealt with by the Supervisory Board collectively.

The committees are elected for the terms of office of their members. Each committee elects a chairman and deputy chairman from among its members.

Audit committee

The Audit Committee is responsible for reviewing and preparing the adoption of the annual financial statements, the proposal for the distribution of profits and the management report. The Audit Committee also reviews the consolidated financial statements. In particular, it is also responsible for monitoring the accounting process, the effectiveness of the internal control and risk management system, the independence and activities of the auditor (group auditor) and for approving non-audit services. It carries out the procedure for selecting the auditor (group auditor), taking into account the appropriateness of the fee, and makes a recommendation to the Supervisory Board for the auditor's appointment.

Members: **Norbert Zimmermann (Chairman)**
Wolfram Littich
Sonja Zimmermann

The Audit Committee held two meetings in the year under review, at which topics relating in particular to the annual financial statements and consolidated financial statements, the internal control system and risk management were discussed.

The effectiveness of the risk management system was assessed by an independent audit firm. The auditor's report on the assessment of the effectiveness of risk management was discussed by the Audit Committee.

Nomination and remuneration committee

The Nomination and Remuneration Committee deals with matters relating to the remuneration of the members of the Executive Board and of the Supervisory Board and the terms and conditions of the employment contracts concluded with members of the Executive Board. Furthermore, it submits to the Supervisory Board proposals to fill vacant positions in the Executive Board and deals with issues of succession planning. Unless allocated mandatorily to the responsibilities of the full Supervisory Board, the Nomination and Remuneration Committee is responsible for the following matters:

- a. negotiation, conclusion, amendment and termination of employment contracts with the members of the Executive Board, but not the appointment and dismissal of Executive Board members under company law
- b. establishment of the principles for the remuneration of members of the Executive Board (remuneration policy) as well as the determination of the specific remuneration components to be granted, including the underlying targets
- c. preparation of the remuneration report on the remuneration of the members of the Executive Board
- d. approval of the granting of a loan to a member of the Executive Board by the Company
- e. granting of an exemption from the non-competition clause

- f. establishment of the principles for the remuneration of the members of the Supervisory Board (remuneration policy)
- g. preparation of the remuneration report on the remuneration of the members of the Supervisory Board

Members: **Norbert Zimmermann (Chairman)**
Helmut Langanger
Sonja Zimmermann

In the year under review, the Nomination and Remuneration Committee held one meeting.

Independence

Regarding independence criteria in accordance with C-Rule 53, the Supervisory Board follows the guidelines contained in Annex 1 of the Austrian Corporate Governance Code. According to the criteria to be used for determining independence pursuant to C-Rule 53 under Annex 1 to the Austrian Code of Corporate Governance, the following members of the Supervisory Board are deemed to be independent of the Company and its Executive Board:

Norbert Zimmermann
Brigitte Ederer
Wolfram Littich
Sonja Zimmermann

Therefore, the Supervisory Board is an independent body.

Brigitte Ederer and Wolfram Littich represent the interests of small shareholders in the Supervisory Board within the meaning of C-Rule 54 in conjunction with the criteria of independence defined by the Supervisory Board.

In the past year, no agreements requiring approval were in effect with members of the Supervisory Board or companies in which a member of the Supervisory Board held a considerable economic interest.

MEASURES TO PROMOTE WOMEN

In the 2021 financial year, the share of men and women on the Executive Board and Supervisory Board was as follows:

EXECUTIVE BOARD AND SUPERVISORY BOARD*

	2021						2020			
	GENDER						GENDER			
	WOMEN		MEN		DIVERSE		WOMEN		MEN	
	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%
Supervisory Board	2	40 %	3	60 %	0	0 %	2	40 %	3	60 %
Executive Board	0	0 %	2	100 %	0	0 %	0	0 %	2	100 %

* Total number each as at December 31

Since 2018, the Act on the Equal Status of Women and Men in the Supervisory Board (GFMA-G) has stipulated a mandatory gender quota of at least 30 % for new Supervisory Board members, rounded to full numbers of persons, provided that the Supervisory Board consists of at least six members (shareholder representatives) and at least 20 % of the workforce are female or male employees. As Brigitte Ederer was re-appointed as member of the Supervisory Board of the Company in 2019, the quota was maintained, as two

of the overall five seats on the Supervisory Board are occupied by women. Hence, the objectives described in the chapter "Diversity Concept" were continued as well.

SBO has a very lean corporate structure with equally lean hierarchies. Accordingly, we do not use the term "senior executives" and refrain from reporting in this regard. It would be distorting to mention only the managing directors of the subsidiaries.

DIVERSITY CONCEPT

The cyclical industry environment of the oilfield service industry is a constant challenge to the management and supervisory bodies of SBO and of the subsidiaries included in consolidation. Massive periodic fluctuations of demand for the products of the Company require vast managerial expertise and understanding of the forces prevailing in this sector. Additionally, the international positioning of the Company calls for a cautious approach to the cultural situation in the various markets.

Regarding the composition of the Executive Board and the Supervisory Board of the Company, the Company does not apply a diversity concept within the meaning of Section 243c (2) (3) UGB (Austrian Commercial Code), as the sustained implementation of such a concept would lead to significant restrictions for a company operating in the oilfield service industry. Instead, the two qualitative criteria of "key competence" and "experience", their maintenance and expansion,

have been defined as material for filling positions in management and supervisory bodies. All individuals in the Supervisory Board are renowned experts in their respective fields, sharing their expertise in the meetings of the Supervisory Board. It spans from pertinent experience in the industry, cross-sectoral supervisory and / or managerial experience to qualifications in specific subject matters. Additionally, shareholders request a minimum of interpersonal homogeneity and loyalty ensuring a systematic pursuit of SBO's sustainable growth strategy. Concerning our workforce, we place emphasis both on their technical qualifications and diversity. The aim is to achieve a gender quota of 25 % among the company's executives.

In the 2021 financial year, the diversity concept was reflected across the entire SBO Group as follows: When hiring new employees, attention was paid to maintain a diversified and high-performing team. The share of newly hired staff above 50 years of age was 12 %.

NEW HIRES BY GENDER AND AGE***2021**

	AGE							
	< 30		30 - 50		> 50		TOTAL	
	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%
Men	168	36 %	246	52 %	57	12 %	471	90 %
Women	13	26 %	30	60 %	7	14 %	50	10 %
Diverse	0	0 %	0	0 %	0	0 %	0	0 %
Total	181	35 %	276	53 %	64	12 %	521	

* New hires including permanent hires and personnel taken on from other SBO companies

NEW HIRES BY GENDER AND AGE***2020**

	AGE							
	< 30		30 - 50		> 50		TOTAL	
	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%
Men	79	42 %	88	47 %	21	11 %	188	87 %
Women	12	43 %	12	43 %	4	14 %	28	13 %
Total	91	42 %	100	46 %	25	12 %	216	

* New hires including permanent hires and personnel taken on from other SBO companies

The Group-wide share of women in new hires in 2021 was 10 %, and the share of women in the overall workforce at the end of the year came to 12 %. The

share of women workers is traditionally rather low in technical professions. Moreover, it seems that the industry is less attractive to women in general.

TOTAL NUMBER OF EMPLOYEES BY GENDER AND AGE***2021**

	AGE							
	< 30		30 - 50		> 50		TOTAL	
	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%
Men	270	24 %	605	54 %	241	22 %	1,116	88 %
Women	28	19 %	92	61 %	31	21 %	151	12 %
Diverse	0	0 %	0	0 %	0	0 %	0	0 %
Total	298	24 %	697	55 %	272	21 %	1,267	

* Total number each as at December 31

TOTAL NUMBER OF EMPLOYEES BY GENDER AND AGE***2020**

	AGE							
	< 30		30 - 50		> 50		TOTAL	
	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%
Men	182	18 %	589	59 %	222	22 %	993	88 %
Women	18	13 %	89	64 %	31	22 %	138	12 %
Total	200	18 %	678	60 %	253	22 %	1,131	

* Total number each as at December 31

The low attractiveness of the industry to women is clearly reflected in terms of the respective activity. Women accounted for 24 % of white-collar workers and

only 6 % of blue-collar workers (including apprentices). In yearly comparison, the proportion of women was therefore almost unchanged.

TOTAL NUMBER OF EMPLOYEES BY GENDER AND TYPE OF EMPLOYMENT***2021**

	TYPE OF EMPLOYMENT							
	WHITE-COLLAR		BLUE-COLLAR		APPRENTICE		TOTAL	
	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%
Men	322	76 %	769	94 %	25	96 %	1,116	88 %
Women	102	24 %	48	6 %	1	4 %	151	12 %
Diverse	0	0 %	0	0 %	0	0 %	0	0 %
Total	424	33 %	817	65 %	26	2 %	1,267	

* Total number each as at December 31

TOTAL NUMBER OF EMPLOYEES BY GENDER AND TYPE OF EMPLOYMENT***2020**

	TYPE OF EMPLOYMENT							
	WHITE-COLLAR		BLUE-COLLAR		APPRENTICE		TOTAL	
	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%
Men	303	75 %	664	95 %	26	96 %	993	88 %
Women	99	25 %	38	5 %	1	4 %	138	12 %
Total	402	36 %	702	62 %	27	2 %	1,131	

* Total number each as at December 31

Regarding the international appointment of executives, professional and corporate culture aspects play a key role. All managing directors at SBO's subsidiaries look back on many years of experience in the industry. As far as possible, second-level management and controlling positions are held predominantly by nationals of the countries where the sites are located.

REPORT ABOUT THE EXTERNAL EVALUATION

C-Rule 62 Austrian Corporate Governance Code (ACGC) provides for a voluntary external evaluation of compliance with the C-Rules of the Code at least every three years. SBO commissioned DORDA Rechtsanwälte GmbH with the evaluation for the 2019 financial year, excluding evaluation of C-Rules 77 to 83 ACGC. The evaluation showed that SBO complied with the C-Rules of the ACGC in accordance with the declaration of compliance issued by SBO.w

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CONSOLIDATED PROFIT AND LOSS STATEMENT

IN TEUR	NOTE	2021	2020
Sales	24	292,811	291,159
Cost of goods sold	25	-216,847	-225,086
Gross profit		75,964	66,073
Selling expenses	25	-21,368	-21,112
General and administrative expenses	25	-31,306	-38,817
Other operating expenses	26	-10,284	-18,226
Other operating income	26	15,204	6,454
Profit / loss from operations before impairments and restructuring measures		28,210	-5,628
Restructuring losses	27	0	-2,146
Impairment of property, plant and equipment	27	0	-1,665
Impairment of goodwill and other intangible assets	9	0	-12,995
Impairment of current assets	9	0	-5,529
Profit / loss from operations after impairments and restructuring measures		28,210	-27,963
Interest income	28	441	1,574
Interest expenses	28	-5,374	-4,823
Other financial income		113	16
Financial result		-4,820	-3,233
Profit / loss before tax		23,390	-31,196
Income taxes	29	-2,412	9,496
Profit / loss after tax		20,978	-21,700
Average number of shares outstanding		15,728,035	15,775,631
Earnings per share in EUR (basic = diluted)		1.33	-1.38

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN TEUR	NOTE	2021	2020
Profit / loss after tax		20,978	-21,700
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Currency translation adjustment - subsidiaries		28,998	-31,291
Currency translation adjustment - other items ¹		4,419	-4,890
Income tax effect	29	-1,105	0
Total Other comprehensive income to be reclassified to profit or loss in subsequent periods		32,312	-36,181
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurement gains on defined benefit plans	18	270	64
Income tax effect	29	-67	-16
Total Other comprehensive income not to be reclassified to profit or loss in subsequent periods		203	48
Other comprehensive income, net of tax		32,515	-36,133
TOTAL COMPREHENSIVE INCOME, NET OF TAX		53,493	-57,833

¹ Mainly from net investments in foreign entities such as long-term receivables.

CONSOLIDATED BALANCE SHEET

ASSETS

in TEUR

	NOTE	31.12.2021	31.12.2020
Current assets			
Cash and cash equivalents		291,754	313,950
Trade receivables	5	86,300	54,252
Income tax receivables		4,615	3,227
Other receivables and other assets	6	6,350	4,862
Assets held for sale	12	0	2,215
Inventories	7	121,093	114,015
Total current assets		510,112	492,521
Non-current assets			
Property, plant and equipment	8	120,921	121,362
Goodwill	9	127,036	117,708
Other intangible assets	9	11,638	14,463
Long-term receivables and assets	10	3,655	3,930
Deferred tax assets	11	32,246	27,903
Total non-current assets		295,496	285,366
TOTAL ASSETS		805,608	777,887

CONSOLIDATED BALANCE SHEET

LIABILITIES AND EQUITY

in TEUR

	NOTE	31.12.2021	31.12.2020
Current liabilities			
Liabilities to banks	13	37,321	33,938
Current portion of long-term loans	17	21,987	25,236
Lease liabilities	21	2,047	2,222
Trade payables		18,009	17,072
Government grants	14	89	215
Income tax payable		5,198	1,191
Other liabilities	15, 20	131,290	138,415
Other provisions	16	7,757	6,562
Total current liabilities		223,698	224,851
Non-current liabilities			
Long-term loans	17	222,529	245,312
Lease liabilities	21	4,640	5,125
Government grants	14	0	89
Provisions for employee benefits	18	6,858	6,859
Other liabilities	19	7,004	8,484
Deferred tax liabilities	11	0	129
Total non-current liabilities		241,031	265,998
Equity			
Share capital	22	15,729	15,723
Capital reserve		63,122	62,780
Legal reserve	23	785	785
Other reserves		19	19
Currency translation reserve		28,566	-3,747
Retained earnings		232,658	211,478
Total equity		340,879	287,038
TOTAL LIABILITIES AND EQUITY		805,608	777,887

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2021

IN TEUR	SHARE CAPITAL	CAPITAL RESERVE	LEGAL RESERVE	OTHER RESERVES	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
NOTE	22		23				
1 January 2021	15,723	62,780	785	19	-3,747	211,478	287,038
Profit after tax						20,978	20,978
Other comprehensive income, net of tax					32,312	203	32,515
Total comprehensive income, net of tax	0	0	0	0	32,312	21,181	53,493
Share-based payment	6	342					348
31 December 2021	15,729	63,122	785	19	28,565	232,659	340,879

2020

IN TEUR	SHARE CAPITAL	CAPITAL RESERVE	LEGAL RESERVE	OTHER RESERVES	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
NOTE	22		23				
1 January 2020	15,955	68,902	785	19	32,434	251,991	370,086
Profit / loss after tax						-21,700	-21,700
Other comprehensive income, net of tax					-36,181	48	-36,133
Total comprehensive income, net of tax	0	0	0	0	-36,181	-21,652	-57,833
Dividend payment ¹						-18,861	-18,861
Acquisition of treasury shares	-238	-6,442					-6,680
Share-based payment	6	320					326
31 December 2020	15,723	62,780	785	19	-3,747	211,478	287,038

¹ The dividend per share amounted to EUR 1.20.

CONSOLIDATED CASHFLOW STATEMENT

IN TEUR	NOTE	2021	2020
Profit / loss after tax		20,978	-21,700
Depreciation, amortization and impairments		31,796	55,036
Change in provisions for employee benefits		-1	-3
Gain / loss from sale of property, plant and equipment		-228	-844
Income from release of government grants		-215	-319
Other non-cash expenses and revenues		-9,498	9,111
Change in deferred taxes		-2,441	-4,719
Cashflow from profit		40,391	36,562
Expenditures for the acquisition of non-controlling interests	20	0	-86
Change in trade receivables		-27,113	52,944
Change in other receivables and other assets		401	-976
Change in inventories		1,250	18,610
Change in trade payables		-285	-5,573
Change in other liabilities and provisions		8,269	-7,141
Cashflow from operating activities	38	22,913	94,340
Expenditures for property, plant and equipment		-19,225	-16,131
Expenditures for intangible assets		-208	-104
Change in payables for capital expenditure		-56	-618
Expenditures for the acquisition of non-controlling interests	20	-21,124	0
Proceeds from sale of property, plant and equipment		715	2,641
Cashflow from investing activities	38	-39,898	-14,212
FREE CASHFLOW		-16,985	80,128
Acquisition of treasury shares	22	0	-6,680
Dividend payment		0	-18,861
Repayment of lease liabilities		-2,103	-2,165
Change in liabilities to banks		2,530	3,509
Proceeds from long-term loans	17	1,215	82,468
Repayments of long-term loans	17	-24,667	-66,096
Repayments of other long-term liabilities		-1,382	-1,836
Cashflow from financing activities	38	-24,407	-9,661
Change in cash and cash equivalents		-41,392	70,467
Cash and cash equivalents at the beginning of the year		313,950	265,211
Effects of exchange rate changes on cash and cash equivalents		19,196	-21,728
Cash and cash equivalents at the end of the year	38	291,754	313,950
Supplementary information on operating cashflow			
Interest received		435	1,244
Interest paid		-5,109	-5,078
Income tax paid		-3,212	-4,545

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1

GENERAL INFORMATION ON THE COMPANY

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (the Company, SBO) with its registered office at Hauptstrasse 2, 2630 Ternitz, was founded on 26 May 1994 in Ternitz, Austria and is registered in the Commercial Register at the Wiener Neustadt Commercial Court under no. 102999w.

The purpose of the Company is the industrial production of components and parts for the oil and gas industry, primarily for drilling and completion applications and the provision of services in these areas.

The Company's shares have been listed on the Vienna Stock Exchange since 27 March 2003.

NOTE 2

ACCOUNTING PRINCIPLES

The consolidated financial statements as at 31 December 2021 were prepared in accordance with the principles of the International Financial Reporting Standards (IFRS) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. The additional requirements of Section 245a (1) of the Austrian Commercial Code (Unternehmensgesetzbuch, 'UGB') were also adhered to.

These consolidated financial statements of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft and its subsidiaries for the 2021 financial year (reporting date: 31 December 2021) were released for publication by the Executive Board on 28 February 2022.

The consolidated financial statements are prepared in euro. Unless otherwise indicated, all values are rounded to thousands of euros (TEUR). The use of automated calculation aids may result in rounding differences in the totals of rounded amounts and percentage figures.

NOTE 3

SCOPE OF CONSOLIDATION

In addition to SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft as the ultimate parent, 31 (previous year: 33) subsidiaries are included in the consolidated financial statements as at 31 December 2021:

COMPANY	LOCATION	INTEREST HELD DIRECTLY OR INDIRECTLY IN %	INTEREST HELD DIRECTLY OR INDIRECTLY IN %
		31.12.2021	31.12.2020
SCHOELLER-BLECKMANN Oilfield Technology GmbH	Ternitz, AT	100.00	100.00
Schoeller-Bleckmann Beteiligungs GmbH	Ternitz, AT	100.00	100.00
Schoeller-Bleckmann America Inc.	Wilmington, US	100.00	100.00
Knust-Godwin LLC	Houston, US	100.00	100.00
Schoeller-Bleckmann Energy Services L.L.C.*	Lafayette, US	98.00	97.00
Schoeller-Bleckmann Sales Co. LLC	Houston, US	100.00	100.00
The WellBoss Company, LLC**	Houston, US	100.00	100.00
BICO Drilling Tools Inc.*	Houston, US	100.00	98.45
BICO DRILLING TOOLS FZE*	Dubai, UAE	100.00	98.45
BICO Faster Drilling Tools Inc.*	Nisku, CA	92.00	90.57
The WellBoss Company, Inc.	Calgary, CA	100.00	100.00
Schoeller-Bleckmann Oilfield Equipment (UK) Limited	Chesterfield, UK	100.00	100.00
Darron Tool and Engineering Limited	Chesterfield, UK	100.00	100.00
Darron Oil Tools Limited	Chesterfield, UK	100.00	100.00
Schoeller-Bleckmann Darron Limited*	Aberdeen, UK	100.00	95.00
Schoeller-Bleckmann Darron (Aberdeen) Limited*	Aberdeen, UK	94.00	94.00
Techman Engineering Limited	Chesterfield, UK	100.00	100.00
Schoeller-Bleckmann (UK) Limited	Chesterfield, UK	100.00	100.00
OOO "Schoeller-Bleckmann"*	Noyabrsk, RU	99.00	99.00
DSI FZE	Dubai, UAE	100.00	100.00
Schoeller Bleckmann Saudi LLC	Al-Khobar, KSA	100.00	100.00
DSI PBL de Mexico S. A. de C. V.	Villahermosa, MX	100.00	100.00
ADRIANA HOLDING COMPANY LIMITED*	Dubai, UAE	99.00	99.00
Schoeller Bleckmann do Brasil, Ltda.	Macaé, BR	100.00	100.00
Knust-SBD Pte. Ltd.	Singapore, SG	100.00	100.00
Schoeller-Bleckmann Oilfield Equipment Middle East FZE	Dubai, UAE	100.00	100.00
Schoeller-Bleckmann Oilfield Equipment Vietnam Co., Ltd.	Binh Duong, VN	100.00	100.00

* Refer to Note 19 for details on shares held by the management of these companies.

** Refer to Note 20 for details on shares relating to prior year's option agreement.

The interest in each company corresponds to the voting rights. Therefore, control of the subsidiary is derived directly from the interest held.

No significant changes occurred in the scope of consolidation during 2021.

The Company has exercised the protective clause in accordance with Section 265 (3) UGB.

NOTE 4

SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting policies applied in the previous year generally remain unchanged, with the exception of the following.

1. Changes in accounting principles

The Group applied the following new or amended standards and interpretations for the first time in the 2021 financial year. However, these standards and interpretations impacted the consolidated financial statements as at 31 December 2021 only if indicated by the word 'yes' in the table below.

STANDARDS / INTERPRETATIONS		EFFECTIVE DATE ¹	MATERIAL IMPACT ON SBO GROUP'S FINANCIAL STATEMENTS
IFRS 4 Amendments	Insurance contracts - Extension of the temporary exemption from applying IFRS 9	1.1.2021 ¹	no
IFRS 9 IAS 39 IFRS 7 IFRS 4 IFRS 16 Amendments	Interest Rate Benchmark Reform - Phase 2	1.1.2021 ¹	no
IFRS 16 Amendments	COVID-19 Related Rent Concessions beyond 30 June 2021	1.4.2021 ^{1,2}	no

¹ To be applied in the EU in reporting periods starting on or after the indicated date.

² Retrospective application for transactions since 1 January 2021.

The analysis of possible effects of the current IBOR reform has not shown any significant effects for SBO, as only two short-term loans in foreign currencies are affected (see Note 13). Of these, one short-term revolving loan was already converted to a successor index in the 2021 financial year, resulting in only minor effects. Only insignificant effects are also expected from the future conversion for the other loan.

The following new or revised standards and interpretations which have been published but not adopted by the EU, or which are not yet mandatory, were not applied early in the 2021 financial year. They will be applied in the future reporting period for which application is mandatory:

STANDARDS / INTERPRETATIONS		EFFECTIVE DATE¹	MATERIAL IMPACT ON SBO GROUP'S FINANCIAL STATEMENTS
IAS 1 Amendments	Classification of Liabilities as Current or Non-current	1.1.2024 ²	no
IAS 1 Amendments	Disclosure of Accounting policies	1.1.2023 ²	no
IAS 8 Amendments	Accounting policies - Changes in Accounting Estimates and Errors	1.1.2023 ²	no
IAS 12 Amendments	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1.1.2023 ²	no
IAS 16 Amendments	Property, Plant and Equipment (Proceeds before intended use)	1.1.2022 ¹	no
IAS 37 Amendments	Onerous Contracts: Costs of fulfilling a contract	1.1.2022 ¹	no
Annual Improvements	Annual Improvements to IFRS Standards 2018-2020 Cycle	1.1.2022 ¹	no
IFRS 3 Amendments	Reference to the conceptual framework	1.1.2022 ¹	no
IFRS 17	Insurance Contracts	1.1.2023 ¹	no

¹ To be applied in the EU in financial years beginning on or after the indicated date.

² This standard is not yet mandatory in the EU and was not applied early.
The date indicated is the effective date as determined by the IASB.

2. Reporting date

The reporting date of all companies included in the consolidated financial statements is 31 December.

3. Accounting of non-controlling interests in the consolidated financial statements

Non-controlling interests in the Group are recognized at the proportionate share of the remeasured identifiable net assets at the acquisition date. Subsequently, an appropriate share of net **PROFIT / LOSS AFTER TAX** and **OTHER COMPREHENSIVE INCOME** is allocated to non-controlling interests. Thus, a loss at the respective subsidiary could lead to a negative balance. Changes in the equity interest in a subsidiary without loss of control are recognized as equity transactions.

For details on liabilities related to the option agreement already exercised before the 2021 financial year, refer to Note 20.

4. Foreign currency translation

The consolidated financial statements are prepared in euros, the functional and reporting currency of the parent company. Each company within the Group sets its own functional currency. The items included in the financial statements of each company are measured using this functional currency.

Foreign currency transactions are translated at the exchange rate in effect at the transaction date. Monetary items denominated in foreign currencies are translated at the exchange rate as at the reporting date. Currency differences are recognized in profit or loss in the period in which they occur.

When preparing the consolidated financial statements, the financial statements of foreign subsidiaries which are prepared using their functional currency are translated into euros using the modified closing rate method:

- Assets and liabilities, both monetary and non-monetary, are translated at the closing rate.
- All income and expense items of foreign subsidiaries are translated using an average annual rate.

Currencies developed as follows:

1 EUR =	RATE ON REPORTING DATE		AVERAGE ANNUAL RATE	
	31.12.2021	31.12.2020	2021	2020
USD	1.1326	1.2271	1.1835	1.1413
GBP	0.8403	0.8990	0.8600	0.8892
CAD	1.4393	1.5633	1.4835	1.5294
MXN	-	24.4160	-	24.5118
BRL	6.3101	6.3735	6.3814	5.8900
VND	25,968.8	28,499.3	27,155.0	26,765.2

Currency translation differences from the inclusion of financial statements of subsidiaries in the consolidated financial statements, as well as from long-term foreign currency intragroup receivables that qualify as part of a net investment in a foreign entity, are recorded in the consolidated financial statements within equity under the item **CURRENCY TRANSLATION RESERVE**; the change in the current year is presented under **OTHER COMPREHENSIVE INCOME** in the consolidated statement of comprehensive income.

5. Classification of current and non-current assets and liabilities

Assets and liabilities with a residual term of up to one year are classified as current, those with a residual term of more than one year as non-current. Residual terms are determined as at the reporting date.

Operating assets and liabilities, such as trade receivables and trade payables, are always classified as current even if their maturity is more than 12 months after the reporting date as this corresponds to the usual business cycle.

6. Financial instruments

Transactions of financial instruments are recognized at the settlement date.

The consolidated balance sheet includes the following financial instruments in accordance with IFRS 9:

AT AMORTIZED COST

Financial assets

All cash balances, demand deposits, and short-term highly-liquid financial investments that can be converted to known amounts of cash and cash equivalents on demand, and which are subject to only insignificant fluctuations in value included under the item **CASH AND CASH EQUIVALENTS**, are classified as cash funds. Current investments are non-derivative financial assets not held for trading that are available-for-sale assets with a term of less than three months or a longer terms with short-term termination options without significant termination disadvantages.

Non-derivative financial assets with fixed or determinable payments that are not listed on an active market mainly comprise of **TRADE RECEIVABLES** as well as other loans issued and receivables (these loans were granted to the managers of subsidiaries for shares or participation rights), and are reported within **LONG-TERM RECEIVABLES AND ASSETS**.

Receivables are recognized at cost at the settlement date and are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Gains and losses are recognized in consolidated profit or loss due to amortization under the effective interest method, upon impairment or when a loan or receivable is derecognized.

The Company grants payment terms to its customers at customary business terms, but generally does not require any additional collateral or payment guarantees to secure the amounts due. Occasional customers and customers located in high risk countries from whom the Company obtains confirmed letters of credit are excluded from this policy. Trade receivables that are granted beyond the normal payment terms bear interest at arm's length rates.

The Group uses a simplified method to calculate the expected credit loss for trade accounts receivable. Receivables are regularly evaluated and, if necessary, allowances for doubtful accounts are established. These allowances are sufficient to cover the expected default risk, actual defaults result in derecognition of the respective receivable. The decision of whether to account for the default risk by means of allowances or to derecognize the receivable depends on the reliability of the assessment of the risk situation.

Management evaluates the adequacy of the allowances for doubtful accounts based on experienced credit defaults. An impairment matrix is used that considers the maturity structure of receivables and experiences with regard to defaults during the past 5 years, whereby unsuccessful legal measures were also considered as default after 3 years, and customer creditworthiness as well as changes in payment behaviour. Due to the cyclicity in the oilfield service industry and recurring economic downturns and upswings in the industry, future expectations regarding potential bad debt patterns can also be derived from historical developments. Stringent receivables management, which includes close coordination with sales from the acceptance of the order to the receipt of payment, ongoing credit checks to reduce credit risk, as well as close monitoring of payment behaviour also provide a solid basis for assessing expected payment defaults.

Financial Liabilities

Financial liabilities comprise in particular trade payables, liabilities to banks as well as lease liabilities.

Liabilities are initially recognized at fair value less transaction costs associated with the borrowing and are subsequently measured at amortized cost using the effective interest method. Gains and losses resulting from the use of the effective interest method are recognized in consolidated profit or loss.

In addition, financial liabilities include purchase prices for shares in subsidiaries held by their management. The managers are contractually obligated to sell these shares back to the Company when specified events occur and the Company is obligated to repurchase the shares. The repurchase price is based on the amount of the pro-rata equity on the sale date. Pursuant to IAS 32.23, such contracts give rise to a financial liability for the present value of the redemption amount. As the value cannot be determined exactly in advance, the liability is measured using the pro-rata equity at the reporting date, which includes the portion of the income from the current financial year that in turn is recognized in the consolidated profit and loss statement within **INTEREST INCOME** or **EXPENSE**. This current income portion is considered representative of the effective interest result.

Additional financial liabilities result from participation rights in subsidiaries granted to management. These participation rights may only be transferred to third parties with the Company's approval, and the Company has a call option upon the occurrence of specified events, in which event the redemption amount is based on the subsidiary's net assets as at the exercise date. The current share of income is considered to be representative of the effective interest result which changes the liability accordingly.

AT FAIR VALUE THROUGH PROFIT OR LOSS

Derivative financial instruments and hedging relationships

The Group uses currency futures to hedge currency risks. These derivative financial instruments are recognized at fair value at the contract date and are subsequently measured at fair value. Derivative financial instruments are recognized as assets if their fair values are positive and as liabilities if their fair values are negative.

The Company uses hedging measures to hedge foreign currency risks from recognized monetary assets and liabilities. While these measures do not satisfy the requirements for hedge accounting, they effectively contribute to the hedging of financial risk in accordance with risk management principles.

Gains and losses from hedges which serve to hedge the exchange risks from intragroup sales transactions in foreign currencies and which do not satisfy the criteria for hedge accounting are not presented separately in profit or loss but rather together with currency gains and losses from these sales transactions in profit from operations. The Company reserves the right to opt also in future to apply the criteria of IAS 39 for hedge accounting.

For the existing financial instruments as of 31 December 2021 and 31 December 2020, see Note 34.

7. Inventories

Inventories consist of materials and purchased parts in various stages of completion and are recognized at cost or the lower net realizable value at the reporting date. Inventory usage is determined using the first-in, first-out, weighted average price or specific price method. Costs of finished goods include the costs for raw materials, other directly allocable expenses as well as pro-rata overheads. Borrowing costs are not capitalized unless they relate to qualifying assets. Inventory risks arising from slow moving goods or reduced marketability are accounted for through appropriate valuation allowances.

8. Property, plant and equipment and Other intangible assets

Property, plant and equipment and Other intangible assets are measured at cost less depreciation and amortization. Depreciation / amortization is generally recognized using the straight-line method over the expected useful life of the asset. The estimated useful lives are as follows:

	USEFUL LIFE IN YEARS
Other intangible assets:	
Software	4
Technology	5 - 10
Customer base	5 - 10
Non-compete agreements	5 - 10
Trademarks	10
Property, plant and equipment:	
Buildings and improvements	5 - 50
Technical plant and machinery	3 - 17
Other equipment, operating and office equipment	2 - 10
Right-of-use assets	3 - 10*

* in exceptional cases longer according to the underlying contract (17 and 22 years, respectively)

On each reporting date the Company assesses whether there are indications that property, plant and equipment or other intangible assets may be impaired. If such indications exist, the Company estimates the asset's recoverable amount. Impairment losses on continuing operations are recognized in profit or loss under **IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT** and **IMPAIRMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS**, respectively.

An assessment is made at each reporting date whether there are indications that previously recognized impairment losses no longer exist or may have decreased. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the extent that the asset's carrying amount may not exceed either its recoverable amount or the carrying amount that would have resulted, net of depreciation, had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized in profit or loss.

Borrowing costs are also expensed as incurred unless they are related to a qualifying asset.

Leased assets capitalized according to IFRS 16 are recorded within property, plant and equipment as right-of-use assets. The lease liabilities resulting from the future lease payments are presented in the balance sheet as lease liabilities. Interest rates for capitalized leased assets are based on the minimum interest rate for new loans at the inception of each lease or in correspondence with the lessor's implicit rate of return. SBO applies the practical expedient for lease agreements with a lease term equal or less than 12 months as well as for low value lease agreements (see Note 21).

9. Goodwill

Goodwill is recognized at cost and subsequently tested for impairment annually as at 31 December or additionally during the year if there is a triggering event. For this purpose, goodwill is assigned to cash generating units and compared to the business units' value in use based on the expected cashflows.

Once recognized, an impairment of goodwill is not reversed in subsequent periods.

10. Current and deferred income taxes

Current tax refund claims and tax liabilities for current and previous periods are measured in the amount to be recovered from or paid to the tax authorities. The amount is calculated based on the tax rates and tax laws applicable at the reporting date.

The Company uses the balance sheet liability method prescribed by IAS 12 to recognize deferred taxes. Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply to the period in which the asset will be realized or the liability settled. If there are losses in the current or previous periods, deferred tax assets are recognized for unused tax loss carryforwards only to the extent that there are substantial indications based on existing mid-term plans that sufficient taxable profits will be available against which the unused tax losses can be utilized. For tax loss carryforwards which do not expire, the basis is the ability to utilize them within the next five years.

Current and deferred taxes which relate to items recognized within **OTHER COMPREHENSIVE INCOME** or directly within equity are not recognized in profit or loss, but rather in **OTHER COMPREHENSIVE INCOME** or directly in equity.

11. Government grants

Government grants are recognized only when there is reasonable assurance that the entity will comply with any conditions attached to the grants and that the grants will be received. Grants relating to costs are recognized as income over the period in which the related expenses occurred.

Expense-related subsidies granted for specific individual types of expenses (e.g. subsidies for payroll expenses) are netted against the respective expenses in the consolidated income statement. Grants that are awarded for various types of expenses and therefore cannot be allocated individually are recognized in the item **OTHER OPERATING INCOME**.

Grants relating to assets are recognized as a deferred income item as soon as all conditions necessary for the receipt of the grant have been satisfied. The deferred income is reversed over the useful life of the respective assets and presented in **OTHER OPERATING INCOME** in the consolidated profit and loss statement.

12. Provisions

In accordance with IAS 37, provisions are recognized when the Company has current legal or constructive obligations as a result of past events and for which payment is probable. Provisions are recognized at the amount determined based on management's best estimate at the reporting date. Provisions are not recorded if they can not be reasonably estimated.

13. Provisions for employee benefits

DEFINED BENEFIT PLANS

Defined benefit plans concern solely obligations for severance benefits of Austrian companies. Upon termination of employment or normal retirement, employers must make a lump sum payment to the employee if they were employed for three years or more and employment commenced before 1 January 2003. Severance payments range from six to twelve months of salary at the time of separation depending on the length of service. Payments must be made upon normal retirement or termination by the employer, but not upon voluntary departure by the employee. The amount of the provision is calculated on each reporting date using actuarial measurements based on the projected unit credit method with a creditable service period from the beginning of the employment to the time of planned retirement for each employee, and corresponds to the present value of the employee's vested benefit claims at the end of the reporting period. The retirement age used refers to current legal provisions. Expected future salary increases and employee turnover discounts are considered based on medium-term historical experience.

All remeasurements relating to defined benefit plans (actuarial gains and losses) are recognized under **OTHER COMPREHENSIVE INCOME**, in accordance with IAS 19. Refer to Note 18 for further details on provisions for severance payments.

DEFINED CONTRIBUTION PLANS

Defined contribution pension schemes exist at several Group companies based either on specific legal obligations under national law or based on shop agreements or individual contractual pension agreements. The Group's obligation is limited at paying the contributions to each pension fund when due. There is no legal or constructive obligation to make future payments.

All contributions to defined contribution plans are recognized as an expense at the time when employees have provided the services that obligate the Company to make the contribution.

OTHER LONG-TERM PERSONNEL OBLIGATIONS

In accordance with Austrian collective work agreements, employees are entitled to jubilee payments depending on their length of service (defined benefit plan). The amounts to be accrued for these provisions are also calculated using the projected unit credit method. The parameters used for the provision for severance pay are also applied when calculating the provision for jubilee payments. Remeasurements (actuarial gains or losses) are recognized in profit or loss.

14. Revenue recognition

Performance obligations arising from the sale of manufactured products and goods are recognized as control is transferred, generally upon delivery to the customer, and are consequently recognized at a point of time. Performance obligations from service and repair work are recognized when the service has been rendered, which is the delivery of the goods to the customer. Performance obligations resulting from providing on site customer support for the usage of SBO tools are satisfied during the time of staff being on site. As a consequence, revenue is recognized over time.

Individual entities within the SBO Group operate as lessors. Rental revenues are recognized based on actual usage by the customer (performance obligations which are satisfied over time). In general, SBO does not hold finance lease agreements.

For contracts with payment terms of a maximum of one year, the company waives to adjust the amount of the promised consideration by any financing component for practical reasons and considerations of materiality.

Interest income is recognized on a pro-rata basis, using the effective interest method.

15. Research and development

Pursuant to IAS 38, research costs are recognized in profit or loss when incurred. Development costs are expensed when incurred, if the requirements for capitalization of development costs in accordance with IAS 38 are not fully met. Development costs are recognized in profit or loss in SBO's consolidated financial statements in the period in which they are incurred, because the corresponding recognition criteria were not satisfied.

16. Share-based payment

In 2014 an agreement on share-based payments was entered into with the Chief Executive Officer. The annual granting requires valid employment. An agreement on the granting of a voluntary severance benefit in the form of SBO shares at the end of employment was also concluded. In the course of extending the Management Board mandate in the years 2018 and 2021 this agreement was also extended. As the compensation is and will be settled using SBO shares, the current expense from these agreements is recognized in personnel expense and within equity (see Note 32).

17. Estimates, judgments, and assumptions

When preparing the consolidated annual financial statements under International Financial Reporting Standards, estimates, assumptions, and judgments must be made to a certain extent which impact the amounts presented in the balance sheet, the Notes to the financial statements and the profit and loss statement. The amounts actually arising in the future may deviate from the estimates; however, from its current perspective management believes that there will not be any material negative impacts on the consolidated financial statements in the near future. The significant estimates and judgments underlying the consolidated annual financial statements are explained below.

Assumptions and discretionary decisions must be made when recognizing and measuring **INTANGIBLE ASSETS** recognized in the course of business combinations (see Note 9).

Estimates are necessary about the period over which **PROPERTY, PLANT AND EQUIPMENT** and **INTANGIBLE ASSETS** can be expected to be used (see Notes 8 and 9). In addition, if indications of impairment of **PROPERTY, PLANT AND EQUIPMENT** or **INTANGIBLE ASSETS** are identified, estimates are required when determining the recoverable amount. When evaluating right-of-use assets and lease liabilities estimates are required for determining the term of a lease, and extension options, respectively.

An estimate of the value in use is made for the annual impairment test of **GOODWILL** in which management must estimate the expected future cashflows of the cash generating units and choose an appropriate discount rate (see Note 9).

Deferred tax assets are recognized for unused tax losses to the extent it is probable that taxable income will be available, so that the loss carryforwards can actually be used. When accounting for **DEFERRED TAX ASSETS**, a significant exercise of judgment by management is required regarding the timing and extent to which future taxable income will be available in order to actually use the temporary differences or loss carryforwards (see Note 11).

Management estimates of pricing and market development are necessary in order to determine carrying amounts when measuring **INVENTORIES** (see Note 7). As based on the underlying customer contracts no revenue recognition over time according to the percentage-of-completion method is applied, estimates regarding services already rendered as well as future costs to be expected for short-term orders are only required to determine potential provisions for onerous contracts.

In addition to evaluations based on historic cash receipts **RECEIVABLES** require assumptions regarding the probability of default (see Note 5). Besides overdue balances and market risks, also past customer experiences are taken into account. Regarding **SALES REVENUES** estimations are required for expected returns relating to sales with a right of return (see Note 15) as well as for volume discounts to be granted.

For the recognition of **PROVISIONS**, management must evaluate the probability of occurrence at the reporting date. Provisions are recognized at the value that corresponds to management's best estimate at the reporting date (see Note 16).

Expenses for defined benefit plans are determined based on actuarial calculations. The actuarial measurement is based on assumptions regarding the discount rates, future wage and salary increases, mortality rates, and employee turnover rates (see Note 18).

The option liability relating to cancellable non-controlling interests was measured at fair value at the acquisition date and was subsequently remeasured at fair value on each reporting date. The fair value was determined based on the discounted cashflows, which were derived from the most recent earnings forecast of the company involved. Until the first possible date of exercising the option, judgments were necessary when determining future cashflows, the timing of exercising the option, and the choice of an appropriate discount rate. While payments for the option exercised before the financial year 2021 were already made in previous years for the other minority shareholders, part of the option liability was not paid out due to an existing legal dispute with one minority shareholder. Until the legal dispute is fully and finally resolved or a settlement is reached, the remaining option liability will be carried forward at an amount based on the contractually agreed mechanism to be applied under normal circumstances and on actual results of the period concerned deducting payments already made (see Note 20).

Liabilities for management's interest in subsidiaries and participation rights are measured using estimates of the service period of the respective individuals in the company and future profitability of the subsidiaries. The Company assumes that the respective share of the subsidiary's annual income essentially corresponds to the effective interest expense (see Note 19).

18. Climate related risks – Estimates, judgments, and assumptions

Climate change itself and its possible consequences have been monitored by the SBO Group for years with regard to possible consequences on the Group's business activities. Due to the latest regulations of the European Union, aspects of climate change on companies and economic activities within the EU have gained significant weight. The European climate policy requires the long-term transformation of the energy sector with the aim of gradually replacing fossil fuels with renewable energies, and neutralizing their emissions so that the net zero target for 2050 can be achieved respectively. Tighter climate regulations could trigger a decline in oil demand within the EU and affect SBO Group's core business due to lower demand for tools for drilling for oil. However, according to long-term market expectations, global demand for this resource is expected to continue to grow for a long time. Moreover, recently the European Union has also recognized Natural gas as an essential transitional resource for achieving climate goals within the framework of the extension of the classification criteria according to the EU Taxonomy Regulation; moreover, the tools of the SBO Group are equally used in drilling for crude oil and Natural gas. In addition, the produced goods and services of the SBO Group are mainly demanded outside the European Union, so that the European climate policy has only a partial impact on the economic activities and (production)sites of the SBO Group.

Nevertheless, assumptions regarding individual non-current assets recognized in the consolidated financial statements (mainly goodwill) involve estimates and judgments about future developments with regard to climate change and the related climate policy framework. SBO Group's (production)sites have a relatively low energy consumption, which will be further reduced by appropriate measures in the coming years. Therefore production sites are only partially affected by rising energy prices and also any surcharges for CO₂ taxes. Currently, in view of the existing data situation, it would be disproportionate to determine climate scenarios and their impact on the SBO Group, especially since the economic activities of the SBO Group are only a small extent subject to physical climate risks in terms of temperature changes, wind, precipitation or erosion. Overall climate-related risks are currently classified as low.

NOTE 5

TRADE RECEIVABLES

An analysis of trade receivables is presented below:

31.12.2021				IN TEUR
MATURITY	GROSS VALUE	LUMPSUM ALLOWANCE (ECL)	INDIVIDUAL ALLOWANCE	NET VALUE
Not or < 30 days past due	69,833	-372	-17	69,444
30 - 90 days past due	12,012	-296	-47	11,669
90 - 180 days past due	3,552	-151	-282	3,119
> 180 days past due	4,606	-132	-2,406	2,068
Total	90,003	-951	-2,752	86,300

31.12.2020				IN TEUR
MATURITY	GROSS VALUE	LUMPSUM ALLOWANCE (ECL)	INDIVIDUAL ALLOWANCE	NET VALUE
Not or < 30 days past due	47,049	-284	0	46,765
30 - 90 days past due	3,942	-83	-65	3,794
90 - 180 days past due	2,136	-55	-304	1,777
> 180 days past due	6,691	-64	-4,711	1,916
Total	59,818	-486	-5,080	54,252

Trade receivables typically have payment terms of up to 90 days. As of 31 December 2021 and as of 31 December 2020 no trade receivables had a term of more than 12 months.

The carrying amount of impaired receivables amounted to TEUR 252 (previous year: TEUR 66). Allowances for doubtful accounts are recognized in line with IFRS 9 based on historical experience and in consideration of days sales outstanding (see Note 4). As of 31 December 2021 allowances measured for lifetime expected credit losses according to the simplified approach amounted to TEUR 951 (previous year: TEUR 486).

Allowances developed as follows:

IN TEUR	2021	2020
As at 1 January	5,566	7,045
Currency translation adjustments	367	-559
Utilization	-3,172	-2,224
Reversal	-427	-513
Additions	1,369	1,817
As at 31 December	3,703	5,566

No collateral was received for the receivables listed.

NOTE 6

OTHER RECEIVABLES AND OTHER ASSETS

This line item mainly consists of receivables from tax authorities and prepaid expenses. In addition, this line item includes assets from sales with a right of return according to IFRS 15 amounting to TEUR 476 (previous year: TEUR 210).

No collateral was received for the receivables and no valuation allowances have been recognized.

NOTE 7

INVENTORIES

The classification of inventories is shown in detail below:

IN TEUR	31.12.2021	31.12.2020
Raw materials and supplies	18,397	10,049
Work in progress	54,866	51,820
Finished goods	47,830	52,146
Total	121,093	114,015

Valuation allowances expensed in 2021 were TEUR 2,761 and are included within **COST OF GOODS SOLD**. In the previous year, a total amount of TEUR 8,184 was recognized, of which TEUR 2,655 were included in **COST OF GOODS SOLD**. Further impairments on inventories in the amount of TEUR 5,529 were recorded in the previous year in the "Oilfield Equipment" (OE) segment, due to low utilization of individual product lines of the motor fleet in North America beginning with the second quarter of 2020. These were reported within **IMPAIRMENT OF CURRENT ASSETS**.

NOTE 8

PROPERTY, PLANT AND EQUIPMENT

A summary of the gross carrying amounts and the accumulated depreciation and impairments of property, plant and equipment is presented below:

2021

IN TEUR	LAND AND BUILDINGS	TECHNICAL PLANT AND MACHINERY	OTHER EQUIPMENT, OPERATING AND OFFICE EQUIPMENT	PREPAYMENTS AND ASSETS UNDER CONSTRUCTION	RIGHT OF USE ASSETS	TOTAL
Cost						
1 January 2021	94,660	318,341	13,195	10,141	11,733	448,070
Currency translation adjustments	5,053	17,762	616	689	990	25,110
Additions	659	14,892	547	3,127	1,080	20,305
Reclassifications	2,322	2,707	27	-5,056	0	0
Disposals	-237	-12,234	-789	0	-255	-13,515
31 December 2021	102,457	341,468	13,596	8,901	13,548	479,970
Accumulated depreciation and impairment						
1 January 2021	34,214	273,462	10,765	4,478	3,789	326,708
Currency translation adjustments	1,747	14,560	498	436	392	17,633
Additions from depreciation	3,130	21,361	992	0	2,253	27,736
Disposals	-237	-11,817	-719	0	-255	-13,028
31 December 2021	38,854	297,566	11,536	4,914	6,179	359,049
Carrying amount						
31 December 2021	63,603	43,902	2,060	3,987	7,369	120,921
31 December 2020	60,446	44,879	2,430	5,663	7,944	121,362

2020

IN TEUR	LAND AND BUILDINGS	TECHNICAL PLANT AND MACHINERY	OTHER EQUIPMENT, OPERATING AND OFFICE EQUIPMENT	PREPAYMENTS AND ASSETS UNDER CONSTRUCTION	RIGHT OF USE ASSETS	TOTAL
Cost						
1 January 2020	98,004	346,099	13,625	12,748	12,809	483,285
Currency translation adjustments	-5,329	-19,191	-662	-733	-918	-26,833
Additions	791	12,355	1,165	1,820	1,897	18,028
Reclassifications	1,579	1,971	60	-3,610	0	0
Disposals	-385	-22,893	-993	-84	-2,055	-26,410
31 December 2020	94,660	318,341	13,195	10,141	11,733	448,070
Accumulated depreciation and impairment						
1 January 2020	33,208	283,567	11,130	5,590	3,143	336,638
Currency translation adjustments	-1,745	-15,211	-530	-392	-289	-18,167
Additions from depreciation	3,131	23,973	1,107	0	2,650	30,861
Additions from impairment	0	1,665	0	0	0	1,665
Reclassifications	0	637	0	-637	0	0
Disposals	-380	-21,169	-942	-83	-1,715	-24,289
31 December 2020	34,214	273,462	10,765	4,478	3,789	326,708
Carrying amount						
31 December 2020	60,446	44,879	2,430	5,663	7,944	121,362
31 December 2019	64,796	62,532	2,495	7,158	9,666	146,647

Previous year's impairments amounting to TEUR 1,665 were recognized based on the impairment tests carried out as of 30 June 2020 and related to parts of the motor fleet in North America in the "Oilfield Equipment" segment (see Note 9).

The Company has production facilities in the following countries: Austria, the USA, Vietnam, and Singapore. Service and maintenance support sites as well as sales outlets are maintained in the USA, Canada, the UK, Singapore, the United Arab Emirates, Saudi Arabia, Russia, Mexico, and Brazil.

As at 31 December 2021, purchase commitments for investments in property, plant and equipment amounted to TEUR 3,228 (previous year: TEUR 3,675).

For details on capitalized right-of-use assets see Note 21.

NOTE 9

INTANGIBLE ASSETS

The gross carrying amounts and the accumulated amortization of intangible assets are summarized below:

2021

IN TEUR	GOODWILL	TECHNOLOGY	NON-COMPETE AGREEMENTS	CUSTOMER BASE	OTHER INTANGIBLE ASSETS	TOTAL
<i>Cost</i>						
1 January 2021	217,821	65,573	8,577	33,923	13,235	339,129
Currency translation adjustments	17,305	5,121	724	2,733	746	26,629
Additions	0	0	0	0	208	208
Disposals	-1,064	-2,180	0	-380	-1,389	-5,013
31 December 2021	234,062	68,514	9,301	36,276	12,800	360,953
<i>Accumulated amortization and impairments</i>						
1 January 2021	100,113	53,889	7,463	33,923	11,570	206,958
Currency translation adjustments	7,977	4,260	673	2,733	631	16,274
Additions from amortization	0	2,735	924	0	401	4,060
Disposals	-1,064	-2,180	0	-380	-1,389	-5,013
31 December 2021	107,026	58,704	9,060	36,276	11,213	222,279
<i>Carrying amount</i>						
31 December 2021	127,036	9,810	241	0	1,587	138,674
31 December 2020	117,708	11,684	1,114	0	1,665	132,171

2020

IN TEUR	GOODWILL	TECHNOLOGY	NON-COMPETE AGREEMENTS	CUSTOMER BASE	OTHER INTANGIBLE ASSETS	TOTAL
Cost						
1 January 2020	243,107	70,839	12,269	36,666	13,989	376,870
Currency translation adjustments	-18,048	-5,266	-723	-2,743	-841	-27,621
Additions	0	0	0	0	104	104
Disposals	-7,238	0	-2,969	0	-17	-10,224
31 December 2020	217,821	65,573	8,577	33,923	13,235	339,129
Accumulated amortization and impairments						
1 January 2020	102,672	51,783	9,855	35,017	10,837	210,164
Currency translation adjustments	-7,433	-4,045	-604	-2,716	-694	-15,492
Additions from amortization	0	5,774	1,181	1,622	938	9,515
Additions from impairment	12,112	377	0	0	506	12,995
Disposals	-7,238	0	-2,969	0	-17	-10,224
31 December 2020	100,113	53,889	7,463	33,923	11,570	206,958
Carrying amount						
31 December 2020	117,708	11,684	1,114	0	1,665	132,171
31 December 2019	140,435	19,056	2,414	1,649	3,152	166,706

As at 31 December 2021, purchase commitments for acquisitions of intangible assets amounted to TEUR 0 (previous year: TEUR 0).

1. GOODWILL

Goodwill is attributable to the following cash generating units and segments:

IN TEUR	31.12.2021	31.12.2020
<i>Segment "Advanced Manufacturing & Services" (AMS)</i>		
Knust-Godwin LLC	11,874	10,960
SCHOELLER-BLECKMANN Oilfield Technology GmbH	4,655	4,655
Schoeller-Bleckmann Darron (Aberdeen) Limited	798	798
<i>Segment "Oilfield Equipment" (OE)</i>		
The WellBoss Company, LLC	87,642	80,892
DSI FZE	22,067	20,403
Total	127,036	117,708

All cash generating units are measured based on the value in use by discounting expected future cashflows using the weighted average cost of capital (WACC). The WACC was determined based on the current market data for comparable companies in the same industry segment and adjusted for expected specific inflation rates for each country. The detailed planning period covers five years (previous year: five years), and the cashflows are based on budgeting by management. For deriving cashflows in the terminal value, a fixed growth rate of 1 % (previous year: 1 %) was assumed for all cash generating units. The long-term growth expectations were derived by taking into account external studies relating to global energy demand and are appropriate from SBO's point of view, even considering increased climate policy risks.

The following discount rates were applied as at 31 December 2021 and 31 December 2020:

WACC (BEFORE TAX)

IN %	31.12.2021	31.12.2020
Segment "Advanced Manufacturing & Services" (AMS)		
Knust-Godwin LLC	12.1 %	11.8 %
SCHOELLER-BLECKMANN Oilfield Technology GmbH	16.6 %	17.4 %
Schoeller-Bleckmann Darron (Aberdeen) Limited	16.9 %	17.4 %
Segment "Oilfield Equipment" (OE)		
The WellBoss Company, LLC	12.4 %	12.3 %
DSI FZE	11.6 %	11.3 %

Cashflows were determined based on revenue forecasts and planned capital expenditures. The value in use of a cash generating unit is impacted the most by sales revenues. Forecasts of sales and cashflows take into account the cyclicity of the industry derived from historical experience on the one hand, and long-term developments of the sales market on the other hand. Sales forecasts for all cash generating units are based on the expected business development in the oilfield service industry. This is derived from expected drilling activities, the geographic sales markets, and company-specific developments considering still increased planning risks due to the current COVID-19 pandemic. Current risks and risks relating to the medium-term planning period in connection with physical climate risks and climate policy risks are classified as low (see also Note 4.18). In addition, margin forecasts are derived from the expected product mix and cost developments based on expected developments of material prices and planned capital expenditures. The estimated personnel development (based on planned headcount, required qualifications of employees needed and expected personnel cost based on the current economic situation) are also taken into account.

Drilling and completion activities gained significant momentum in 2021, in line with SBO's expectations. Although the COVID-19 pandemic has not yet been contained despite the global roll-out of vaccines, significant global economic growth was already evident in 2021. The annual impairment tests carried out as at December 31 2021 did not result in any impairment needs. These annual impairment tests are based on the updated medium-term plans prepared as part of the annual budgeting process, which take into account the continuing impact of the COVID-19 pandemic. The updated medium-term plans assume that the oilfield service industry is at the beginning of a multi-year growth cycle, but also take into account any supply chain bottlenecks and increased energy prices. In 2022 and beyond, SBO expects the overall global economic performance to continue to recover and, as a result, demand for oil and gas to continue to grow in the coming years. Demand levels as before the pandemic shall be reached within the 5-year planning period. The significant increase in oil prices in 2021 will favour a further increase in drilling activity and thus in exploration and production spending, which will be trend-setting for medium-term planning. Within the 5-year planning period, risks related to climate change or the European Climate Policies and their possible consequences on the economic activities of the SBO Group and consequently the values in use determined as of 31 December 2021 are considered to be low as stated in Note 4.18. Likewise, possible effects of climate change do not require any significant adjustment of the valuation of property, plant and equipment (e.g. shortening of the useful life of property, plant and equipment). SBO therefore considers the assumed medium- and long-term growth expectations to be appropriate, also taking into account climate change.

A sensitivity analysis was carried out for all cash generating units as at 31 December 2021. As the value in use reacts to changes in the assumptions regarding cashflows and the discount factors in particular, the analysis on key assumptions took into account an isolated increase in the discount factor by one percentage point as well as a reduction of cashflows by 20 % (31 December 2020: 20 %), as deemed possible by management. To account for any climate policy risks that could have adverse consequences for SBO's economic activities, the sensitivity analyses also included a negative growth rate of minus 1 percentage point in perpetuity. This analysis resulted in no impairment loss on any cash generating unit.

2. OTHER INTANGIBLE ASSETS

The book value of **OTHER INTANGIBLE ASSETS** as at 31 December 2021 mainly comprises technology as well as trademarks with a useful life of 10 years, as part of the initial recognition of Downhole Technology, LLC (now The WellBoss Company, LLC) in 2016. Furthermore, rights from non-compete agreements were recognized, which will be amortized over a period of 6 years.

In addition, technologies, customer relationships, trademark rights and rights from non-compete agreements relating to special tools for downhole circulation technology (circulation tools) from a business combination in 2010 are included, which were already fully amortized in previous years.

In addition, as part of the initial recognition of Resource Well Completion Technologies Inc. (now The WellBoss Company, Inc.) in 2014, acquired technologies, customer base as well as non-compete agreements were capitalized. The acquired technology was fully amortized as of 31 December 2021 (book value previous year: TEUR 518). The acquired customer base as well as non-compete agreements were already fully amortized in the previous year as planned.

Additional **OTHER INTANGIBLE ASSETS** relate to technologies acquired in the course of a business combination in 2012.

OTHER INTANGIBLE ASSETS also include usage rights for IT software.

NOTE 10

LONG-TERM RECEIVABLES AND ASSETS

This item consists primarily of interest-bearing loans, which have been granted to the management of companies included in the scope of consolidation for the acquisition of shares or profit participation rights in these companies (see also Note 19). The Company has only a limited credit risk as the shares must be returned to the Company if the loan conditions are not satisfied. In general, partial repayments are scheduled, but the full settlement of the loan has to be made when returning the shares and participation rights, and therefore at the end of the employment at the latest.

IN TEUR	31.12.2021	31.12.2020
Loans	2,855	3,065
Other receivables and assets	800	865
Total	3,655	3,930

As of 31 December 2021 and 2020 no impairments were required. There were no past due receivables.

No collateral was received for the other receivables and assets listed.

NOTE 11

DEFERRED TAXES

The deferred tax assets and liabilities result from the following items:

IN TEUR	31.12.2021		31.12.2020	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Property, plant and equipment	1,715	-2,499	1,616	-3,524
Other intangible assets (differences in useful lives)	3,336	-258	2,615	-155
Goodwill and other intangible assets (measurement differences)	11,175	-7,447	5,835	-6,053
Inventories (measurement differences)	4,515	0	4,696	0
Valuation of shares in subsidiaries	1,918	0	163	0
Option liability from cancellable non-controlling interests	12,315	0	15,602	0
Other items (measurement differences)	2,984	-315	2,921	-226
Provisions	2,607	0	2,407	0
Foreign currency effects from elimination of intercompany balances	-115	0	-248	0
Tax loss carryforwards	2,315	0	2,125	0
Subtotal	42,765	-10,519	37,732	-9,958
Offset within legal tax units and jurisdictions	-10,519	10,519	-9,829	9,829
Total	32,246	0	27,903	-129

Deferred taxes amounting to TEUR 8,061 (previous year: TEUR 6,419) relating to tax loss carryforwards for which their future use is uncertain based on the current mid-term planning were not recognized or adjusted. These will expire as follows:

IN TEUR	2022	2023	2024	2025	2026	AFTER 2026	NEVER	TOTAL
	0	0	0	0	0	1,749	6,312	8,061

The gross deferred tax assets include tax claims of two companies in North America and Great Britain, respectively, that generated a loss in the current financial year and whose deferred tax assets exceed the deferred tax liabilities by TEUR 3,198 and TEUR 304, respectively. The recognition of these deferred tax assets as of 31 December 2021 is based on the company's enlarged product range, increasing drilling activities in North America and the significant increase in investments in the oilfield service industry expected in the medium term and purchase orders already received by customers, respectively.

Deferred tax assets in the amount of TEUR 1,918 (previous year: TEUR 163) include tax claims from impairments of financial investments in the amount of TEUR 7,671 (previous year: TEUR 650) to be distributed over seven years according to the Austrian tax law.

Concerning the option liability from cancellable non-controlling interests see Note 20.

There are outside basis differences (i.e. between the tax base of equity interests and the pro-rata equity) at subsidiaries included in the consolidated financial statements, in particular from retained earnings and losses not covered by equity. As at 31 December 2021, timing differences amounted to TEUR 100,257 (previous year: TEUR 90,862), because distributions or disposals of equity investments of individual companies would generally be taxable. However, as the Group does not plan on dividends from or disposals of these companies in the foreseeable future, in accordance with IAS 12.39, no deferred taxes were recognized. Likewise, no withholding taxes were recognized as at 31 December 2021 due to the lack of planned distributions (previous year: TEUR 0).

NOTE 12

ASSETS HELD FOR SALE

The property related to a closed production facility in the United Kingdom included in assets held for sale in the previous year in the “Advanced Manufacturing & Services” (AMS) segment was sold in January 2021. As the property was measured as of 31 December 2020 based on the sales proceeds less costs to sell achieved in January 2021 there was no effect on earnings in 2021. In connection with the sale of property in the USA allocated to the segment “Advanced Manufacturing & Services” in 2021, an amount of TEUR 915 was recognized in other operating income.

NOTE 13

LIABILITIES TO BANKS

As at 31 December 2021, the current liabilities to banks were as follows:

CURRENCY	AMOUNT IN TEUR	INTEREST RATE IN %
GBP loans	7,140	1.23 % variable
USD loans	6,181	1.78 % variable
Subtotal	13,321	
Export promotion loans (EUR)	24,000	0.18 % - 0.45 % variable
Total	37,321	

As at 31 December 2020, the current liabilities to banks were as follows:

CURRENCY	AMOUNT IN TEUR	INTEREST RATE IN %
GBP loans	6,674	1.15 % variable
USD loans	3,264	2.05 % variable
Subtotal	9,938	
Export promotion loans (EUR)	24,000	0.18 % - 0.45 % variable
Total	33,938	

The export promotion loans represent revolving credit facilities that can be used by the Company permanently as long as it complies with certain lending agreements. In accordance with export promotion guidelines, receivables in the amount of TEUR 28,800 (previous year: TEUR 28,800) have been stipulated as security for these loans.

NOTE 14

GOVERNMENT GRANTS

As at 31 December 2021, government grants amounted to TEUR 89 (previous year: TEUR 304). The grants include a subsidy by a government investment and technology fund, as well as other investment subsidies received for the acquisition of property, plant and equipment and research and development expenses. Individual investment subsidies are tied to the adherence of investments in promoted areas (e.g. number of employees). As of 31 December 2021 and also in the previous year the Company complied with all requirements for the government grants recorded in this line item.

NOTE 15

OTHER LIABILITIES (CURRENT)

Other current liabilities break down as follows:

IN TEUR	31.12.2021	31.12.2020
Unused vacation	1,924	1,361
Other personnel expenses	8,153	6,423
Legal and professional fees	945	1,364
Tax liabilities	1,971	2,948
Social security and other employee benefits	2,518	1,907
Refund liabilities according to IFRS 15	915	403
Contract liabilities according to IFRS 15	1,575	1,878
Option liability from cancellable non-controlling interests	93,796	106,946
Miscellaneous other liabilities	19,493	15,185
Total	131,290	138,415

Refer to Note 20 for details on the option liability from cancellable non-controlling interests.

Miscellaneous other liabilities include liabilities of TEUR 11,659 (previous year: TEUR 10,762) relating to shares in companies within the SBO Group for which put / call option agreements had existed (see Note 20). The major part of this amount refers to dividends not yet paid.

Changes in contract liabilities (advance payments received and accrued revenue) for the years 2021 and 2020 are as follows:

IN TEUR	2021	2020
Contract liabilities as of 1 January	1,878	4,960
Prepayments received	184	1,186
Recognized as revenues	-682	-4,114
Currency translation adjustments	195	-154
Contract liabilities as of 31 December	1,575	1,878

NOTE 16

OTHER PROVISIONS

The other provisions developed as follows:

IN TEUR	31.12.2020	UTILIZATION	REVERSAL	ADDITIONS	CURRENCY TRANSLATION ADJUSTMENTS	31.12.2021
Warranties and guarantees	2,754	-103	-99	91	0	2,643
Other	3,808	-467	0	1,437	336	5,114
Total	6,562	-570	-99	1,528	336	7,757

In the 2020 financial year, former employees of SBO Group filed lawsuits with regard to labor law issues. The company denies the sum of the allegations claimed in the individual complaints both, on the merits and in the amount. In total, in 2021 provisions of TEUR 5,032 (previous year: TEUR 3,260) were recorded within other provisions for cost of proceedings and potential claims.

NOTE 17

LONG-TERM LOANS INCLUDING CURRENT PORTION (AMORTIZATION FOR THE FOLLOWING YEAR)

As at 31 December 2021, long-term loans amount to TEUR 244,516. Thereof, an amount of TEUR 21,987 is to be repaid as scheduled during the next year. In total long-term loans were comprised of the following:

CURRENCY	AMOUNT IN TEUR	INTEREST RATE IN %	TERM	REPAYMENT
EUR	3,000	2.445 % fixed	2018 - 2028	bullet loan
EUR	8,572	1.832 % fixed	2018 - 2027	annually from 2021
EUR	16,714	1.732 % fixed	2018 - 2027	annually from 2021
EUR	5,143	1.350 % variable	2018 - 2027	annually from 2021
EUR	20,500	2.352 % fixed	2018 - 2027	bullet loan
EUR	27,500	2.100 % fixed	2020 - 2026	bullet loan
EUR	10,000	2.100 % variable	2020 - 2026	bullet loan
EUR	3,000	1.900 % variable	2020 - 2025	quarterly from 2023
EUR	40,500	1.900 % fixed	2020 - 2025	bullet loan
EUR	4,500	1.961 % fixed	2018 - 2025	bullet loan
EUR	10,000	1.707 % fixed	2018 - 2025	annually from 2022
EUR	30,000	1.782 % fixed	2018 - 2024	bullet loan
EUR	595	0.000 % fixed	2008 - 2024	quarterly from 2011
EUR	10,000	1.482 % fixed	2018 - 2023	bullet loan
EUR	18,750	1.582 % fixed	2018 - 2023	bullet loan
EUR	2,500	1.842 % fixed	2016 - 2023	bullet loan
EUR	10,000	2.060 % fixed	2016 - 2023	bullet loan
EUR	18,182	0.489 % fixed	2016 - 2023	semi-annually from 2018
EUR	5,000	1.090 % fixed	2018 - 2022	bullet loan
EUR	60	0.000 % fixed	2015 - 2022	quarterly from 2017
	244,516			

In total loans in the amount of TEUR 655 (previous year: TEUR 1,160) were backed by collateral. They relate to lien on land, buildings, and machinery with a carrying amount of TEUR 9,676 (previous year: TEUR 10,152).

See Note 34 for fair values; see Note 35 for interest rate risks.

NOTE 18

PROVISIONS FOR EMPLOYEE BENEFITS

As at the reporting date, the provisions for employee benefits consisted of the following:

IN TEUR	31.12.2021	31.12.2020
Severance payments	4,389	4,589
Jubilee payments	2,469	2,270
Total	6,858	6,859

The actuarial assumptions used for calculating the provisions of severance and jubilee payments were as follows:

	2021	2020
Discount rate	0.90 %	0.90 %
Salary increases	3.75 %	3.50 %
Employee turnover rate	0.0 % - 15.0 %	0.0 % - 15.0 %

Provisions were calculated using the Pagler & Pagler's AVÖ 2018-P (previous year: AVÖ 2018-P) mortality tables. Remeasurements of provisions for severance payments (actuarial gains or losses) are recognized in **OTHER COMPREHENSIVE INCOME**, in accordance with IAS 19.

No contributions were made to separately managed funds for the obligations presented.

Provisions for severance payments

The provision for severance payments developed as follows:

IN TEUR	2021	2020
Present value of severance benefit obligation as at 1 January	4,589	4,656
Current service cost	186	198
Interest cost	41	42
Total expenses for severance payments	227	240
Remeasurements	-270	-64
Current severance payments	-157	-243
Present value of severance benefit obligation as at 31 December	4,389	4,589

The expenses shown in the table are included in the consolidated profit and loss statement within personnel expenses of each functional area (see Note 25).

Remeasurements of provisions for severance payments recognized in **OTHER COMPREHENSIVE INCOME** in accordance with IAS 19 are comprised of the following:

IN TEUR	2021	2020
Remeasurement of obligations		
from changes to financial assumptions	104	0
from historical experience	-374	-64
Total	-270	-64

The average term of the severance obligations as at 31 December 2021 was 10.5 years (previous year: 10.6 years).

Sensitivity analysis

The effects on the obligations resulting from changes in significant actuarial assumptions are presented in the following sensitivity analysis. One significant influencing factor was changed in each case, while the remaining inputs were held constant. In reality, however, it is rather unlikely that these factors do not correlate. The changed obligation was determined in line with the actual obligation, using the projected unit credit method in accordance with IAS 19.

SEVERANCE PAYMENTS		PRESENT VALUE OF OBLIGATION (DBO)	
		31.12.2021	
IN TEUR	CHANGE IN ASSUMPTION	CHANGE IN PROVISION GIVEN AN INCREASE IN ASSUMPTION	CHANGE IN PROVISION GIVEN A DECREASE IN ASSUMPTION
Discount rate	+/- 0.5 percentage points	-218	238
Increase in salaries	+/- 0.5 percentage points	221	-205

Provision for jubilee payments

The provision for jubilee payments developed as follows:

IN TEUR	2021	2020
Present value of jubilee payment obligation as at 1 January	2,270	2,206
Current service cost	189	191
Interest cost	21	20
Total expenses for jubilee payments	210	211
Remeasurements	27	-85
Current jubilee payments	-38	-62
Present value of jubilee payment obligation as at 31 December	2,469	2,270

Defined contribution pension plans

Payments made in connection with defined contribution pension and employee benefit plans were expensed and amounted to TEUR 759 in the 2021 financial year (previous year: TEUR 580). Contributions of approximately TEUR 700 are expected for the following year.

NOTE 19

OTHER LIABILITIES (NON-CURRENT)

Other non-current liabilities break down as follows:

IN TEUR	31.12.2021	31.12.2020
Management interests	1,519	3,396
Participation rights	3,883	3,398
Other liabilities	1,602	1,690
Total	7,004	8,484

The management of the following companies included in the scope of consolidation held shares in their respective companies:

	31.12.2021	31.12.2020
Company		
BICO Drilling Tools Inc.	0.00 %	1.55 %
BICO DRILLING TOOLS FZE	0.00 %	1.55 %
BICO Faster Drilling Tools Inc.	8.00 %	8.00 %
Schoeller-Bleckmann Energy Services L.L.C.	2.00 %	3.00 %
Schoeller-Bleckmann Darron Limited	0.00 %	5.00 %
Schoeller-Bleckmann Darron (Aberdeen) Limited	6.00 %	6.00 %
ADRIANA HOLDING COMPANY LIMITED	1.00 %	1.00 %

Management thus has a pro-rata interest in these companies.

The management of the following companies included in the scope of consolidation held participation rights in their respective companies:

	31.12.2021	31.12.2020
Company		
DSI FZE	0.40 %	0.40 %
SCHOELLER-BLECKMANN Oilfield Technology GmbH	0.85 %	0.85 %
The WellBoss Company, LLC	1.30 %	1.15 %

The effective interest expense recognized for management interests and participation rights is reported under [INTEREST EXPENSES](#) and [INTEREST INCOME](#).

NOTE 20

OPTION LIABILITY FROM CANCELLABLE NON-CONTROLLING INTERESTS

In the course of a business combination in 2016, the Company has concluded an option agreement with non-controlling shareholders on the later acquisition of such non-controlling interests. The Company granted the non-controlling shareholders the right to offer their shares to the Company, and at the same time, the Company committed to purchase the offered shares. In addition, the Company acquired the right to purchase the shares of the non-controlling shareholders, who have committed themselves to transfer their shares to the Company in such case (put and call option). The purchase price of the option liability from cancellable non-controlling interests depended in the previous year on the results achieved by the company in question.

At the acquisition date this option liability was recognized in **OTHER LIABILITIES**, and referred to the discounted amount of the expected payment from this cancellable option based on the current corporate planning at that date, because the Group had an unconditional payment obligation. From a Group's perspective, 100 % of the shares in these companies are thus recognized due to this option commitment. Consequently, 100 % of the results of the respective subsidiary are attributed to the owners of the parent company.

The option liability was subsequently measured using the discounted expected payment amount as at the reporting date based on current corporate planning. They were discounted using a risk-adequate interest rate for the respective term of the commitment. The interest cost from current discounting is presented under **INTEREST EXPENSES**. Gains and losses due to changes of the discounted expected payment amount are recognized in **GAINS / LOSSES FROM REMEASUREMENT OF OPTION LIABILITIES**.

SBO has already exercised its right to acquire the minority interests of 32.3 % in Downhole Technology, LLC (now The WellBoss Company, LLC) in previous years with its share in the company reaching 100 % as of 1 April 2019. A purchase price of TUSD 33,742 (TEUR 30,138) was paid for 6.6 % of the shares in the fiscal year 2019, a subordinated remaining amount of TUSD 98 (TEUR 86) in 2020. There is a legal dispute with a former minority member regarding the termination of his employment contract in 2018, which may have an effect on the purchase price to be paid for the acquisition of the remaining 25.7 % of the interests. In the consolidated financial statements as of 31 December 2021 as well as 31 December 2020, the purchase price was provided for on the basis of the contractually agreed mechanism to be applied under normal circumstances (see Note 4.17). Therefore, the final first instance judgment issued in the second quarter of 2021 against the Company had no effect on the consolidated financial statements as of 31 December 2021. As previously announced, in the third quarter of 2021 SBO has filed an appeal against the judgment. In this connection, a surety deposit of TUSD 25,000 (TEUR 21,124) was made with the court of first instance, which is reported in the cashflow from investing activities and is offset against the existing option liability. Depending on the outcome of the proceedings or a potential settlement, the purchase price to be paid

could be determined subject to equity of the company, hence be significantly lower than the amount provided for. At present, the outcome of the proceedings cannot be predicted with any certainty.

In the cashflow statement the paid purchase price of shares relating to the amount which was estimated and recognized, respectively, as of acquisition date 1 April 2016 is included in the cashflow of investing activities. The portion which exceeded the amount estimated as of acquisition date and which was expensed in the income statement in later periods is included in the cashflow from operating activities.

The development of the option liability concerning business combination Downhole Technology is shown below:

IN TEUR	2021	2020
As at 1 January	106,946	116,905
Disposal from settlement	0	-86
Surety deposit	-21,124	0
Currency translation adjustments	7,974	-9,873
As at 31 December	93,796	106,946

According to the effective interest method the liability was compounded up to the contractually agreed payment date in 2019.

NOTE 21

LEASING

The capitalized right-of-use assets are allocated to following asset categories:

IN TEUR	31.12.2021	31.12.2020
Land and buildings	6,840	7,595
Other equipment, operating and office equipment	529	349
Total	7,369	7,944

Right-of-use assets are amortized on a straight-line basis according to the lease term and considering extension options. Amortization breaks down as follows:

IN TEUR	31.12.2021	31.12.2020
Land and buildings	1,928	1,991
Other equipment, operating and office equipment	325	659
Total	2,253	2,650

The maturity analysis of undiscounted lease payments included in the present value of lease liabilities as of 31 December 2021 breaks down as follows:

IN TEUR	31.12.2021	31.12.2020
due < 1 year	2,060	2,097
due 2 - 5 years	3,506	4,043
due > 5 years	1,940	2,169
Total of undiscounted lease payments	7,506	8,309

Amounts recognized in profit and loss in 2020 break down as follows:

IN TEUR	2021	2020
Interest expenses for lease liabilities	254	319
Short-term leases	551	348
Low value leases	6	37

NOTE 22

SHARE CAPITAL

The Company's share capital as at 31 December 2021 as well as at 31 December 2020 was EUR 16 million and is divided into 16 million shares with a par value of EUR 1.00 each.

In the Annual General Meeting from 23 April 2019 the Executive Board was authorized for a period of five years to increase share capital by up to TEUR 1,600 through the issue of new shares, provided the consent of the Supervisory Board. The Annual General Meeting on 23 April 2020 authorized the Executive Board to acquire treasury shares of the Company up to a maximum of 10 % of the share capital for a period of 30 months. In the 2021 financial year the company did not make use of the authorization to acquire treasury shares. In the 2020 financial year 231,938 treasury shares were acquired by the company for a purchase price of TEUR 6,502 based on the authorization from the Annual General Meeting from 24 April 2018 which was still valid at this time. In addition 6,000 treasury shares were acquired over the counter in 2020 for a purchase price of TEUR 178 (see Note 32).

As at the 2021 reporting date, the Company held 270,535 treasury shares (previous year: 276,535 shares), which corresponds to 1.69 % (previous year: 1.73 %) of the share capital with a cost of TEUR 8,771 (previous year: TEUR 8,964). The number of shares outstanding is thus 15,729,465 shares (previous year: 15,723,465 shares).

In the course of a business combination in 2010, it was stipulated that 50,000 shares of stock would be tendered as contingent consideration if specified future sales targets were achieved. As the sales target was not met in 2021, there is no dilution effect on the number of shares outstanding as at 31 December 2021.

As at 31 December 2021, Berndorf Industrieholding AG, Vienna held approximately 33.4 % of the share capital (previous year: approximately 33.4 %).

NOTE 23

RESERVES

Austrian law requires the establishment of a **LEGAL RESERVE** in the amount of 10 % of the Company's nominal share capital. As long as the legal reserve and other restricted capital reserves do not reach this amount, the Company is required to allocate 5 % of its annual net profit, reduced by a loss carry forward to the legal reserve. Only the annual financial statements of the parent company prepared in accordance with Austrian accounting principles are decisive for the establishment of this reserve. No further allocation is required because the amount of the reserve already recognized is sufficient.

The **CURRENCY TRANSLATION RESERVE** mainly includes currency translation differences from the inclusion of financial statements of subsidiaries in the consolidated financial statements. Currency translation differences and the associated income tax effects from long-term intragroup foreign currency receivables that qualify as part of a net investment in a foreign entity are also included in this position. The change in 2021 amounting to TEUR 3,314 (previous year: TEUR -4,890) is recognized in other income in the statement of comprehensive income.

RETAINED EARNINGS include current income after tax according to the income statement and in addition actuarial gains and losses from the revaluation of the net debt from defined benefit severance obligations. These will not be reclassified to the income statement in future periods.

In the financial year 2021 no dividend was distributed. In the financial year 2020 a dividend amounting to TEUR 18,861 was distributed relating to a share capital eligible for dividends of TEUR 15,717. Accordingly, the dividend per share amounted to EUR 1.20.

NOTE 24

SALES REVENUES

Sales break down as follows:

IN TEUR	ADVANCED MANUFACTURING & SERVICES		OILFIELD EQUIPMENT		TOTAL	
	2021	2020	2021	2020	2021	2020
Product sales	126,484	141,672	72,630	70,821	199,114	212,493
Services and repairs	10,789	13,933	3,290	2,641	14,079	16,574
Rental revenue	4,144	4,038	75,474	58,054	79,618	62,092
Total	141,417	159,643	151,394	131,516	292,811	291,159
North America	65,667	84,258	111,855	83,739	177,522	167,997
Europe	20,747	32,833	3,875	3,555	24,622	36,388
Middle East	4,297	5,367	12,785	18,827	17,082	24,194
Other	50,706	37,185	22,879	25,395	73,585	62,580
Total	141,417	159,643	151,394	131,516	292,811	291,159

The revenues are classified based on the customer's location. In 2021 sales revenues of TEUR 212,614 relate to performance obligations which were satisfied at a point of time (previous year: TEUR 230,015) and TEUR 80,197 to performance obligations which were satisfied over time (previous year: TEUR 61,144).

The Company rents drilling tools under rental contracts with terms of generally less than a year. With only a few exceptions, rental income charged is based on usage and is therefore variable.

NOTE 25

ADDITIONAL BREAKDOWN OF EXPENSES

As the Company classifies its expenses by function following the cost of sales method the following additional disclosures are required by IAS 1 (presentation using the nature of expense format):

IN TEUR	2021	2020
Cost of materials	116,291	102,332
Personnel expenses	92,804	97,354
Depreciation of property, plant and equipment including impairments	27,736	32,526
Amortization of other intangible assets including impairments	4,060	10,398
Impairment loss from goodwill	0	12,112

As a result of payroll related COVID-19 subsidies received by individual domestic and foreign subsidiaries, personnel expenses for the 2021 financial year were reduced by TEUR 1,017 (previous year: TEUR 1,151). For income related to COVID-19 subsidies, see Note 26.

NOTE 26

OTHER OPERATING INCOME AND EXPENSES

The main items within **OTHER OPERATING EXPENSES** are:

IN TEUR	2021	2020
Research and development expenses	7,549	8,289
Exchange losses	2,600	9,772

Development costs have not been capitalized to date due to the uncertainties of the future economic benefits attributable to them.

The main items within **OTHER OPERATING INCOME** are:

IN TEUR	2021	2020
Exchange gains	8,076	2,961
Income from COVID-19 subsidies	4,805	0
Income from the disposal of fixed assets and assets held for sale	1,220	997

Within income from COVID-19 subsidies an amount of TEUR 2,630 relates to forgiven loans from to the Paycheck Protection Program in the USA, and TEUR 2,174 to grants received in Austria, relating to fixed cost subsidies. For subsidies received directly netted with the corresponding expenses see Note 25.

NOTE 27

RESTRUCTURING GAINS AND LOSSES

Restructuring expenses of the year 2020 amounting to TEUR 1,367 relate to intragroup relocations of production capacities in the “Advanced Manufacturing & Services” (AMS) segment in connection with the closure of the locations Techman in the United Kingdom and SBMEX in Mexico and comprised mainly impairments and other expenses relating to the property sold in 2021 in the United Kingdom (see Note 12) as well as personnel expenses. In addition, in 2020 restructuring expenses include expenses from the deconsolidation of SBMEX amounting to TEUR 778, which result from currency translation adjustments.

NOTE 28

INTEREST INCOME AND EXPENSES

INTEREST INCOME breaks down as follows:

IN TEUR	2021	2020
Bank deposits and other loans	432	1,230
Effective interest on management interests and participation rights	9	334
Interest income	441	1,574

INTEREST EXPENSES break down as follows:

IN TEUR	2021	2020
Loans	4,742	4,172
Effective interest on management interests and participation rights	378	332
Interest expense relating to lease liabilities according to IFRS 16	254	319
Interest expenses	5,374	4,823

NOTE 29

INCOME TAXES

A reconciliation of income taxes applying the Austrian corporate tax rate to consolidated tax rate is presented below:

IN TEUR	2021	2020
Consolidated tax expense at a presumed tax rate of 25 % (income + / expense -)	-5,847	7,799
Foreign tax rate differentials	2,338	-547
Change in foreign tax rates (tax loss carryback)	101	2,180
Withholding and foreign taxes	-523	-1,528
Valuation of investments	2,237	2,207
Impairment of goodwill	0	-538
Non-deductible expenses	-677	-838
Non-taxable income and tax allowances	833	252
Prior year adjustments	117	135
Unrecognized tax loss carryforwards	-1,103	-1,885
Utilization of tax loss carryforwards not recognized in the previous year	92	1,155
Profit share of management interests and non-controlling interests	-24	68
Other differences	44	1,035
Consolidated tax expense / income	-2,412	9,495
Profit / loss before tax	23,390	-31,196
Consolidated tax rate	10.3 %	30.4 %

INCOME TAXES break down as follows:

IN TEUR	2021	2020
Current taxes	-4,853	4,778
Deferred taxes	2,441	4,717
Total	-2,412	9,495

The current tax income of the year 2020 on the one hand results from tax loss carryback options in North America introduced as part of the COVID-19 aid package ("CARES Act") and the application of higher US tax rates from the past and on the other hand from tax claims with regard to impairment of investments.

The following income taxes were recognized under OTHER COMPREHENSIVE INCOME:

IN TEUR	2021	2020
Current taxes		
Currency translation adjustments	-1,105	0
Remeasurements IAS 19	-67	-16
Total	-1,172	-16

Due to currency translation adjustments the net deferred tax asset presented in the balance sheet was increased by TEUR 2,030 in the 2021 financial year (previous year: reduced by TEUR 2,133).

The Company's dividend distribution to shareholders did not result in any income tax consequences for the Company for the 2021 financial year or the 2020 comparison period.

NOTE 30

SEGMENT REPORTING

The Company operates worldwide, mainly in one single industry segment, the design and manufacturing of drilling equipment for the oil and gas industry.

In accordance with IFRS 8, the following segment report follows the management approach, in which the entire Executive Board of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft is the chief operating decision maker monitoring the performance of the business units and deciding on the allocation of resources to the business segments.

The "Advanced Manufacturing & Services" (AMS) segment comprises high-precision manufacturing and repair of components made of non-magnetic, corrosion-resistant stainless steel. Innovative manufacturing processes and additive technologies such as Direct Metal Laser Sintering (DMLS), a 3D metal printing technology, are included in this segment.

The "Oilfield Equipment" (OE) segment offers high-efficiency drilling tools and products for the efficient and resource-saving completion of wells for the oil and gas industry.

Management of the Company and the allocation of resources are based on the financial performance of these segments. Management monitors sales revenues, profit from operations, and profit / loss before tax of the business units separately for the purpose of making decisions on the allocation of resources.

The amounts presented are a summary of the separate balance sheets and income statements of the individual companies included in the consolidated financial statements. Individual holding adjustments and consolidation entries (elimination of intercompany profit and loss and other intragroup transactions) must be accounted for to attain the consolidated results presented. Results in the total column correspond to those in the profit and loss statement.

Intragroup sales are made at arm's length conditions.

2021

IN TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO HOLDING & CONSOLIDATION	GROUP
External sales	141,417	151,394	0	292,811
Intercompany sales	51,387	20,654	-72,041	0
Total sales	192,804	172,048	-72,041	292,811
Profit from operations before impairments and restructuring measures	16,073	10,402	1,735	28,210
Profit / loss before tax	17,052	9,622	-3,284	23,390
Capital expenditures	9,220	11,257	36	20,513
Depreciation and amortization	11,193	20,090	513	31,796
thereof impairments	0	0	0	0
Head count (average)	756	403	29	1,188

2020

IN TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO HOLDING & CONSOLIDATION	GROUP
External sales	159,643	131,516	0	291,159
Intercompany sales	38,642	18,799	-57,441	0
Total sales	198,285	150,315	-57,441	291,159
Profit / loss from operations before impairments and restructuring measures	14,355	-6,780	-13,203	-5,628
Profit / loss before tax	6,195	-19,887	-17,504	-31,196
Capital expenditures	4,458	13,646	28	18,132
Depreciation and amortization	19,770	34,526	740	55,036
thereof impairments	7,754	6,906	0	14,660
Head count (average)	849	394	30	1,273

In the 2020 financial year profit / loss before tax in the segment "Advanced Manufacturing & Services" (AMS) includes, besides the impairments of goodwill shown above, restructuring losses of TEUR 2,146. In the segment "Oilfield Equipment" (OE) profit / loss before tax in the year 2020 includes besides the impairments of intangible assets and fixed assets also impairments of current assets in amount of TEUR 5,529 (see Notes 7, 9 and 27). Of the results reported in column SBO Holding & Consolidation for profit / loss from operations before impairments and restructuring measures an amount of TEUR -975 (previous year: TEUR 566) and for profit / loss before tax an amount of TEUR -1,008 (previous year: TEUR 243) is attributable to consolidation effects.

Geographic information:

Sales break down as follows:

IN TEUR	2021	2020
Austria	1,370	1,488
USA	160,535	158,335
Rest of World	130,906	131,336
Total	292,811	291,159

The revenues are classified based on the customer's location. There are no other countries with sales exceeding 10 % of the SBO Group's total sales.

See Note 35 for information regarding the most important customers.

Non-current assets break down as follows:

IN TEUR	2021	2020
Austria	34,665	33,731
USA	172,447	163,683
United Arab Emirates	27,257	27,019
Rest of World	25,226	29,100
Total	259,595	253,533

Assets are classified based on each company's location.

NOTE 31

REMUNERATION OF THE EXECUTIVE AND SUPERVISORY BOARD

The Executive Board's remuneration was comprised of the following:

2021

IN TEUR	FIXED	VARIABLE	TOTAL
Gerald Grohmann	688	254	942
Klaus Mader	470	131	601
Total	1,158	385	1,543

2020

IN TEUR	FIXED	VARIABLE	TOTAL
Gerald Grohmann	674	444	1,118
Klaus Mader	448	214	662
Total	1,122	658	1,780

The variable remuneration relates to amounts granted for the prior year that were paid out in the current year.

Expenses for pensions and severance payments for the two members of the Executive Board amounted to TEUR 26 (previous year: TEUR 118), which relates to expenses for defined contribution pension agreements of TEUR 157 (previous year: TEUR 142) and to a gain from defined benefit agreements amounting to TEUR 131 (previous year: gain of TEUR 24). Expenses for share-based payments incurred in financial years 2021 and 2020 are not included in the remuneration amounts presented above. See Note 32 for information on the voluntary severance and share-based payments.

Remuneration for the Supervisory Board of the 2021 financial year relating to the 2020 financial year amounted to TEUR 180 and was a flat reimbursement (previous year: TEUR 173, which was a combination of a flat reimbursement for expenses and a variable component based on the Group's results).

No loans were granted to the members of the Executive or Supervisory Boards in the 2021 or 2020 financial years.

NOTE 32

SHARE-BASED PAYMENTS

In the 2014 financial year, the Chief Executive Officer, Ing. Gerald Grohmann, was granted an annual transfer of 6,000 SBO shares, contingent upon valid employment. The first transfer was made in 2014. Ing. Grohmann may not dispose of or encumber the shares for a period of two years following each transfer, however not exceeding the termination of the employment agreement. In 2018 and 2021 the annual granting of 6,000 SBO shares was extended in accordance with the extension of the Management Board mandate until 2023. The market value of 6,000 shares at the transfer date in 2021 was TEUR 228 (previous year: TEUR 153). The market value of the 12,000 shares already transferred and still subject to disposal restrictions was TEUR 371 as at 31 December 2021 (previous year: 12,000 shares with a market value of TEUR 373). As part of the existing contract the company repurchased 6,000 shares in the first quarter of 2020 from Ing. Grohmann, for which a payment at the market value on the day of repurchase of TEUR 178 was made.

Also in the 2014 financial year, the Company granted the Chief Executive Officer a voluntary severance payment of 30,000 SBO shares at the end of the employment contract. At the commitment date the value per share was determined to be EUR 70.00, based on the average price for the preceding 36 months. As provisions were made already in previous years there were no further expenses for the company in 2021. The expense related to share based payments is not included in the remuneration disclosed in Note 31 due to the existing restraint on disposal and due to the severance payments granted only at the end of employment.

NOTE 33

TRANSACTIONS WITH RELATED PARTIES

The following transactions with related parties not included in the SBO Group's scope of consolidation were settled at arm's length conditions:

The law firm of Schleinzner & Partner is the Company's legal consultant. One of the law firm's partners, Dr. Karl Schleinzner, was a member of the Supervisory Board until April 2020. Professional fees for 2021 amounted to TEUR 36 (previous year: TEUR 36), of which TEUR 9 was unsettled as at 31 December 2021 (previous year: TEUR 9).

Unchanged from previous years the company rents a property to the Chief Executive Officer for residential purposes at arm's length conditions.

NOTE 34

FINANCIAL INSTRUMENTS

Derivative financial instruments

FORWARD EXCHANGE CONTRACTS

The Austrian company hedges its receivables balances denominated in US dollars and CAN dollars by entering into forward exchange contracts. All transactions are short-term exposures (3 - 8 months).

FORWARD EXCHANGE CONTRACTS AS AT 31 DECEMBER 2021

IN TEUR	RECEIVABLES AT HEDGED RATE	RECEIVABLES AT REPORTING DATE RATE	FAIR VALUE
USD	13,406	13,659	-253
CAD	2,367	2,392	-25

FORWARD EXCHANGE CONTRACTS AS AT 31 DECEMBER 2020

IN TEUR	RECEIVABLES AT HEDGED RATE	RECEIVABLES AT REPORTING DATE RATE	FAIR VALUE
USD	4,630	4,475	155
CAD	289	287	2

The forward exchange contracts are measured at fair value and recognized in profit or loss since the requirements for hedge accounting in accordance with IAS 39 are not fully met.

OTHER DERIVATIVE FINANCIAL INSTRUMENTS

There is also an option liability relating to cancellable non-controlling interests (see Note 20).

Overview of existing financial instruments

The following table shows the financial instruments, broken down by categories in accordance with IFRS 9:

CLASSIFICATION OF FINANCIAL INSTRUMENTS

31.12.2021

IN TEUR	Carrying amount	No financial instrument	VALUATION METHOD ACC. TO IFRS 9			Carrying amount financial instrument
			Financial asset at amortized cost	Financial liability at amortized cost	At fair value through profit & loss	
Current assets						
Cash and cash equivalents	291,754	0	291,754			291,754
Trade receivables	86,300	0	86,300			86,300
Income tax receivable	4,615	4,615				0
Other receivables and other assets	6,350	6,332			18	18
Assets held for sale	0	0				0
Inventories	121,093	121,093				0
Total current assets	510,112	132,040	378,054	0	18	378,072
Non-current assets						
Property, plant and equipment	120,921	120,921				0
Goodwill	127,036	127,036				0
Other intangible assets	11,638	11,638				0
Long-term receivables and assets	3,655	800	2,855			2,855
Deferred tax assets	32,246	32,246				0
Total non-current assets	295,496	292,641	2,855	0	0	2,855
TOTAL ASSETS	805,608	424,681	380,909	0	18	380,927
Current liabilities						
Liabilities to banks	37,321	0		37,321		37,321
Current portion of long-term loans	21,987	0		21,987		21,987
Lease liabilities	2,047	0		2,047		2,047*
Trade payables	18,009	0		18,009		18,009
Government grants	89	89				0
Income tax payable	5,198	5,198				0
Other liabilities	131,290	18,001		19,197	94,092	113,289
Other provisions	7,757	7,757				0
Total current liabilities	223,698	31,045	0	98,561	94,092	192,653
Non-current liabilities						
Long-term loans	222,529	0		222,529		222,529
Lease liabilities	4,640	0		4,640		4,640*
Government grants	0	0		0		0
Provisions for employee benefits	6,858	6,858		0		0
Other liabilities	7,004	0		7,004		7,004
Deferred tax liabilities	0	0		0		0
Total non-current liabilities	241,031	6,858	0	234,173	0	234,173
Equity						
Share capital	15,729	15,729				0
Capital reserve	63,122	63,122				0
Legal reserve	785	785				0
Other reserves	19	19				0
Currency translation reserve	28,566	28,566				0
Retained earnings	232,658	232,658				0
Total equity	340,879	340,879	0	0	0	0
TOTAL LIABILITIES AND EQUITY	805,608	378,782	0	322,734	94,092	426,826

* Lease liabilities are measured at amortized cost according to IFRS 16.

CLASSIFICATION OF FINANCIAL INSTRUMENTS

31.12.2020

IN TEUR	Carrying amount	No financial instrument	VALUATION METHOD ACC. TO IFRS 9			Carrying amount financial instrument
			Financial asset at amortized cost	Financial liability at amortized cost	At fair value through profit & loss	
Current assets						
Cash and cash equivalents	313,950	0	313,950			313,950
Trade receivables	54,252	0	54,252			54,252
Income tax receivable	3,227	3,227				0
Other receivables and other assets	4,862	4,705			157	157
Assets held for sale	2,215	2,215				0
Inventories	114,015	114,015				0
Total current assets	492,521	124,162	368,202	0	157	368,359
Non-current assets						
Property, plant and equipment	121,362	121,362				0
Goodwill	117,708	117,708				0
Other intangible assets	14,463	14,463				0
Long-term receivables and assets	3,930	865	3,065			3,065
Deferred tax assets	27,903	27,903				0
Total non-current assets	285,366	282,301	3,065	0	0	3,065
TOTAL ASSETS	777,887	406,463	371,267	0	157	371,424
Current liabilities						
Liabilities to banks	33,938	0		33,938		33,938
Current portion of long-term loans	25,236	0		25,236		25,236
Lease liabilities	2,222	0		2,222		2,222*
Trade payables	17,072	0		17,072		17,072
Government grants	215	215				0
Income tax payable	1,191	1,191				0
Other liabilities	138,415	16,284		15,185	106,946	122,131
Other provisions	6,562	6,562				0
Total current liabilities	224,851	24,252	0	93,653	106,946	200,599
Non-current liabilities						
Long-term loans	245,312	0		245,312		245,312
Lease liabilities	5,125	0		5,125		5,125*
Government grants	89	89		0		0
Provisions for employee benefits	6,859	6,859		0		0
Other liabilities	8,484	261		8,223		8,223
Deferred tax liabilities	129	129		0		0
Total non-current liabilities	265,998	7,338	0	258,660	0	258,660
Equity						
Share capital	15,723	15,723				0
Capital reserve	62,780	62,780				0
Legal reserve	785	785				0
Other reserves	19	19				0
Currency translation reserve	-3,747	-3,747				0
Retained earnings	211,478	211,478				0
Total equity	287,038	287,038	0	0	0	0
TOTAL LIABILITIES AND EQUITY	777,887	318,628	0	352,313	106,946	459,259

* Lease liabilities are measured at amortized cost according to IFRS 16.

Fair value of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for similar assets or liabilities.

Level 2: Techniques for which all inputs which have significant effects on the recognized fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recognized fair value that are not based on observable market data.

The financial instruments recognized at fair value in the consolidated financial statements are allocated as shown below:

2021

IN TEUR	BALANCE SHEET ITEM	TOTAL	LEVEL 2	LEVEL 3
Assets				
Derivatives (FVTPL)	Other receivables and other assets	18	18	0
Liabilities				
Derivatives (FVTPL)	Other liabilities	-94,092	-296	-93,796

2020

IN TEUR	BALANCE SHEET ITEM	TOTAL	LEVEL 2	LEVEL 3
Assets				
Derivatives (FVTPL)	Other receivables and other assets	157	157	0
Liabilities				
Derivatives (FVTPL)	Other liabilities	-106,946	0	-106,946

There were no reclassifications between the individual measurement levels during the 2021 and 2020 reporting periods. If required, items are generally reclassified at the end of the reporting period.

The derivatives assigned to level 3 exclusively consist of the option liability from cancellable non-controlling interests (see Note 20).

The forward exchange contracts are measured based on observable spot exchange rates.

For fixed rate loans received, the fair value was calculated by discounting the expected future cashflows using market interest rates. For variable rate bank loans and loans received and issued, discounting corresponds to current market rates, which is why the carrying amounts largely equal the fair values. Cash and cash equivalents, trade receivables and trade payables and all other items have mostly short residual terms. The carrying amounts therefore equal the fair values on the reporting date.

The carrying amount and the different fair value for financial instruments measured at cost are presented in the table below:

IN TEUR	LEVEL	2021		2020	
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Liabilities					
Loans and bank liabilities	2	-281,837	-285,687	-304,486	-312,196

Net result from financial instruments

The following table shows the gains / losses (net result) by categories in accordance with IFRS 9:

2021

IN TEUR	IMPAIRMENTS	REMEASUREMENT		DERECOGNITION / DISPOSAL		NET RESULT
		PROFIT AND LOSS	OTHER COMPREHENSIVE INCOME	PROFIT AND LOSS	OTHER COMPREHENSIVE INCOME	
at amortized costs (loans and receivables)	-942	-	-	-8	-	-950
at fair value through profit or loss (derivatives)	-	-435	-	-	-	-435

2020

IN TEUR	REMEASUREMENT			DERECOGNITION / DISPOSAL		NET RESULT
	IMPAIRMENTS	PROFIT AND LOSS	OTHER COMPREHENSIVE INCOME	PROFIT AND LOSS	OTHER COMPREHENSIVE INCOME	
at amortized costs (loans and receivables)	-1,304	-	-	-280	-	-1,584
at fair value through profit or loss (derivatives)	-	+24	-	-	-	+24

The total interest expense determined using the effective interest rate method for financial liabilities not valued at fair value through profit or loss was TEUR 5,374 (previous year: TEUR 4,823). Net results in the category at amortized costs as well as in the category at fair value through profit or loss include interest expenses of TEUR 0 (previous year: TEUR 0).

NOTE 35**RISK REPORT**

The SBO Group's operations are exposed to a number of risks that are inextricably linked to its worldwide business activities. Efficient management and control systems are used to recognize, analyse, and manage these risks, with the help of which the management of the individual operations monitors the operating risks and reports them to Group management.

From a current perspective, no risks can be identified that jeopardize the Company's existence as a going concern.

GENERAL ECONOMIC RISKS, COVID-19 AND ITS CONSEQUENCES

The business development of SBO is to a large extent exposed to economic cycles, in particular to the cycle of oil and gas drilling activities of national and international oil companies. In order to minimize the associated fluctuation risk in bookings, the group's production entities are designed for highest possible flexibility.

In 2021, the global economy recovered from the massive impact of the COVID-19 pandemic and economic output picked up again significantly during the year. While the renewed increase in COVID-19 infections led to some regional restrictions from the fall onwards, this had only a minor impact on the global economy. Uncertainties in the global markets were caused by supply problems and rising prices on the energy and raw material markets. The global implications of the current geopolitical unrest in the Russia-Ukraine conflict and the internationally imposed sanctions are not yet taken into account and cannot be assessed at the moment. However, high liquidity and a sound balance sheet support our position even in a challenging environment. Working capital management is focused on consistently, CAPEX were reduced to a minimum and cost savings were implemented as part of crisis management.

The energy sector is also in a long-term transition with the aim of gradually replacing fossil fuels with renewable energies with this goal currently being driven forward primarily in the European Union. Tighter climate regulations could trigger a decline in oil demand within the EU and affect SBO Group's core business due to lower demand for drilling for oil. As stated in Note 4.18, the European Union represents only a small part of SBO's sales market. Furthermore, the energy transition is only achievable with the use of oil and natural gas, because these form an integral part in the field of renewable energies. Gas is also an important part in the energy mix and plays an essential role for the exit from coal. Nevertheless, the SBO Group is also strategically preparing for a changing environment in terms of climate change in order to seize opportunities. SBO (production) sites are currently only exposed to a low physical risk in connection with climate change in their operational activities, as increased weather extremes do not pose an immediate threat to SBO sites. SBO sees itself as part of the energy transition and rates climate-related risks for its business model as low.

Further information on general economic risks can be found in the management report.

SALES AND PROCUREMENT RISKS

The market for the SBO Group's products and services is determined to a great extent by the continuous development and use of new technologies. Securing and maintaining the customer base therefore depends on the ability to offer new products and services tailored to the customer's needs.

In 2021, the three largest customers (which are globally-active service companies in the directional drilling market) accounted for a 37.1 % share of sales (previous year: 44.0 %). SBO counters the risk of suffering potential noticeable sales declines from the loss of a customer through continuous innovation, quality assurance measures and close customer retention.

On the procurement side, raw materials and in particular alloy surcharges for non-magnetic steel are subject to significant price fluctuations. Being part of our agreements, these are partly passed on to customers.

The Company procures high-alloy special steel, which is its most essential raw material, to a great extent from one supplier and is therefore exposed to the risk of delayed deliveries, capacity bottlenecks, or business interruptions. From today's perspective, the Company foresees no difficulty in continuing to obtain quality steel from this supplier. However, in the event of a failure by this supplier, there are only limited options for replacement procurement in the short-term.

SUBSTITUTION RISKS

SBO is subject to the risk of substitution of its products and technologies, which may also result in the growth of new competitors. SBO counters this risk through ongoing market observation, active proximity to customers, and proprietary innovations.

FINANCIAL RISKS

On the one hand, the Company has various financial assets, such as trade receivables, cash and cash equivalents, and short-term investments as a direct result of its business operations. On the other hand, it also uses financial instruments such as liabilities to banks and trade payables, which ensure the financing of the Company's operations.

In addition, the Company has derivative financial instruments to hedge foreign exchange risks arising from its business operations and financing sources. Derivatives are not used for trading or speculative purposes.

The financial instruments principally entail interest-related cashflow risks, as well as liquidity, currency, and credit risks.

FOREIGN CURRENCY RISKS

Foreign currency risks arise from fluctuations in the value of financial instruments or cashflows as a result of exchange rate fluctuations.

Foreign currency risks arise in the SBO Group where balance sheet items and income and expenses are generated or incurred in a currency other than the local currency. Forward exchange contracts (mainly in US dollars) are concluded to hedge receivables and liabilities in foreign currencies.

Over the long-term, SBO invoices an average of approximately 80 % of its sales in US dollars. This is due to its customer structure which mainly comprises companies of the oil- and gas industry headquartered in the US that settle their worldwide activities in US dollars. Also, from a long-term perspective, only about 50 % to 60 % of costs are incurred in US dollars as important production facilities are located not just in the US. For reasons of costs and expedience, SBO does not hedge its entire net dollar exposure. In any case, SBO's earnings are dependent on the USD / EUR exchange rate.

Additional risks arise from translating the annual financial statements of the foreign companies into the Group currency. Sales, earnings, and carrying amounts of these companies depend on the applicable exchange rate. As a result of the significant investments in the US, the primary sales market and location of important production facilities, changes in the US dollar have a substantial impact on the consolidated financial statements.

The table below shows the impact of a potential change in the USD exchange rate on the consolidated financial statements, based on reasonable judgment, and only in respect of the changes in value of derivative instruments (forward exchange contracts) as there are no material trade receivables or trade payables that are not denominated in the Group's functional currency:

IN TEUR	2021		2020	
Change in EUR / USD exchange rate	+10 cents	-10 cents	+10 cents	-10 cents
Change in profit / loss before tax	+1,159	-1,159	+390	-390

INTEREST RATE RISKS

Interest rate risks result from fluctuations in market interest rates which lead to changes in value of financial instruments and interest rate-related cashflows.

Almost all long-term loans existing as at the reporting date have fixed interest rates and are therefore not subject to interest rate risk. However, the fair value of these long-term loans is subject to fluctuations. The interest rates for individual loans are disclosed in Note 17. With the exception of loans and lease liabilities, no other liabilities are interest bearing and therefore are not subject to any interest rate risk.

The interest rate risk is further reduced by the portfolio of short-term interest-bearing investments which the Company continuously holds. Depending on whether the Company has a surplus of financial resources on the investment or borrowing side, interest rate risks could therefore result from an increase or decrease in interest rates.

The table below shows the impact of a possible potential change in interest rates, based on reasonable judgment, on the interest expense for variable-rate liabilities to banks and on interest income for variable-rate bank balances (there are no impacts on consolidated equity):

IN TEUR	2021		2020	
Change in basis points	+ 10	+ 20	+ 10	+ 20
Change in profit / loss before tax	+161	+322	+159	+318

CREDIT RISKS

Credit risk arises from the non-performance of contractual obligations by business partners and the resulting asset losses. The maximum default risk equals the carrying amount of the receivables.

The credit risk related to our receivables from customers can be considered as low as there have been long-standing, stable business relations with all major customers. Furthermore, the creditworthiness of new and existing customers is checked regularly and outstanding balances are monitored closely. Loss allowances are recognized for credit risks (see Notes 4 and 5).

With regard to loans to the management of subsidiaries, the credit risk is limited by the surety of the acquired shares (see Note 10).

For other financial assets (cash and cash equivalents), the maximum credit risk upon default of the counterparty is the carrying amount of the financial instrument. However, this credit risk may be considered as low since we only choose highly-rated banks.

LIQUIDITY RISKS

Liquidity risk consists in the risk of not being able to access the financial resources required to settle liabilities incurred at all times and in due time.

Due to the Company's strong self-financing capability, the liquidity risk is relatively low. The Company generates liquid funds through its operating business and uses external bank financing when needed. Due to spreading financing facilities across the world, there is no material risk concentration.

A key instrument of liquidity management is the ongoing monitoring of liquidity and financial planning of the operating units by Group Management. Financing requirements are centrally managed and based on the consolidated financial reporting of the Group members.

The tables below show all contractually obligated payments as at 31 December for principal payments, repayments, and interest from recognized financial liabilities, including derivative financial instruments, with disclosure of the undiscounted cashflows for the following financial years:

31.12.2021

IN TEUR	DUE ON DEMAND	2022	2023	2024	2025 or beyond
Liabilities to banks	37,576	-	-	-	-
Long-term loans	-	26,306	62,644	42,352	129,571
Lease liabilities	-	2,060	1,693	988	2,765
Management interests and participation rights	-	-	-	-	5,402
Trade payables	-	18,009	-	-	-
Derivatives	-	94,092	-	-	-
Other	-	37,198	409	94	1,099
Total	37,576	177,665	64,746	43,434	138,837

31.12.2020

IN TEUR	DUE ON DEMAND	2021	2022	2023	2024 or beyond
Liabilities to banks	34,139	-	-	-	-
Long-term loans	-	29,848	27,014	62,768	171,923
Lease liabilities	-	2,097	1,493	1,374	3,345
Management interests and participation rights	-	-	-	-	6,794
Trade payables	-	17,072	-	-	-
Derivatives	-	106,946	-	-	-
Other	-	31,469	702	55	933
Total	34,139	187,432	29,209	64,197	182,995

Derivatives as of 31 December 2021 shown above as due in 2022 (as of 31 December 2020 as due in 2021) mainly refer to the option liability for cancellable non-controlling interests (see Note 20).

CAPITAL MANAGEMENT

The Company's primary goal is to ensure to maintain a high credit rating and a solid equity ratio in order to support our operations and maximize shareholder value.

The gearing ratio (net debt and net liquidity, respectively, as a percentage of equity) is used in particular to monitor and manage capital. Net debt and net liquidity, respectively, comprise long-term loans and bank liabilities, less cash and cash equivalents.

The gearing ratio was -2.9 % as at 31 December 2021 (previous year: -3.3 %).

IN TEUR	31.12.2021	31.12.2020
Liabilities to banks	37,321	33,938
Long-term loans	244,516	270,548
Less: cash and cash equivalents	-291,754	-313,950
Net liquidity (-) / net debt (+)	-9,917	-9,464
Total equity	340,879	287,038
Gearing	-2.9 %	-3.3 %

For the shareholders of the parent, the average long-term dividend rate aimed for is 30 % to 60 % (of the consolidated profit after tax).

NOTE 36

CONTINGENT LIABILITIES

The Company had no contingent liabilities as at 31 December 2021 or 31 December 2020.

NOTE 37

OTHER OBLIGATIONS

Other obligations exist solely from short-term leases or low value leases (see Note 21) and purchase commitments for investments in property, plant and equipment (see Note 8).

NOTE 38

CASHFLOW STATEMENT

The Company's cashflow statement shows the change of cash and cash equivalents for the Company and the subsidiaries during the reporting year as a result of cash inflows and outflows. Cash funds correspond to the cash and cash equivalents in the consolidated balance sheet and are comprised solely of cash-in-hand and bank balances including short-term deposits.

Within the cashflow statement, cashflows are broken down into cashflows from operating activities, from investing activities and from financing activities.

The cashflows from foreign operations have been allowed for by applying average foreign exchange rates.

The cashflows from operating activities are determined using the indirect method by starting with adjusting net income after income taxes and adjusting it for non-cash income and expenses. This result and the recognized changes in working capital (excluding cash funds) equal the cashflow from operating activities.

Cash inflows and outflows from current operations include inflows and outflows from interest payments and income taxes.

Dividend payments are presented as part of financing activities.

See Note 20 for details on payments relating to the purchase of minority interests.

Financial liabilities were as follows during the 2021 and 2020 financial years:

2021	1.1.2021	CASH CHANGES	NON-CASH CHANGES		31.12.2021
IN TEUR			FOREIGN CURRENCY EFFECTS	OTHER CHANGES	
Long-term loans including current portion	270,548	-23,452	50	-2,630	244,516
Liabilities to banks	33,938	2,530	853	0	37,321
Lease liabilities	7,346	-2,103	539	905	6,687
Other financial liabilities	6,794	-1,382	153	-163	5,402
Total liabilities from financing activities	318,626	-24,407	1,595	-1,888	293,926

Other changes in long-term loans in 2021 relate to the loan forgiveness from COVID-19 subsidies in the United States (see Note 26).

2020	1.1.2020	CASH CHANGES	NON-CASH CHANGES		31.12.2020
IN TEUR			FOREIGN CURRENCY EFFECTS	OTHER CHANGES	
Long-term loans including current portion	254,279	16,372	-103	0	270,548
Liabilities to banks	31,052	3,509	-623	0	33,938
Lease liabilities	8,494	-2,484	-552	1,888	7,346
Other financial liabilities	9,510	-1,837	-405	-474	6,794
Total liabilities from financing activities	303,335	15,560	-1,683	1,414	318,626

NOTE 39

EMPLOYEES

The number of employees on an annual average and as at the reporting date was:

	ANNUAL AVERAGE		REPORTING DATE	
	2021	2020	31.12.2021	31.12.2020
Blue collar	781	852	843	728
White collar	407	421	424	403
	1,188	1,273	1,267	1,131

NOTE 40

EVENTS AFTER THE REPORTING DATE

After the reporting date there were no events of particular significance that would have changed the presentation of the Group's net assets, financial position, and results of operations in the consolidated financial statements as at 31 December 2021. The global implications of the current geopolitical unrest in the Russia-Ukraine conflict and the internationally imposed sanctions are not yet taken into account and cannot be assessed at the moment.

NOTE 41

PROPOSED DIVIDEND

The Executive Board recommends distributing a dividend of EUR 0.75 per share for 2021. This results in a total distribution of MEUR 11.8. In the previous year no dividend distribution was made.

NOTE 42

EXPENSES INCURRED FOR THE GROUP AUDITOR

The following expenses were incurred for the Group auditor, Ernst & Young Wirtschaftsprüfungsgesellschaft m. b. H.:

IN TEUR	2021	2020
Audit fees	161	158
Other services	49	34

Audit fees for the years 2021 and 2020 include both the audit of the consolidated financial statements as well as the audits of the financial statements of the entities in Austria.

MANAGEMENT DISCLOSURES

EXECUTIVE BOARD:

Ing. Gerald Grohmann
(Chief Executive Officer)

Mag. Klaus Mader
(Chief Financial Officer)

The current executive board contract with Gerald Grohmann is effective for a term of office until 31 December 2023 and that of Klaus Mader until 30 September 2023.

COMMITTEES OF THE SUPERVISORY BOARD:

NOMINATION AND REMUNERATION COMMITTEE:

Mag. Norbert Zimmermann
Mag. Dipl. Ing. Helmut Langanger
Mag. Sonja Zimmermann

AUDIT COMMITTEE:

Mag. Norbert Zimmermann
Dr. Wolfram Littich
Mag. Sonja Zimmermann

SUPERVISORY BOARD:

Mag. Norbert Zimmermann
(Chairman)

Initial appointment: 1995
End of the current term: 2022

Mag. Brigitte Ederer
(Deputy Chairwoman)

Initial appointment: 2014
End of the current term: 2024

Mag. Dipl. Ing. Helmut Langanger

Initial appointment: 2003
End of the current term: 2024

Dr. Wolfram Littich

Initial appointment: 2016
End of the current term: 2026

Mag. Sonja Zimmermann

Initial appointment: 2018
End of the current term: 2023

Each year at least one member of the Supervisory Board resigns at the end of the Annual General Meeting, which ensures that the election of at least one member to the Supervisory Board can be resolved during the annual meeting. To the extent the departure sequence does not arise from the term of office, it is decided by lot. In the Supervisory Board meeting that takes place prior to

the holding of an annual general meeting for discussing proposed resolutions and nominations in accordance with Section 108(1) Austrian Stock Corporation Act (Aktiengesetz, 'AktG'), the member of the Supervisory Board who will depart at the end of the subsequent annual general meeting must be determined by lot. The departing member can be reelected immediately.

Ternitz, 28 February 2022

Ing. Gerald Grohmann

Mag. Klaus Mader

Executive Board

AUDITOR'S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

AUDIT OPINION

We have audited the consolidated financial statements of [SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft](#), Ternitz, and of its subsidiaries (the Group) comprising the consolidated statement of financial position as of December 31, 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of December 31, 2021 and its financial performance for the year then ended in accordance with the International Financial Reportings Standards (IFRS) as adopted by EU, and the additional requirements under Section 245a Austrian Company Code UGB.

BASIS FOR OPINION

We conducted our audit in accordance with the regulation (EU) no. 537 / 2014 (in the following "EU

regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We considered the following matter as key audit matter for our audit:

Valuation of goodwill

DESCRIPTION

In its consolidated financial statements, SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft shows Goodwill of mEUR 127,0.

Under IFRS, as adopted by the EU, an entity is required to annually test the amount of goodwill for impairment.

Recoverability of goodwill depends on both external factors such as the impact of the COVID-19-pandemic and the related development of oil prices, the development of input factors for discount rates, rig counts and drilling activities as well as internal evaluations such as the development of customer behavior and requires management discretionary decisions. The significant risk in the course of performing tests of impairment lies in the estimation of future cash flows and discount rates. Furthermore climate-related risks and aspects may have an impact on the recoverability of non-current assets (in particular Goodwill). Those were considered in the course of the impairment tests in the financial year 2021 as well.

We refer to the disclosure in the notes to the consolidated financial statements in sections "Note 4, pts 9", "Note 4, pts 18" and "Note 9, subsection 1. Goodwill".

HOW OUR AUDIT ADDRESSED THE MATTER:

To address this risk, we have performed, among others, the following audit procedures:

We have assessed the design of the entity's procedures for conducting impairment tests.

The composition of the cash-generating units (CGUs) as well as the allocation of the assets, liabilities and cashflows thereto has been audited.

Forecasted sales, results and investments were reconciled to approved budgets by the Board of Management and material planning assumptions (sales, expenditures, investments, changes in Working Capital) have been assessed in order to verify the appropriateness of budget information. For selected CGUs, we have reconciled the planning assumptions with external market data. Cashflows used in the group's impairment tests have been assessed regarding the methodology as well as clerical accuracy. Assumptions related to discount factors as well as growth rates have been assessed as well. In this connection climate-related risks were considered as well.

We involved EY valuation specialists in our audit procedures related to the assessment of the appropriateness of valuation models, cash flow assumptions as well as input factors.

We also evaluated whether disclosures regarding impairment testing in the notes to the consolidated financial statements were made in line with IAS 36.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report 2021, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND OF THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS as adopted by the EU, and the additional requirements under Section 245a Austrian Company Code UGB for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are 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 to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, 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 opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit 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 the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events

or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

COMMENTS ON THE MANAGEMENT REPORT FOR THE GROUP

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Regarding the consolidated non-financial statement contained in the group management report, it is our responsibility to examine whether it has been prepared, to read it and to evaluate whether it is, based on our knowledge obtained in the audit, materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report for the Group.

Opinion

In our opinion, the management report for the Group was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code UGB, and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

ADDITIONAL INFORMATION IN ACCORDANCE WITH ARTICLE 10 EU REGULATION

We were elected as auditor by the ordinary general meeting at April 29, 2021. We were appointed by the Supervisory Board on April 29, 2021. We are auditors without cease since 1996.

We confirm that the audit opinion in the Section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

RESPONSIBLE AUSTRIAN CERTIFIED PUBLIC ACCOUNTANT

The engagement partner is Mag. Markus Jandl, Certified Public Accountant.

Vienna, February 28, 2022

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Markus Jandl mp

Wirtschaftsprüfer / Certified Public Accountant

ppa Dipl.-Ing. (FH) Mag. Manfred Siebert mp

Wirtschaftsprüfer / Certified Public Accountant

REPORT OF THE SUPERVISORY BOARD ON THE 2021 FINANCIAL YEAR

In the 2021 financial year, the Supervisory Board performed its duties assigned to it by law and the Company's articles of association. It held five meetings and received regular oral and written reports about the business development and situation of the Company and its Group companies from the Executive Board, including information about relevant business occurrences. The discussions between the Supervisory Board and Executive Board focused on the strategic orientation and development of the Group as well as on key business transactions and measures. As part of the Group's strategy, the long-term changes in the market environment toward net zero and the associated opportunities and risks for the existing business model and the future strategic realignment of the Group were also discussed. In addition, the Supervisory Board was informed on a semi-annual basis about information security issues and other topics relevant to compliance.

The 2021 Annual General Meeting was held entirely virtually in compliance with the COVID-19 legislation. At the 2021 Annual General Meeting, Dr. Wolfram Littich was confirmed for a further term of office of five years. The Executive Board mandate of Gerald Grohmann was extended by the Supervisory Board until 31 December 2023. Both the Supervisory Board and the Executive Board remained unchanged in the 2021 financial year.

The Supervisory Board has two committees: The Audit Committee and the Remuneration Committee.

In the 2021 financial year, the Remuneration Committee convened once to deal with the remuneration program of the members of the Supervisory Board. The report

on the remuneration of the members of the Supervisory Board and of the Executive Board in accordance with Section 78c in conjunction with Section 98a Austrian Stock Corporation Act (AktG) (remuneration report) was prepared by the Executive Board and the Supervisory Board and approved by the 2021 Annual General Meeting.

The Audit Committee held two meetings in the 2021 financial year to discuss the financial reports of the Company (consolidated and annual financial statements) and performed the duties assigned to it according to Section 92 (4a) Austrian Stock Corporation Act (AktG). Representatives of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as auditor of the annual financial statements and the consolidated financial statements of the Company attended the meeting of the Audit Committee which dealt with the preparation of the adoption of the annual financial statements and consolidated financial statements 2020 and their audit and reported about the auditing process. In addition, the Audit Committee held a meeting for in-depth discussion about the planning of the audits of the annual financial statements 2021 with representatives of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The Supervisory Board was informed regularly about the results of the meetings of the Audit Committee.

The annual financial statements as of 31 December 2021 and the management report were audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The audit revealed that the annual financial statements comply with the legal requirements, give a true and fair view of the Company's assets and financial position as of 31 December 2021 and of the earnings situation of

the Company for the financial year from 1 January 2021 to 31 December 2021, and that the management report has been prepared according to the applicable legal requirements, contains accurate information pursuant to Section 243a Austrian Commercial Code (UGB) and is consistent with the annual financial statements, and that the Corporate Governance Report required pursuant to Section 243c Austrian Commercial Code (UGB) was prepared mutatis mutandis the provisions of Section 251 (3) Austrian Commercial Code (UGB).

The consolidated financial statements as of 31 December 2021, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) to be applied in the EU, and the consolidated management report were also audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The audit revealed that the consolidated financial statements comply with the legal requirements, give a true and fair view of the Group's assets and financial position as of 31 December 2021 and of the earnings situation and the cashflows of the Group for the 2021 financial year, and that the consolidated management report has been prepared in accordance with applicable legal requirements, contains accurate information pursuant to Section 243a Austrian Commercial Code (UGB) and is consistent with the consolidated non-financial statement required pursuant to Section 267a Austrian Commercial Code (UGB) and that the consolidated Corporate Governance Report required pursuant to Section 267b Austrian Commercial Code (UGB) were prepared mutatis mutandis with the provisions of Section 251(3) Austrian Commercial Code (UGB).

As the audits did not give rise to any objections, the auditors issued unqualified audit opinions both for the annual financial statements 2021 and the consolidated financial statements 2021.

At its meeting of 16 March 2022, and after discussion and review by the Audit Committee, the Supervisory Board reviewed the submitted annual financial statements as of 31 December 2021 and the management report as well as the consolidated financial statements as of 31 December 2021 and the consolidated management report including the non-financial statement pursuant to Section 267a Austrian Commercial Code (UGB) and the Corporate Governance Report. The final results of these reviews did not give rise to any objections. At its meeting of 16 March 2022 the Supervisory Board approved the annual financial statements as of 31 December 2021, which are therefore adopted pursuant to Section 96(4) Austrian Stock Corporation Act (AktG). In addition, the Supervisory Board consented at that meeting to the proposal submitted by the Executive Board regarding appropriation of the net profit reported in the annual financial statements of the Company as of 31 December 2021.

The Supervisory Board extends its thanks and appreciation to the members of the Executive Board and all employees of the SBO Group for their strong commitment and performance in the 2021 financial year and thanks the shareholders and customers of the SBO Group for their trust.

Ternitz, am 16 March 2022

The Supervisory Board

Norbert Zimmermann
(Chairman)



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SCHÖLLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

BILANZ zum 31. Dezember 2021

		31.12.2021		31.12.2020	
		EUR	TEUR	EUR	TEUR
A. K.T.I.V.A					
A. Anlagevermögen					
I. Immaterielle Vermögensgegenstände					
1. Konzessionen, gewerbliche Schutzrechte und ähnliche Rechte und Vorteile sowie daraus abgeleitete Lizenzen		3.652,84	5		
II. Sachanlagen					
1. Grundstücke, grundstücksgleiche Rechte und Bauten		9.676.580,64	10.152		
2. andere Anlagen, Betriebs- und Geschäftsausstattung		65.663,65	65		
		9.741.544,29	10.217		
III. Finanzanlagen					
1. Anteile an verbundenen Unternehmen		236.666.873,84	244.019		
2. Ausleihungen an verbundene Unternehmen		57.390.075,67	52.970		
		294.058.949,51	296.989		
		303.804.146,64	307.211		
B. Umlaufvermögen					
I. Forderungen und sonstige Vermögensgegenstände					
1. Forderungen aus Lieferungen und Leistungen		0,00	0 *		
2. Forderungen gegenüber verbundenen Unternehmen		21.716.943,17	16.915		
3. sonstige Forderungen und Vermögensgegenstände		1.451.795,23	1.673		
davon mit einer Restlaufzeit von mehr als einem Jahr EUR 1.042.519,35 (Vorjahr TEUR 1.118)					
II. Kassenbestand, Guthaben bei Kreditinstituten		23.188.738,40	18.588		
		100.043.639,11	120.739		
		123.212.377,51	139.327		
C. Aktive latente Steuern					
1. Verbindlichkeiten gegenüber Kreditinstituten					
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 21.662.337,67 (Vorjahr TEUR 24.162)		222.860.387,34	247.023		
2. Verbindlichkeiten aus Lieferungen und Leistungen					
davon mit einer Restlaufzeit von mehr als einem Jahr EUR 201.198.049,67 (Vorjahr TEUR 222.860)		4.127.917,00	2.460		
3. Verbindlichkeiten gegenüber verbundenen Unternehmen					
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 197.455,86 (Vorjahr TEUR 310)		1.617.451,39	1.698		
4. sonstige Verbindlichkeiten					
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 63.271.869,81 (Vorjahr TEUR 69.548)		63.271.869,81	69.548		
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 2.561.247,33 (Vorjahr TEUR 2.674)		23.892.009,33	24.270		
davon aus Steuern EUR 117.926,88 (Vorjahr TEUR 117)					
davon im Rahmen der sozialen Sicherheit EUR 45.747,60 (Vorjahr TEUR 42)					
		310.221.722,34	341.151		
		429.159.985,15	449.302		
P.A.S.S.I.V.A					
A. Eigenkapital					
I. eingefordertes und eingezahltes Grundkapital					
eigene Anteile		16.000.000,00	16.000		
		-270.535,00	-277		
II. Kapitalrücklagen					
1. gebundene		15.729.465,00	15.723		
davon für eigene Aktien EUR 270.535,00 (Vorjahr TEUR 277)		70.246.582,03	70.253		
III. Optionsrücklage					
		3.951.644,00	3.927		
IV. Gewinnrücklagen					
1. gesetzliche Rücklage		785.314,64	785		
2. andere Rücklagen (freie Rücklagen)		8.087.236,92	7.894		
		8.872.551,56	8.679		
V. Bilanzgewinn		13.528.582,83	4.429		
davon Gewinnvortrag EUR 4.428.808,76 (Vorjahr TEUR 8.107)		112.329.195,42	103.011		
B. Rückstellungen					
1. Rückstellungen für Abfertigungen		863.702,00	982		
2. Steuerrückstellungen		4.127.917,00	2.460		
3. sonstige Rückstellungen		1.617.451,39	1.698		
		6.609.070,39	5.140		
C. Verbindlichkeiten					
1. Verbindlichkeiten gegenüber Kreditinstituten					
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 21.662.337,67 (Vorjahr TEUR 24.162)		222.860.387,34	247.023		
2. Verbindlichkeiten aus Lieferungen und Leistungen					
davon mit einer Restlaufzeit von mehr als einem Jahr EUR 201.198.049,67 (Vorjahr TEUR 222.860)		4.127.917,00	2.460		
3. Verbindlichkeiten gegenüber verbundenen Unternehmen					
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 197.455,86 (Vorjahr TEUR 310)		1.617.451,39	1.698		
4. sonstige Verbindlichkeiten					
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 63.271.869,81 (Vorjahr TEUR 69.548)		63.271.869,81	69.548		
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 2.561.247,33 (Vorjahr TEUR 2.674)		23.892.009,33	24.270		
davon aus Steuern EUR 117.926,88 (Vorjahr TEUR 117)					
davon im Rahmen der sozialen Sicherheit EUR 45.747,60 (Vorjahr TEUR 42)					
		310.221.722,34	341.151		
		429.159.985,15	449.302		

*) Kleinbetrag

GEWINN- UND VERLUSTRECHNUNG

FÜR DAS GESCHÄFTSJAHR VOM 1. JÄNNER BIS 31. DEZEMBER 2021

	2021	2020
	EUR	TEUR
1. Umsatzerlöse	6.435.397,39	6.181
2. sonstige betriebliche Erträge		
a) Erträge aus dem Abgang vom Anlagevermögen mit Ausnahme der Finanzanlagen	0,00	2
b) übrige	5.322.313,17	1.198
	<u>5.322.313,17</u>	<u>1.200</u>
3. Personalaufwand		
a) Löhne	-162.447,67	-178
b) Gehälter	-2.984.723,78	-2.725
c) soziale Aufwendungen		
aa) Aufwendungen für Altersversorgung	-154.959,53	-139
bb) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiter-Vorsorgekassen	91.208,52	-10
cc) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-433.498,36	-434
dd) übrige	-1.140,27	0*
	<u>-498.389,64</u>	<u>-583</u>
	<u>-3.645.561,09</u>	<u>-3.486</u>
4. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	-512.567,12	-517
5. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Z 15 fallen	-195.694,62	-150
b) übrige	-4.892.092,89	-9.448
	<u>-5.087.787,51</u>	<u>-9.598</u>
6. Zwischensumme aus Z 1 bis 5 (Betriebserfolg)	2.511.794,84	-6.220
7. Erträge aus Beteiligungen davon aus verbundenen Unternehmen EUR 11.227.273,76 (Vorjahr TEUR 3.175)	11.227.273,76	3.175
8. Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens davon aus verbundenen Unternehmen EUR 2.755.509,41 Vorjahr TEUR 2.906)	2.757.420,41	2.906
9. sonstige Zinsen und ähnliche Erträge davon aus verbundenen Unternehmen EUR 174.773,91 (Vorjahr TEUR 468)	296.202,82	957
10. Erträge aus der Zuschreibung zu Finanzanlagen	4.419.658,00	0
11. Aufwendungen aus Finanzanlagen	-7.350.000,00	-4.890
a) davon Abschreibungen EUR -7.350.000,00 (Vorjahr TEUR -4.890)		
b) davon Aufwendungen aus verbundenen Unternehmen EUR -7.350.000,00 (Vorjahr TEUR -4.890)		
12. Zinsen und ähnliche Aufwendungen davon betreffend verbundene Unternehmen EUR -687.017,93 (Vorjahr TEUR -568)	-5.124.923,57	-4.462
13. Zwischensumme aus Z 7 bis 12 (Finanzerfolg)	6.225.631,42	-2.314
14. Ergebnis vor Steuern (Zwischensumme aus Z 6 und Z 13)	8.737.426,26	-8.534
15. Steuern vom Einkommen und vom Ertrag davon latente Steuern EUR -620.586,00 (Vorjahr TEUR 2.270)	362.717,81	4.856
16. Ergebnis nach Steuern = Jahresüberschuss / -fehlbetrag	9.100.144,07	-3.678
17. Gewinnvortrag aus dem Vorjahr	4.428.808,76	8.107
18. Bilanzgewinn	13.528.952,83	4.429

* Kleinbetrag

ANHANG ZUM JAHRESABSCHLUSS 2021

I. ALLGEMEINE ANGABEN

Der Jahresabschluss der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO), mit Sitz in Ternitz, wurde nach den Vorschriften des Unternehmensgesetzbuches (§§ 189ff UGB) in der geltenden Fassung erstellt.

Der Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung sowie unter Beachtung der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt.

Bei der Erstellung des Jahresabschlusses wurde der Grundsatz der Vollständigkeit eingehalten.

Bei der Bewertung der einzelnen Vermögensgegenstände und Schulden wurden der Grundsatz der Einzelbewertung und eine Fortführung des Unternehmens unterstellt. Dem Vorsichtsprinzip wurde dadurch Rechnung getragen, dass nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen wurden.

Für erkennbare Risiken und drohende Verluste, die aus dem vergangenen und früheren Geschäftsjahren resultieren und in der Zukunft schlagend werden könnten, wurden entsprechende Vorsorgen in die Bilanz eingestellt.

Die Gewinn- und Verlustrechnung wurde nach dem Gesamtkostenverfahren erstellt.

Die SBO erstellt einen Konzernabschluss gemäß § 245a UGB nach international anerkannten Rechnungslegungsgrundsätzen. Der Konzernabschluss wird beim Firmenbuch des Handelsgerichtes Wiener Neustadt hinterlegt.

Die Gesellschaft ist seit 2005 Gruppenträger einer Unternehmensgruppe gemäß § 9 KStG.

Bei der Summierung von gerundeten Beträgen und Prozentangaben können durch Verwendung automatischer Rechenhilfen rundungsbedingte Rechen-differenzen auftreten.

Der durch die COVID-19 Pandemie im Geschäftsjahr 2020 eintretenden und in das Jahr 2021 reichenden globalen Wirtschaftskrise konnte sich auch SBO naturgemäß nicht entziehen. Als Holdinggesellschaft ist die SBO in erster Linie indirekt, das heißt über ihre Tochtergesellschaften von den Auswirkungen der Pandemie betroffen, wobei allerdings im Jahr 2021 eine deutliche Erholung bei den Geschäftsaktivitäten der Tochtergesellschaften eingetreten ist. In 2021 wurden so wie auch 2020 seitens der SBO aufgrund der hohen Liquidität und guten Kapitalausstattung keine COVID-19-Förderungen in Anspruch genommen bzw. keine Stundungen von Zahlungsverpflichtungen oder Garantien beantragt.

Wesentliche positive Auswirkungen auf das Ergebnis der SBO im Geschäftsjahr 2021 hatten Wechselkursgewinne aus dem im Jahresverlauf stärker werdenden USD.

II. BILANZIERUNGS- UND BEWERTUNGSMETHODEN

Bei der Bewertung des **ANLAGEVERMÖGENS** wurde das Niederstwertprinzip eingehalten. Die vorgenommenen Abschreibungen tragen den verbrauchsbedingten und sonstigen Wertminderungen voll Rechnung. Die planmäßige Abschreibung wird linear vorgenommen.

Finanzanlagen werden zu Anschaffungskosten, gegebenenfalls vermindert um außerplanmäßige Abschreibungen zur Berücksichtigung von Wertminderungen, die voraussichtlich von Dauer sind, bewertet. Bewertungsergebnisse von Finanzanlagen in fremder Währung werden ebenfalls unter den Abschreibungen dargestellt. Abschreibungen erfolgen gegebenenfalls auf den beizulegenden Wert. Zuschreibungen zu Finanzanlagen erfolgen maximal bis zu den Anschaffungskosten, sofern die Gründe für eine in Vorjahren vorgenommene Abschreibung nicht mehr bestehen.

Die **FORDERUNGEN UND SONSTIGEN VERMÖGENSGEGENSTÄNDE** wurden nach dem strengen Niederstwertprinzip bilanziert. Fremdwährungsforderungen wurden mit dem Devisen-Kurs zum Bilanzstichtag oder zu niedrigeren Anschaffungskursen bewertet. Allen erkennbaren Einzelrisiken wurde durch Wertberichtigungen Rechnung getragen. Pauschalwertberichtigungen wurden nicht vorgenommen.

Auf Fremdwährung lautende **GUTHABEN BEI KREDITINSTITUTEN** wurden mit dem Devisen-Kurs zum Bilanzstichtag bilanziert.

Die Berechnung der **ABFERTIGUNGSRÜCKSTELLUNGEN** erfolgte mittels versicherungsmathematischem Verfahren gemäß IAS 19 (Methode der laufenden Einmalprämien). Hierzu wurden die folgenden Berechnungsannahmen verwendet: Zinssatz 0,9 % (Vorjahr: 0,9 %), Gehaltssteigerung 3,75 % p. a. (Vorjahr: 3,5 %), Pensionseintrittsalter gemäß den aktuellen gesetzlichen Regelungen bzw. davon abweichenden einzelvertraglichen Vereinbarungen. Im Rahmen der Ermittlung der Abfertigungsrückstellung erfolgt die Verteilung des Dienstzeitaufwandes über den Zeitraum vom Eintritt in das Unternehmen bis zum Zeitpunkt des geplanten Pensionsantrittes des jeweiligen Dienstnehmers. Die Veränderungen der Abfertigungsrückstellungen (sowie auch der Jubiläumsgeldrückstellungen) werden im Personalaufwand erfasst.

Die **JUBILÄUMSGELDRÜCKSTELLUNGEN** wurden ebenfalls gemäß IAS 19 berechnet.

Die Bewertung der **SONSTIGEN RÜCKSTELLUNGEN** und der **VERBINDLICHKEITEN** erfolgte unter Bedachtnahme auf den Grundsatz der Vorsicht mit ihrem Erfüllungsbetrag. Fremdwährungsverbindlichkeiten wurden mit ihrem Entstehungskurs oder mit dem höheren Devisen-Kurs zum Bilanzstichtag bewertet.

III. ERLÄUTERUNGEN ZU DEN POSTEN DER BILANZ UND DER GEWINN- UND VERLUSTRECHNUNG

1. ERLÄUTERUNGEN ZUR BILANZ

ANLAGEVERMÖGEN

Die Entwicklung des Anlagevermögens ist im beiliegenden Anlagenspiegel dargestellt.

Das **ABNUTZBARE ANLAGEVERMÖGEN** wird über folgende Nutzungsdauern planmäßig linear abgeschrieben:

EDV-Software	4 Jahre
Gebäude und Grundstückseinrichtungen	10 bis 50 Jahre
Betriebs- und Geschäftsausstattung	4 bis 8 Jahre

Für die **ANTEILE AN VERBUNDENEN UNTERNEHMEN** wurden zum Bilanzstichtag 31.12.2021 Werthaltigkeitstests durchgeführt. Die Bewertung erfolgte auf Basis der vorliegenden Planungen durch Diskontierung der prognostizierten Cashflows unter Heranziehung eines Kapitalkostensatzes nach Steuern, welcher aufgrund aktueller Marktdaten für vergleichbare Unternehmen im selben Industriezweig unter Berücksichtigung der länderspezifischen Inflationserwartungen ermittelt wurde.

Die Cashflows wurden auf Basis der prognostizierten Umsätze und der hierfür notwendigen Kapazitäten (insb. Personalausstattung sowie Investitionen in das Anlagevermögen und in das Working Capital) unter Berücksichtigung von Risikofaktoren in Zusammenhang mit der aktuellen COVID-19 Pandemie ermittelt. Die Bewertung wird am stärksten von den Umsatzerlösen beeinflusst.

Die Umsatzplanungen werden erstellt, indem einerseits die gesamtheitliche Entwicklung der Oilfield Service Industrie berücksichtigt wird (im Wesentlichen in Form der erwarteten zukünftigen CAPEX Spendings) und andererseits auch die unternehmensspezifischen Kundenbeziehungen und regionalen Marktgegebenheiten einbezogen werden. Die Umsatzplanungen im Bereich Manufacturing berücksichtigen zudem die bereits vorhandenen Auftragsstände der wichtigsten Kunden. Für die nachhaltige Planung der Umsatzerlöse und Cashflows wird auch die aus der Vergangenheit abgeleitete Zyklizität der Branche, sofern relevant, herangezogen.

Die Margenplanung wird aus dem geplanten Produktmix und den entsprechenden Preiserwartungen sowie den prognostizierten Kostenentwicklungen abgeleitet. Für die erwarteten Erlöse werden einerseits die bisher erzielten Preise bzw. die Preise von allenfalls vorhandenen Kundenaufträgen herangezogen als auch zukünftige Marktindikationen auf Basis von Rückmeldungen des Vertriebs verwendet. Die Kostenentwicklungen basieren auf den variablen Kosten in Form von bekannten oder erwarteten Materialpreisentwicklungen (basierend auf Preisindikationen bestehender Lieferanten, Materialpreisentwicklungen auf Rohstoffmärkten und daraus ableitbare Trends sowie auf der unterstellten Mengenplanung) und auf den erwarteten fixen Kosten in Form von geplanten Erhaltungs-Investitionen in Maschinen, Anlagen und in die Mietflotte. Weiters wird die erforderliche Personalausstattung (basierend auf geplantem Headcount, erforderlicher Qualifikation der benötigten Mitarbeiter sowie der aufgrund der aktuellen Wirtschaftslage erwarteten Personalkosten) berücksichtigt.

Die durchgeführten Werthaltigkeitstests haben in 2021 zu einer Wertminderung einer Beteiligung in Höhe von TEUR 7.350 geführt (Vorjahr: TEUR 0), die in den Aufwendungen aus Finanzanlagen ausgewiesen ist. Für weitere Angaben wird von der Bestimmung gem. § 242 Abs 2 Z 2 UGB Gebrauch gemacht.

Die **AUSLEIHUNGEN** betrafen ausschließlich Konzerngesellschaften. Die Ausleihungen mit einer Restlaufzeit von unter einem Jahr betragen TEUR 0 (Vorjahr TEUR 16.299).

UMLAUFVERMÖGEN

FORDERUNGEN UND SONSTIGE VERMÖGENSGEGENSTÄNDE

Die **FORDERUNGEN GEGENÜBER VERBUNDENEN UNTERNEHMEN** resultieren mit TEUR 15.501 aus Konzernfinanzierungen (Vorjahr: TEUR 16.328), mit TEUR 5.298 aus Dividenden (Vorjahr: TEUR 0) und mit TEUR 918 aus verrechneten Leistungen (Vorjahr: TEUR 587).

Die in den **SONSTIGEN FORDERUNGEN** enthaltenen Erträge, welche nach dem Abschlussstichtag zahlungswirksam werden, betrafen Zinsabgrenzungen (TEUR 22; Vorjahr: TEUR 38).

AKTIVE LATENTE STEUERN

Die aktiven latenten Steuern wurden zum Bilanzstichtag für folgende Posten gebildet: Beteiligungen, Sachanlagen und Personalrückstellungen. Die Bewertung der latenten Steuern erfolgte mit einem Steuersatz von 25 %.

EIGENKAPITAL

Das eingeforderte und eingezahlte **GRUNDKAPITAL** von TEUR 16.000 besteht aus 16.000.000 auf Inhaber lautende Aktien zu je EUR 1,00.

In der Hauptversammlung vom 23. April 2019 wurde der Vorstand für die Dauer von 5 Jahren ermächtigt, mit Zustimmung des Aufsichtsrats das Grundkapital um bis zu TEUR 1.600 durch Ausgabe neuer Aktien zu erhöhen. In der Hauptversammlung vom 23. April 2020 wurde der Vorstand für die Dauer von 30 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 % des Grundkapitals zu erwerben. 2021 hat die Gesellschaft von der Ermächtigung zum Erwerb eigener Aktien keinen Gebrauch gemacht. Im Geschäftsjahr 2020 hat die Gesellschaft auf Basis der zum Erwerbszeitpunkt noch gültigen Ermächtigung der Hauptversammlung vom 24. April 2018 231.938 Stück eigene Aktien mit einem Kaufpreis von TEUR 6.502 erworben. Zusätzlich wurden in 2020 außerbörslich 6.000 Stück eigene Aktien mit einem Kaufpreis von TEUR 178 erworben.

Zum Bilanzstichtag 2021 hält die Gesellschaft 270.535 Stück eigene Aktien (Vorjahr: 276.535 Stück). Dies entspricht einem Anteil von 1,69 % (Vorjahr: 1,73 %) am Grundkapital mit einem Anschaffungswert von TEUR 8.771 (Vorjahr TEUR 8.964). Die Anzahl der im Umlauf befindlichen Aktien beträgt somit 15.729.465 Stück (Vorjahr: 15.723.465 Stück).

Die **GEBUNDENE KAPITALRÜCKLAGE** betrug zum Bilanzstichtag TEUR 70.247 (Vorjahr: TEUR 70.253) und resultiert im Wesentlichen aus dem Agio bei der Ausgabe junger Aktien in 1997 und in 2005. Die Veränderung in 2021 resultiert aus dem Abgang von eigenen Anteilen.

Die **GESETZLICHE RÜCKLAGE** betrug zum Bilanzstichtag unverändert TEUR 785.

Die **FREIE RÜCKLAGE** betrug zum Bilanzstichtag TEUR 8.087 (Vorjahr: TEUR 7.894). Die Veränderung in 2021 resultiert aus dem Abgang eigener Anteile.

Die **OPTIONSRÜCKLAGE** in Zusammenhang mit einem im Jahr 2014 vereinbarten und in den Jahren 2018 und 2021 verlängerten Vorstandsvergütungsprogramm für die künftige Abgabe von eigenen Aktien beträgt zum Bilanzstichtag TEUR 3.952 (Vorjahr: TEUR 3.927).

Gemäß dem Hauptversammlungsbeschluss vom 29. April 2021 wurde der **BILANZGEWINN 2020** in Höhe von TEUR 4.429 auf neue Rechnung vorgetragen.

RÜCKSTELLUNGEN

In den **ÜBRIGEN RÜCKSTELLUNGEN** sind enthalten:

IN TEUR	31.12.2021	31.12.2020
Jubiläumsgeldrückstellungen	69	62
Rückstellungen für nicht konsumierte Urlaube	384	449
sonstige Personalarückstellungen	585	561
Bilanzveröffentlichung	220	210
Rechts-, Prüfungs- und Beratungskosten	135	150
Sonstige Rückstellungen	224	266
Summe	1.617	1.698

VERBINDLICHKEITEN

Der Gesamtbetrag der Verbindlichkeiten mit einer Restlaufzeit von mehr als fünf Jahren beträgt TEUR 28.571 (Vorjahr: TEUR 71.143). Davon entfallen auf Verbindlichkeiten gegenüber Kreditinstituten TEUR 7.571 (Vorjahr: TEUR 50.143) sowie auf sonstige Verbindlichkeiten TEUR 21.000 (Vorjahr: TEUR 21.000).

Die **VERBINDLICHKEITEN GEGENÜBER VERBUNDENEN UNTERNEHMEN** betreffen mit TEUR 62.935 (Vorjahr: TEUR 69.326) Konzernfinanzierungen, der Restbetrag betrifft Lieferungen und Leistungen.

In den **SONSTIGEN VERBINDLICHKEITEN** sind Aufwendungen in Höhe von TEUR 2.260 (Vorjahr: TEUR 2.387) enthalten, die nach dem Abschlussstichtag zahlungswirksam werden.

HAFTUNGSVERHÄLTNISSE

Haftungsverhältnisse bestanden in folgendem Ausmaß:

IN TEUR	31.12.2021		31.12.2020	
	GESAMTBETRAG	DAVON FÜR VERBUNDENE UNTERNEHMEN	GESAMTBETRAG	DAVON FÜR VERBUNDENE UNTERNEHMEN
Haftungen für Kredite und Kurssicherungen	36.551	36.551	29.365	29.365

Darüber hinaus wurden für ein Bankdarlehen eines verbundenen Unternehmens Pfandrechte an Liegenschaften der Gesellschaft bis zu einem Höchstbetrag von TEUR 12.300 eingeräumt (Vorjahr: TEUR 12.300).

Weiters hat die Gesellschaft gegenüber einem verbundenen Unternehmen eine Patronatserklärung abgegeben, die eine unwiderrufliche Zusicherung enthalten, das Unternehmen derart zu unterstützen, dass dieses jederzeit ihren finanziellen Verpflichtungen nachkommen kann.

FINANZIELLE VERPFLICHTUNGEN

Aus der Nutzung von nicht in der Bilanz ausgewiesenen Sachanlagen auf Grund von Miet- oder Leasingverträgen bestehen keine wesentlichen Verpflichtungen.

2. ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNG

UMSATZERLÖSE

Die größten Posten sind:

IN TEUR	2021	2020
Verrechnete Holdingleistungen	4.475	4.243
Mieterträge	1.961	1.938

SONSTIGE BETRIEBLICHE ERTRÄGE

Die größten Posten sind:

IN TEUR	2021	2020
Kursgewinne	5.314	1.005

PERSONALAUFWAND

Im Posten Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiter-Vorsorgekassen sind Leistungen an betriebliche Mitarbeiter-Vorsorgekassen in der Höhe von TEUR 27 (Vorjahr: TEUR 28) enthalten.

Von den Aufwendungen für Abfertigungen und Pensionen entfallen TEUR 26 (Vorjahr: TEUR 118) auf die Mitglieder des Vorstands. Versicherungsmathematische Gewinne aus der Berechnung der Abfertigungsrückstellung dieses Geschäftsjahres betragen TEUR 177 (Vorjahr: Gewinne von TEUR 80).

SONSTIGE BETRIEBLICHE AUFWENDUNGEN

Die größten Posten in den **ÜBRIGEN SONSTIGEN BETRIEBLICHEN AUFWENDUNGEN** sind:

IN TEUR	2021	2020
Wertberichtigungen von Forderungen	1.600	0
Rechts-, Prüfungs- und Beratungskosten	936	942
Dienstleistungen Konzern	529	350
Versicherungen	505	533
Kursverluste	20	5.586
Wettbewerbsverbot	0	395

Darüber hinaus sind Spesen des Geldverkehrs, EDV-Aufwand sowie sonstige Verwaltungs- und Vertriebsaufwendungen unter dieser Position verbucht.

AUFWENDUNGEN AUS FINANZANLAGEN

Zu den Aufwendungen aus Finanzanlagen im Jahr 2021 siehe im Abschnitt 1. ERLÄUTERUNGEN ZUR BILANZ unter den Angaben zu den Anteilen an verbundenen Unternehmen. Im Vorjahr betragen die Aufwendungen aus Finanzanlagen TEUR 4.890 und betrafen Kursverluste aus der Bewertung konzerninterner Ausleihungen.

STEUERN VOM EINKOMMEN UND VOM ERTRAG

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft hat die Möglichkeit der Bildung einer steuerlichen Unternehmensgruppe gemäß § 9 KStG unter Anwendung der Belastungsmethode genutzt. Gruppenmitglieder sind:

INLAND:

SCHOELLER-BLECKMANN Oilfield Technology GmbH, Ternitz	(ab 2008)
SCHOELLER-BLECKMANN Beteiligungs GmbH, Ternitz	(ab 2020)

AUSLAND:

Schoeller-Bleckmann Oilfield Equipment Vietnam LLC, Binh Duong	(ab 2009)
BICO Drilling Tools Inc., Houston, US	(ab 2020)

Im Geschäftsjahr 2021 weist die Gesellschaft nach Verrechnung der Steuerumlagen an inländische Gruppenmitglieder in Höhe von TEUR 2.680 (Vorjahr: TEUR 2.850) einen Steuerertrag in Höhe von TEUR 363 (Vorjahr: TEUR 4.856) aus. Darin sind Aufwendungen für Quellensteuern in Höhe von TEUR 14 (Vorjahr: TEUR 24) sowie ein auf Vorjahre entfallender Steuerertrag von TEUR 4 (Vorjahr: TEUR 20) enthalten. In Zusammenhang mit der Löschung der ehemaligen Tochtergesellschaft in Mexiko ergab sich in 2020 ein Steuerertrag in Höhe von TEUR 2.207, der der Veranlagung 2019 zuzurechnen war.

BILANZGEWINN

Der Vorstand schlägt vor, an die dividendenberechtigten Aktien eine Dividende von EUR 0,75 je Aktie (Vorjahr: EUR 0,00) auszuschütten und den verbleibenden Bilanzgewinn auf neue Rechnung vorzutragen.

IV. SONSTIGE ANGABEN

GESCHÄFTSFÄLLE MIT NAHESTEHENDEN UNTERNEHMEN UND PERSONEN

Für das Geschäftsjahr 2021 liegen keine berichtspflichtigen Geschäftsfälle gemäß § 238 (1) Z 12 UGB vor.

AUFWENDUNGEN FÜR DEN ABSCHLUSSPRÜFER

Die Aufwendungen für den Abschlussprüfer 2021 sind dem Konzernabschluss der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft zu entnehmen.

EREIGNISSE VON BESONDERER BEDEUTUNG NACH DEM BILANZSTICHTAG

Nach dem Bilanzstichtag sind keine Ereignisse von besonderer Bedeutung eingetreten, die weder in der Gewinn- und Verlustrechnung noch in der Bilanz berücksichtigt sind. Die globalen Auswirkungen der aktuellen geopolitischen Unruhen im Russland / Ukraine Konflikt und der international erhobenen Sanktionen sind noch nicht abgebildet und aktuell nicht abschätzbar.

V. ANGABEN ÜBER BETEILIGUNGEN UND BEZIEHUNGEN ZU VERBUNDENEN UNTERNEHMEN

Verbundene Unternehmen im Sinne des § 189a Z 8 UGB sind alle Unternehmen, die dem Konzern der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, Ternitz, angehören. Geschäfte mit diesen Gesellschaften werden wie mit unabhängigen Dritten abgewickelt.

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft war zum 31. Dezember 2021 an folgenden Unternehmen beteiligt:

		ERGEBNIS IN TEUR	EIGENKAPITAL IN TEUR
	ANTEIL IN PROZENT*	JAHR 2021	31.12.2021
SCHOELLER-BLECKMANN Oilfield Technology GmbH, Ternitz	100,00	8.038,3	104.785,3
DSI FZE, Dubai, AE	100,00	10.179,0	59.439,3
Schoeller-Bleckmann America Inc., Wilmington, US	100,00	-2.051,7	74.237,5
BICO Drilling Tools Inc., Houston, US	88,70	-3.273,6	54.576,3
Schoeller-Bleckmann Oilfield Equipment (UK) Limited, Rotherham, GB	100,00	-20,9	19.256,6
Knust-SBD Pte Ltd., Singapur, SG	51,50	1.627,6	12.066,8
Schoeller-Bleckmann Oilfield Equipment Middle East FZE, Dubai, AE	100,00	349,0	6.549,7
Schoeller-Bleckmann Oilfield Equipment Vietnam LLC, Binh Duong, VN	100,00	1.742,2	25.319,4

Für die Angaben zu weiteren Beteiligungen wird von der Bestimmung gem. § 242 Abs. 2 Z 2 UGB Gebrauch gemacht.

* Direkt gehaltene Anteile

VI. ANGABEN ÜBER ORGANE UND ARBEITNEHMER

Der durchschnittliche Personalstand gliedert sich wie folgt:

	2021	2020
Gehaltsempfänger	16	16
Lohnempfänger	8	9
Summe Mitarbeiter	24	25

Die Bezüge für die Mitglieder des Vorstands betragen im aktuellen Geschäftsjahr TEUR 1.543, davon fixer Anteil TEUR 1.157, davon variabler Anteil TEUR 385 (Vorjahr: TEUR 1.780, davon fixer Anteil TEUR 1.122, davon variabler Anteil TEUR 658).

Im Geschäftsjahr 2014 wurde dem Vorstandsvorsitzenden Ing. Gerald Grohmann für Vorstandstätigkeiten unter der Voraussetzung eines jeweils aktiven Dienstverhältnisses eine jährliche Übertragung von jeweils 6.000 Stück SBO Aktien zugesagt, wobei die erste Übertragung 2014 erfolgte. Diese Aktien unterliegen auf die Dauer von 2 Jahren ab der jeweiligen Übertragung, längstens aber bis zur Beendigung des Dienstvertrages, einer Verfügungs- und Belastungsbeschränkung seitens Herrn Ing. Grohmann. Die Vereinbarung wurde jeweils in 2018 und 2021 im Rahmen der Verlängerung des Dienstvertrages bis nunmehr 2023 verlängert. Der Kurswert zum Zeitpunkt der Übertragung von 6.000 Aktien in 2021 betrug TEUR 228 (Vorjahr: TEUR 153). Zum 31. Dezember 2021 beträgt der Kurswert der 12.000 Stück bereits übertragenen und einer Verfügungsbeschränkung unterliegenden Aktien TEUR 371 (Vorjahr: 12.000 Stück mit Kurswert TEUR 373). Im ersten Quartal 2020 hat die Gesellschaft im Rahmen des bestehenden Vertrages von Herrn Ing. Grohmann 6.000 Aktien zurück erworben, wofür eine Zahlung zum Kurswert am Tag des Rückerwerbes in Höhe von TEUR 178 geleistet wurde.

Im Geschäftsjahr 2014 wurde dem Vorstandsvorsitzenden eine freiwillige Abfertigung in Höhe von 30.000 Stück SBO Aktien bei Vertragsende zugesagt. Nachdem dafür bereits in Vorjahren vollständig vorgesorgt wurde, ergab sich daraus für die Gesellschaft in 2021 kein weiterer Aufwand. Der Aufwand betreffend aktienbasierter Vergütungen ist aufgrund der bestehenden Verfügungsbeschränkung bzw. der erst bei Ende des Dienstverhältnisses gewährten Abfertigung in den oben dargestellten Bezügen nicht enthalten.

Im Geschäftsjahr 2021 erhielten die Aufsichtsratsmitglieder in Summe eine Vergütung von TEUR 180 (Vorjahr: TEUR 173).

AUFSICHTSRAT:

Mag. NORBERT ZIMMERMANN

Vorsitzender seit 10.04.1995

Mag. BRIGITTE EDERER

Mitglied seit 23.04.2014,
stellvertretende Vorsitzende seit 24.04.2018

Mag. DI HELMUT LANGANGER

Mitglied seit 29.04.2003

Mag. Dr. WOLFRAM LITTICH

Mitglied seit 27.04.2016

Mag. SONJA ZIMMERMANN

Mitglied seit 24.04.2018

VORSTAND:

Ing. GERALD GROHMANN

Vorsitzender seit 03.10.2001

Mag. KLAUS MADER

seit 01.10.2015

Ternitz, am 28. Februar 2022

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand

Ing. GERALD GROHMANN

Mag. KLAUS MADER

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Anlagenpiegel gemäß § 226 (1) UGB per 31.12.2021

Beträge in EURO	Anschaffungs- bzw. Herstellungskosten		Vortrag		Stand		kumulierte Abschreibungen		Stand		Buchwert	
	01.01.2021	Zugänge	Abgänge	01.01.2021	31.12.2021	01.01.2021	Zugänge	Abgänge	Zuschreibungen	31.12.2021	31.12.2021	
I. Immaterielle Vermögensgegenstände												
Konzessionen, gewerbliche Schutzrechte und 1. ähnliche Rechte	68.836,60	0,00	0,00	68.836,60	68.836,60	63.769,76	1.414,00	0,00	0,00	65.183,76	3.652,84	5.066,84
Summe immaterielle Vermögensgegenstände	68.836,60	0,00	0,00	68.836,60	68.836,60	63.769,76	1.414,00	0,00	0,00	65.183,76	3.652,84	5.066,84
II. Sachanlagevermögen												
Grundstücke, grundstücksgleiche Rechte und Bauten, davon Grundwert EUR 3.560.935,26 (2020: 1. TEUR 3.560,9)	20.063,262,67	0,00	0,00	20.063,262,67	20.063,262,67	9.911,567,83	475.814,20	0,00	0,00	10.387,382,03	9.675.880,64	10.151.694,84
2. andere Anlagen, Betriebs- und Geschäftsausstattung	638.951,41	27.543,49	0,00	666.494,90	666.494,90	574.067,74	26.769,51	0,00	0,00	800.831,25	65.663,65	64.883,67
3. geringwertige Wirtschaftsgüter	0,00	8.575,41	-8.575,41	0,00	0,00	0,00	8.575,41	-8.575,41	0,00	0,00	0,00	0,00
Summe Sachanlagen	20.702.214,08	36.118,90	-8.575,41	20.729.757,57	20.729.757,57	10.485.635,57	511.153,12	-8.575,41	0,00	10.988.213,28	9.741.544,29	10.216.578,51
III. Finanzanlagen												
1. Anteile an verbundenen Unternehmen	256.169,036,73	0,00	0,00	256.169,036,73	256.169,036,73	12.150,162,89	7.350.000,00	0,00	0,00	19.500,162,89	236.668.873,84	244.018.873,84
2. Ausleihungen an verbundenen Unternehmen	58.244,257,12	0,00	0,00	58.244,257,12	58.244,257,12	5.273.839,45	0,00	0,00	-4.419.658,00	854.181,45	57.390.075,67	52.970.417,67
Summe Finanzanlagen	314.413.293,85	0,00	0,00	314.413.293,85	314.413.293,85	17.424.002,34	7.350.000,00	0,00	-4.419.658,00	20.354.344,34	294.058.949,51	296.989.291,51
SUMME ANLAGEVERMÖGEN	335.184.344,53	36.118,90	-8.575,41	335.211.888,02	335.211.888,02	27.973.407,67	7.862.567,12	-8.575,41	-4.419.658,00	31.407.741,38	303.804.146,64	307.210.936,86

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

LAGEBERICHT FÜR DAS GESCHÄFTS- JAHR 2021

1) BERICHT ÜBER DEN GESCHÄFTSVERLAUF UND DIE WIRTSCHAFTLICHE LAGE

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO) fungiert als konzernleitende

Holdingsgesellschaft zur Steuerung und Beratung der Tochter- und Beteiligungsgesellschaften.

FINANZIELLE UND NICHTFINANZIELLE LEISTUNGSINDIKATOREN

Wegen ihrer Holdingfunktion haben die finanziellen Kennzahlen der SBO keine Aussagekraft für die wirtschaftliche Entwicklung des Konzerns. Die Beurteilung der Vermögens- und Ertragslage des SBO-Konzerns ist deshalb nur anhand des Konzernabschlusses möglich.

Die **UMSATZERLÖSE** der SBO betragen 2021 MEUR 6,4 (Vorjahr: MEUR 6,2). Bei den von SBO ausgewiesenen Umsatzerlösen handelt es sich um konzerninterne Leistungen sowie um Erlöse aus der Vermietung von Grund- und Gebäudeflächen in Ternitz.

Die **SONSTIGEN BETRIEBLICHEN ERTRÄGE** enthalten Erträge aus Kursdifferenzen in Höhe von MEUR 5,3 (Vorjahr: MEUR 1,0). Die **SONSTIGEN BETRIEBLICHEN AUFWENDUNGEN** enthalten Kursverluste in Höhe von MEUR 0,0 (Vorjahr: MEUR 5,6). Die Kurseffekte ergaben sich in erster Linie aus dem im Jahresverlauf 2021 stärker werdenden USD, während das Jahr 2020 von einer Abschwächung des USD betroffen war.

Das **ERGEBNIS VOR STEUERN** betrug im Geschäftsjahr 2021 MEUR 8,7 (Vorjahr: MEUR -8,5). Darin enthalten sind **ERTRÄGE AUS BETEILIGUNGEN** in Höhe von MEUR 11,2 (Vorjahr: MEUR 3,2). Die **ERTRÄGE AUS DER ZUSCHREIBUNG ZU FINANZANLAGEN** in Höhe von MEUR 4,4 betreffen so wie die **AUFWENDUNGEN AUS FINANZANLAGEN**

des Vorjahres in Höhe von MEUR 4,9 Kurseffekte. Im aktuellen Jahr betreffen die Aufwendungen aus Finanzanlagen eine Beteiligungsabwertung. Diesbezüglich wird von der Bestimmung gem. § 242 Abs 2 Z 2 UGB Gebrauch gemacht.

In den Jahren 2021 und 2020 gab es keine nennenswerten **ZUGÄNGE ZU SACHANLAGEN UND IMMATERIELLEN VERMÖGENSGEGENSTÄNDEN**.

In 2021 gab es keine **ZUGÄNGE ZU FINANZANLAGEN** (Vorjahr: MEUR 5,6). Im Geschäftsjahr 2021 wurde ein Vertrag zu einer ausgegebenen Anleihe in Höhe von MUSD 20,0 bis 2028 verlängert.

Die **BILANZSUMME** ist im Geschäftsjahr mit MEUR 429,2 gegenüber dem Vorjahr (MEUR 449,3) gesunken. Dies ist in erster Linie auf die planmäßige Tilgung von Fremdmitteln in Höhe von MEUR 24,4 zurückzuführen.

Die **EIGENKAPITALQUOTE** ist auf Grund der gesunkenen Bilanzsumme und dem positiven Jahresergebnis auf 26,2 % gestiegen (Vorjahr: 22,9 %).

Ebenso ist das **LANGFRISTIG GEBUNDENE VERMÖGEN** (überwiegend Finanzanlagen) auf 70,8 % der Bilanzsumme leicht gestiegen (Vorjahr: 68,4 %).

Es bestehen keine Zweigniederlassungen der SBO.

Mitarbeiter

Der **PERSONALSTAND** der SBO zum 31. Dezember 2021 betrug 23 Mitarbeiter (15 Gehaltsempfänger und 8 Lohnempfänger). Im Vorjahr belief sich die Mitarbeiteranzahl auf 23 (14 Gehaltsempfänger und 9 Lohnempfänger).

Unsere Mitarbeiter sichern mit ihrem Wissen und ihrer Kompetenz den nachhaltigen Erfolg unseres Unternehmens. Wir bauen auf unsere erfahrene und gut ausgebildete Mannschaft, die wir von der Einstellung an begleiten und durch ihre gesamte Laufbahn bei SBO fördern.

Unsere Branche ist von Zyklen mit Auf- und Abschwüngen geprägt. In unserer Personalplanung achten wir darauf, dieses Auf und Ab bestmöglich abzufedern. Während wir im Abschwung aktiv Maßnahmen setzen, um das Knowhow im Unternehmen zu halten, bauen wir im Aufschwung unsere Mannschaft schrittweise aus. Ein ansprechendes Arbeitsumfeld und attraktive Bonifikationsmodelle bringen neue Fachkräfte an Bord und halten unsere Experten langfristig im Unternehmen. An unserem Standort in Ternitz haben wir eine spezifische Lehrlingsausbildung implementiert und bilden damit junge Menschen zu den Facharbeitern von morgen aus. Durch diesen Fokus auf unser Experten-Team gewährleisten wir Top-Qualität in der Produktion.

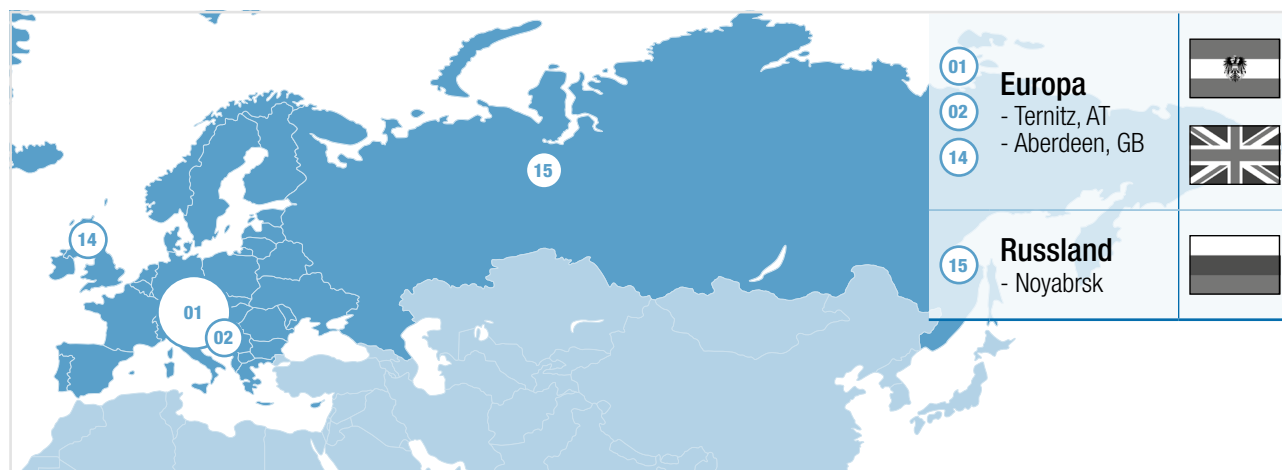
MARKTUMFELD DES SBO-KONZERNS

Die positiven Signale aus dem Welthandel und die damit verbundene globale Erholung sorgten für ein schrittweises Wachstum der Weltwirtschaft im abgelaufenen Geschäftsjahr. Laut aktuellen Schätzungen des Internationalen Währungsfonds (IWF) stieg die globale Wirtschaftsleistung 2021 um 5,9 %, nach einem Rückgang von 3,1 % im Vorjahr.

Der Anstieg vollzog sich über die Regionen hinweg: Die Wirtschaftsleistung der Industrienationen verzeichnete nach einer Reduktion von 4,5 % in 2020 ein Wachstum von 5,0 % in 2021, jene der Schwellenländer stieg sogar um 6,5 %, nach einem Rückgang von 2,0 % in 2020.¹

REGIONEN

EUROPA UND RUSSLAND



In Europa entstand trotz anhaltender Engpässe in den Logistikketten und Einschränkungen durch COVID-19

ein zunehmend stabiler Aufschwung, der durch allmählich steigende Impfquoten und eine höhere Mobilität

¹ IWF, World Economic Outlook Update, Jänner 2022.

gestützt wurde. Die Eurozone verzeichnete dem IWF zufolge einen Anstieg der Wirtschaftsleistung von 5,2 %. Auch in Russland war ein Aufschwung zu verzeichnen, dieser fiel jedoch aufgrund einer schwachen Ernte sowie einer stärker als erwarteten dritten Pandemie-Welle geringer aus, als zuvor prognostiziert. Hier betrug

der Anstieg der Wirtschaftsleistung 4,5 %. Die globalen Auswirkungen der aktuellen geopolitischen Unruhen im Russland / Ukraine Konflikt und der international erhobenen Sanktionen sind darin noch nicht abgebildet und aktuell nicht abschätzbar.

NORDAMERIKA (INKLUSIVE MEXIKO)



Das nordamerikanische Wirtschaftsumfeld konnte sich von der Pandemie zunächst deutlich erholen. Aufgrund des starken Abbaus der Lagerbestände in den USA im zweiten Quartal, was teilweise zu Versorgungsunterbrechungen sowie einem sinkenden Verbrauch im dritten Quartal führte, wurde die

Wirtschaftsleistung in der zweiten Jahreshälfte zwar leicht abgeschwächt, dennoch wurde 2021 ein starkes Wachstum verzeichnet. Im Gesamtjahr stieg die Wirtschaftsleistung in den USA um 5,6 % an, in Kanada kam es laut IWF zu einem Anstieg von 4,7 %.

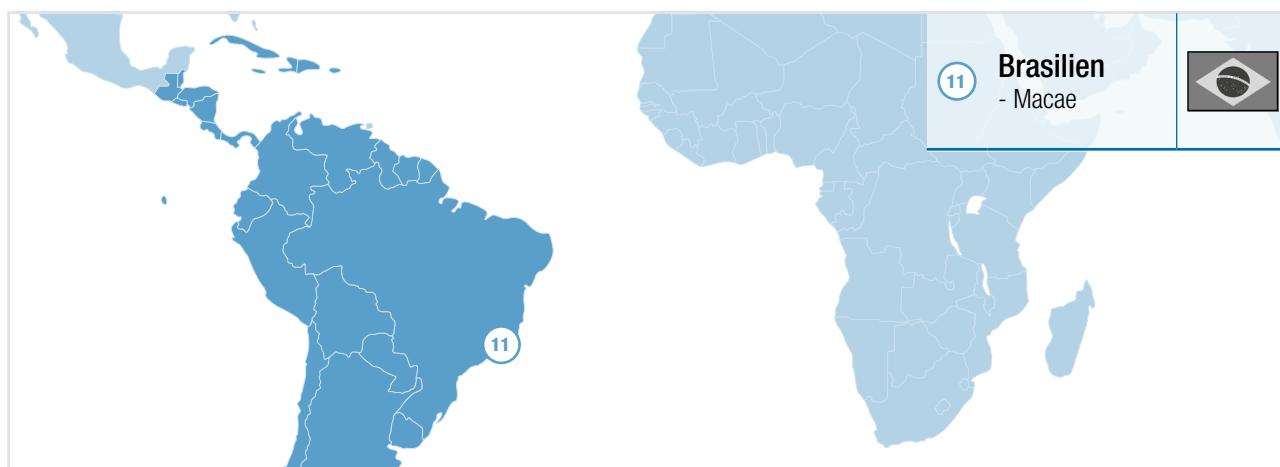
ASIEN



Der asiatisch-pazifische Raum verzeichnete zu Beginn des Jahres eine deutliche Erholung der Wirtschaftstätigkeit, die im Laufe des Jahres jedoch eingebremst wurde. So war Asien besonders betroffen von der hochansteckenden Delta-Variante, was zu neuen Spitzenwerten im Pandemiezyklus führte. Daneben vertiefen sich die Unterschiede zwischen

den fortgeschrittenen Volkswirtschaften Asiens und den aufstrebenden Markt- und Entwicklungsländern, was auf die Durchimpfungsrate und die politische Unterstützung zurückzuführen ist. In China konnte die Wirtschaftsleistung deutlich zulegen und verzeichnete im Jahr 2021 ein Wachstum von 8,1 %.

LATEINAMERIKA



In Lateinamerika und der Karibik (LAC) ist eine wirtschaftliche Erholung im Gange, die Pandemie wirft jedoch immer noch Schatten auf einen Großteil der Region. Die Erholung war im ersten Quartal 2021

robust, verlor aber in einigen Ländern im zweiten Quartal an Schwung, was auf den Wiederanstieg der COVID-19-Fälle zurückzuführen ist. Das reale BIP ist 2021 um 6,8 % gewachsen.

MITTLERER OSTEN



In der Region des Nahen Ostens und Zentralasiens setzte sich eine fragile Erholung fort. Die Region hat seit Anfang des Jahres 2021 gute Fortschritte gemacht, die jedoch durch neue Herausforderungen wie der Pandemiewelle in Ländern mit schwachen

Impffortschritten und einer steigenden Inflation eingedämmt wurden.² Die Wirtschaftsleistung in dieser Region stieg im Jahr 2021 um 4,2 %. In Saudi-Arabien konnte ein Anstieg der Wirtschaftsleistung um 2,9 % verzeichnet werden.

ENERGIEMARKT

Im Jahr 2021 zog die weltweite Energienachfrage wieder an, nachdem diese im Jahr 2020 um 4 % sank und damit den größten absoluten Rückgang aller Zeiten verzeichnete.³ So führte die Belebung der Wirtschaftstätigkeit in den Ländern, die sich allmählich von den COVID-19-Lockdowns erholten, zu einem Aufschwung der Nachfrage nach allen Energieträgern und Technologien.⁴

Laut der Internationalen Energie Agentur (IEA) nahm die Energienachfrage im Jahr 2021 im Vergleich zum Vorjahr insgesamt um etwa 4 % zu und erreichte damit nahezu wieder das Vorkrisenniveau. Parallel dazu stiegen im

Jahr 2021 die Kapazitäten im Bereich der erneuerbaren Energien noch stärker als im Wachstumsjahr 2020, angetrieben von der Photovoltaik, die mehr als die Hälfte des gesamten Ausbaus im Bereich der erneuerbaren Energien ausmachte.⁵ Dennoch muss das Wachstum von erneuerbaren Energien noch deutlich beschleunigt werden, um die international vereinbarten Klimaziele bis 2050 zu erreichen.

Durch die grundsätzliche Erholung der Weltwirtschaft stieg auch die Nachfrage nach Erdgas und Erdöl. Zur Erreichung der Klimaziele wurde Erdgas als Übergangsressource eingestuft. Die weltweite Erdgas-

² IMF, Regional Economic Outlook, Oktober 2021.

³ International Energy Agency (IEA), Global Energy Review 2021, April 2021.

⁴ International Energy Agency (IEA), World Energy Outlook, Oktober 2021.

⁵ International Energy Agency (IEA), Renewables 2021, Dezember 2021.

nachfrage stieg im Jahr 2021 um 183 Milliarden Kubikmeter (bcm) bzw. 4,7 %, nach einem Rückgang um 70 bcm bzw. 1,8 % im Jahr 2020.⁶ Damit lag die Nachfrage nach Erdgas wieder deutlich über dem Niveau vor der Pandemie. Die Gasspeicherung, die durch ihre flexible Anpassung an den Bedarf eine tragende Rolle in der Energieversorgungssicherheit spielt, betrug weltweit über 400 Milliarden Kubikmeter (bcm), was etwa 10 % des jährlichen weltweiten Energiebedarfs entspricht.⁷

Auch die durchschnittliche globale Ölnachfrage stieg im Jahr 2021 und verzeichnete laut IEA ein Wachstum von 5,6 Millionen Barrel pro Tag (mb/d) oder 6,1 % auf 97,4 mb/d (2020: 91,8 mb/d).⁸ Die erhöhte Nachfrage nach Öl und Gas reflektiert sich auch in der Anzahl der weltweiten Bohranlagen (Rig Count), die im Verlauf des Jahres 2021 um 42 % auf 1.563 Anlagen zunahm (Dezember 2020: 1.104 Anlagen). Der Anstieg war über alle Regionen sichtbar. So stieg der Rig Count in Nordamerika (USA) um 71 % auf 579 Anlagen (Dezember 2020: 339 Anlagen), international wurde ein Anstieg von 25 % auf 834 Anlagen verzeichnet (Dezember 2020: 665 Anlagen).⁹

Der Wirtschaftsaufschwung im Jahr 2021 hat die Rohstoffmärkte verknappt und eine starke Preisinflation ausgelöst. So nahmen im Laufe des Jahres alle Rohstoffpreise stark zu, darunter auch Metall sowie die Preise für Öl und Erdgas. Die Erdgaspreise erholten sich im Jahr 2021 in allen wichtigen Regionen und kletterten in Nordamerika auf über zehnjährige Höchststände sowie auf Allzeithochs in Europa und Asien. Der starke Anstieg der Gaspreise ist auf mehrere Gründe

zurückzuführen: Während sich die Nachfrage Hand in Hand mit der wirtschaftlichen Erholung deutlich steigerte, blieb das Angebot niedriger als erwartet, ausgelöst durch Kapazitätsausfälle entlang der gesamten Gaswertschöpfungskette und unterdurchschnittliche Lagerbestände in den Gasspeichern. Zudem ist ein Großteil der weltweiten Gaslieferungen Ölpreis-indexiert und sind Gaslieferungen auch von politischen Einflüssen abhängig.¹⁰

Der Gaspreis startete mit USD 2,54/MMBtu (million British thermal units) ins Jahr 2021, erreichte im Laufe des dritten und vierten Quartals Höchststände und schloss Ende Dezember mit einem Kurs von USD 3,73/MMBtu, ein Plus von 46,9 %.¹¹ Auch die Ölpreise legten im Jahr 2021 wieder deutlich zu. Gestützt wurden sie wie in den Vorjahren von der OPEC-Allianz, die Fördermengen in Anlehnung an die Nachfrageentwicklung nur schrittweise an hob und damit die Preisentwicklung unterstützte. Die europäische Rohöl-Sorte Brent startete mit USD 51,80 pro Barrel ins Jahr 2021 und lag am letzten Handelstag bei USD 77,78, eine Steigerung von 50,2 %. Im gleichen Zeitraum stieg der Kurs von WTI von USD 48,52 pro Barrel auf USD 75,21 und verzeichnete damit ein Plus von 55,0 %.¹²

Die weltweiten Ausgaben für Exploration und Produktion (E&P-Ausgaben) stiegen im Jahr 2021 um insgesamt 5,5 %, wobei das Wachstum ausschließlich im internationalen Umfeld zu verzeichnen war. Während die nordamerikanischen E&P-Ausgaben rückläufig waren und sogar um 2,0 % sanken, stiegen die internationalen Ausgaben um 7,4 %.¹³

⁶ International Energy Agency (IEA), Gas Market Report Q1-2022, Jänner 2022.

⁷ International Energy Agency (IEA), World Energy Outlook 2021, Oktober 2021.

⁸ International Energy Agency (IEA), Oil Market Report, Februar 2021.

⁹ Baker Hughes Rig Count.

¹⁰ International Energy Agency (IEA), Gas Market Report Q1-2022, Jänner 2022.

¹¹ Bloomberg: NG1 Natural Gas (Nymex).

¹² Bloomberg: CO1 Brent Crude (ICE) und CL1 WTI Crude (Nymex).

¹³ Evercore ISI, The 2021 Evercore ISI Global E&P Spending Outlook, Dezember 2021.

GESCHÄFTSENTWICKLUNG DES SBO-KONZERNS

Die SBO Gruppe setzte im Geschäftsjahr 2021 den Wachstumskurs fort und erwirtschaftete ein klar positives Ergebnis. SBO konnte Auftragseingang und Ergebnis deutlich steigern und schloss an das Umsatzniveau des Jahres 2020 an, dessen erstes Quartal noch weitgehend von der Pandemie unberührt

und somit umsatzstark war. Nach dem pandemiebedingt drastischen Einbruch der Weltwirtschaft im zweiten Quartal 2020 ist SBO kontinuierlich von Quartal zu Quartal gewachsen. Die Ergebniszahlen 2021 belegen einen kräftigen Sprung in die Gewinnzone.

UMSATZ UND ERGEBNIS

Der Umsatz der SBO Gruppe belief sich auf MEUR 292,8 (2020: MEUR 291,2). Der Auftragseingang stieg beinahe um 50 % auf MEUR 343,3 (2020: MEUR 235,1). Der Auftragsstand hielt Ende 2021 bei MEUR 111,7 (31. Dezember 2020: MEUR 65,2).

Auch das operative Ergebnis konnte deutlich verbessert werden: Das Ergebnis vor Zinsen, Steuern und Abschreibungen (EBITDA) verdoppelte sich auf MEUR 60,0 (2020: MEUR 27,1). Das Betriebsergebnis (EBIT) drehte sich nach einem Verlust von MEUR minus 28,0 im Jahr 2020 in den positiven

Bereich und kam auf MEUR 28,2 im Jahr 2021. Die EBITDA-Marge legte auf 20,5 % zu (2020: 9,3 %), die EBIT-Marge lag bei 9,6 % (2020: minus 9,6 %).

Das Finanzergebnis 2021 kam auf MEUR minus 4,8 (2020: MEUR minus 3,2). Das Ergebnis vor und nach Steuern lag nach einer kräftigen Steigerung deutlich in der Gewinnzone: Vor Steuern erhöhte sich das Ergebnis auf MEUR 23,4 (2020: MEUR minus 31,2), das Ergebnis nach Steuern betrug MEUR 21,0 im Jahr 2021 (2020: MEUR minus 21,7). Das Ergebnis pro Aktie kam auf EUR 1,33 (2020: EUR minus 1,38).

SEGMENTERGEBNISSE

Das Geschäft der SBO Gruppe gliedert sich in die beiden Segmente „Advanced Manufacturing & Services“ (AMS) und „Oilfield Equipment“ (OE). Der Umsatz im AMS-Segment lag mit MEUR 141,4 zwar unter dem Vorjahreswert (2020: MEUR 159,7), das Betriebsergebnis (EBIT) vor Sondereffekten stieg jedoch

auf MEUR 16,1 (2020: MEUR 14,4). Das Segment „Oilfield Equipment“ (OE) steigerte den Umsatz um 15 % auf MEUR 151,4 (2020: MEUR 131,5), das EBIT vor Sondereffekten kam nach einem Verlust im Vorjahr von MEUR minus 6,8 nun auf positive MEUR 10,4.

BILANZKENNZAHLEN UND CASHFLOW

Das Eigenkapital der SBO Gruppe stieg im Jahr 2021 um rund 19 % an und belief sich auf MEUR 340,9 (2020: MEUR 287,0). Die Eigenkapitalquote von SBO verbesserte sich auf 42,3 % (2020: 36,9 %). Der Bestand an liquiden Mitteln kam auf MEUR 291,8 (2020: MEUR 314,0). Die Nettoliquidität lag mit MEUR 9,9 ähnlich hoch wie im Jahr zuvor (2020: Nettoliquidität MEUR 9,5), das Gearing hielt bei minus 2,9 % zum 31. Dezember 2021 (2020: minus 3,3 %).

Der operative Cashflow reflektiert den ansteigenden Geschäftsumfang und die damit verbundene Erhöhung

des Working Capital und betrug für das Jahr 2021 MEUR 22,9 (2020: MEUR 94,3), der freie Cashflow lag bei MEUR minus 17,0 (2020: MEUR 80,1), darin enthalten Nettomittelabflüsse aus der Investitionstätigkeit in Zusammenhang mit dem Gerichtsverfahren betreffend Erwerb der Minderheitenanteile Downhole Technology (nunmehr The WellBoss Company, LLC) in Höhe von MEUR 21,1. Die Investitionen in Sachanlagevermögen und immaterielle Vermögenswerte (CAPEX) stiegen auf MEUR 19,4 (2020: MEUR 16,2). Am 31. Dezember 2021 betrug das Bestellobligo für Sachanlagen MEUR 3,2 (2020: MEUR 3,7).

DIVIDENDENVORSCHLAG

Der Vorstand wird der Hauptversammlung am 28. April 2022 vorschlagen, für das Geschäfts-

jahr 2021 eine Dividende von EUR 75 Cent pro Aktie auszuschütten (2020: keine Dividendenausschüttung).

2) BERICHT ÜBER DIE VORAUSSICHTLICHE ENTWICKLUNG UND DIE RISIKEN DES UNTERNEHMENS

AUSBLICK DES SBO-KONZERNS

Nach einem globalen Anstieg der Wirtschaftsleistung um 5,9 % im Jahr 2021 prognostiziert der Internationale Währungsfonds (IWF) für 2022 ein weltweites Wirtschaftswachstum von 4,4 %. Die Wirtschaft der Industriestaaten soll dabei um 3,9 % wachsen, nach einem Anstieg von 5,0 % in 2021 und einem Rückgang von 4,5 % in 2020. Für das Wirtschaftswachstum in den Schwellen- und Entwicklungsländern erwartet der IWF für 2022 einen Anstieg um 4,8 %, nach einer Zunahme von 6,5 % in 2021 und einem Rückgang

von 2,0 % in 2020. Damit sollte sich die Erholung der weltweiten Wirtschaftsleistung im Jahr 2022 in einer leicht abgeschwächten Form fortsetzen. Diese Prognosen hängen jedoch in hohem Maße vom weiteren Verlauf der COVID-19-Pandemie, der Entwicklung der Preissteigerungen auf den Energie- und Rohstoffmärkten und den Engpässen in den Lieferketten ab, die insbesondere in Europa und den USA die Produktion behinderten und zu höheren Preisen für importierte Konsumgüter führten.¹⁴

¹⁴ IWF, World Economic Outlook Update, Jänner 2022.

Prognose Wirtschaftsentwicklung in einzelnen Regionen und Ländern

- In der Eurozone wird für das Jahr 2022 ein Anstieg der Wirtschaftsleistung von 3,9 % prognostiziert (nach 5,2 % in 2021), Russland soll 2022 laut Schätzungen des IWF ein Wirtschaftswachstum von 2,8 % erzielen (nach 4,5 % in 2021).
- Die Wirtschaft in den USA soll im Jahr 2022 um 4,0 % wachsen (nach 5,6 % in 2021), jene in Kanada um 4,1 % (nach 4,7 % in 2021). In Lateinamerika soll die Wirtschaft im Jahr 2022 um 2,4 % wachsen (nach 6,8 % in 2021).
- In den Regionen des Mittleren Ostens und Zentralasiens soll die Wirtschaft 2022 um 4,3 % wachsen (nach 4,2 % in 2021).
- In China soll die Wirtschaftsleistung im Jahr 2022 nur um 4,8 % steigen (nach 8,1 % in 2021).
- Die globalen Auswirkungen der aktuellen geopolitischen Unruhen im Russland / Ukraine Konflikt und der international erhobenen Sanktionen sind darin noch nicht abgebildet und aktuell nicht abschätzbar.

Nachdem die Energienachfrage im Jahr 2021 wieder das Niveau vor der Pandemie erreichen konnte, geht die Internationale Energieagentur (IEA) davon aus, dass der Energieverbrauch weiter steigt. Unter den fossilen Brennstoffen soll die Erdgasnachfrage den größten Anstieg gegenüber dem Niveau von 2019 verzeichnen. Bis zum Jahr 2030 soll die weltweite Nachfrage 15 % über dem Niveau des Jahres 2020 liegen, wobei das Hauptwachstum fast ausschließlich von Schwellen- und Entwicklungsländern getrieben wird. Auf die Industrie

entfallen fast 40 % des gesamten Nachfragewachstums bis 2030. Dabei soll allein in China die Nachfrage im Jahr 2030 um 40 % höher sein als im Jahr 2020. Bis zum Jahr 2050 soll die Erdgasnachfrage um etwa 30 % über das Niveau von heute ansteigen.¹⁵

Für das Jahr 2022 wird auch von einem Anstieg des Gas- und Ölbedarfs ausgegangen: So soll die Nachfrage nach Gas um 39 bcm auf 4.148 bcm steigen,¹⁶ jene nach Öl um 3,2 mb/d auf 100,6 mb/d.¹⁷

¹⁵ International Energy Agency (IEA), World Energy Outlook 2021, Oktober 2021.

¹⁶ International Energy Agency (IEA), Gas Market Report Q1-2022, Jänner 2022.

¹⁷ International Energy Agency (IEA), Oil Market Report, Februar 2021.

Auch bis zum Jahr 2030 wird mit einer Zunahme der Nachfrage für beide Energiequellen gerechnet: Für Gas wird von einem Nachfrageanstieg um 10,8 % auf 4.554 bcm ausgegangen, für Öl wird ein Wachstum von 5,7 % auf 103,0 mb/d prognostiziert.

Selbst wenn Unsicherheiten durch die weiteren Auswirkungen der COVID-19-Pandemie und Verzögerungen in den Lieferketten bestehen, begleitet von Preissteigerungen in vielen Rohstoffen, gehen die Prognosen von einem deutlichen Wachstum der Weltwirtschaft aus. Zudem sprechen der steigende Energiebedarf in Verbindung mit den Unterinvestitionen der vergangenen Jahre in Exploration und Produktion für einen zunehmenden Öl- und Gasbedarf, was sich positiv auf das aktuelle Kerngeschäft von SBO auswirken sollte.

Für 2022 rechnen anerkannte Banken und Analysehäuser bei den globalen Ausgaben für Exploration und Produktion (E&P-Ausgaben) mit einem Anstieg von 16,0 %. Damit dürften die globalen E&P-Ausgaben das Wachstum von 5,5 % aus dem Jahr 2021 deutlich übersteigen und stellen den ersten globalen Aufschwung seit 2018 dar. Treiber ist der nordamerikanische Markt, wo die E&P-Ausgaben um 21,0 % wachsen sollen. Für die USA wird dabei mit einem Anstieg von insgesamt 23,5 % gerechnet, für

Kanada mit einem Wachstum von 7,7 %. International wird ein Anstieg von 15,0 % prognostiziert.¹⁸

Wir gehen von einem soliden Wirtschaftswachstum für 2022 aus. Es wird erwartet, dass die deutlich steigenden Ausgaben für Exploration und Produktion einen positiven Ausblick für die Aktivitäten in unserer Branche stärken. Somit sollte die Nachfrage nach den Produkten und Leistungen unserer beiden Segmente deutlich steigen. Die globalen Auswirkungen der aktuellen geopolitischen Unruhen im Russland / Ukraine Konflikt und der international erhobenen Sanktionen sind darin noch nicht abgebildet und aktuell nicht abschätzbar.

Unsere neu entwickelte Strategie 2030 sieht den Aufbau eines neuen Geschäftsbereichs außerhalb unseres aktuellen Kerngeschäfts vor. Globale Entwicklungen wie Klimawandel und die damit einhergehende Energiewende, Dekarbonisierung und Automatisierung schaffen neue Einsatzmöglichkeiten. Wir wollen unser langjähriges Know-how in den verschiedensten Bereichen gepaart mit unserer Innovationsfähigkeit gezielt für die zukünftige Entwicklung des Unternehmens einsetzen und sondieren gleichzeitig den Markt nach innovativen Technologien, insbesondere in den Bereichen Energy Transition und Green Tech.

¹⁸ Evercore ISI, The 2021 Evercore ISI Global E&P Spending Outlook, Dezember 2021.

RISIKOMANAGEMENT

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft fungiert als strategische Managementholding für ihre Tochtergesellschaften. Ein wesentliches Aufgabengebiet der Holding ist, sich mit den strategischen und operativen Risiken auseinander zu setzen und rechtzeitig Maßnahmen zur Optimierung dieser Risiken zu setzen. Ein konzernweites Reporting-System unterstützt den Vorstand der SBO AG beim

laufenden Monitoring des operativen Geschäftes und damit der Einschätzung operativer Risiken der Tochtergesellschaften. Die strategischen Risiken werden in Zusammenhang mit der jährlichen Erstellung der Mittelfristplanung zwischen dem Vorstand der SBO AG und den Geschäftsführern der Tochtergesellschaften erörtert und bewertet.

FINANZINSTRUMENTE

Die Ausleihungen wurden nur an verbundene Unternehmungen gewährt und sind fix verzinst. Diese lauten auf USD und unterliegen daher Fremdwährungsschwankungen.

Die liquiden Mittel bestehen aus Guthaben bei österreichischen Banken mit marktkonformer Verzinsung.

Überwiegend alle zum Bilanzstichtag bestehenden langfristigen Bankverbindlichkeiten werden fix verzinst und unterliegen daher keinem Zinsänderungsrisiko.

Aufgrund der derzeitig verfügbaren liquiden Mittel bestehen aus heutiger Sicht keine Liquiditäts-Probleme.

Die Gesellschaft verwendet keine derivativen Finanzinstrumente.

3) BERICHT ÜBER DIE FORSCHUNG UND ENTWICKLUNG IM SBO-KONZERN

Eine weitere Kernkompetenz der SBO Gruppe ist ihr laufender Einsatz im Bereich von Forschung & Entwicklung (F&E). Auch im Jahr 2021 haben wir unsere Innovationen vorangetrieben:

Goose-Neck-Drilling – Das bereits bekannte und patentierte Goose-Neck-Drilling-Verfahren, konnte durch eine weitere Erfindung erheblich verbessert werden. Der Einsatz des Funkenerosionsverfahrens (Electrical Discharge Machining, kurz: EDM) ermöglicht die berührungslose Einbringung tiefer und enger Bohrungen. Bei Anwendung des Goose-Neck-Drilling-Verfahrens können kontrolliert abgelenkte Bohrungen innerhalb der Werkstücke aus hochlegierten, nicht-magnetisierbaren Edelstählen durchgeführt werden.

Intelligent Monitoring System – Die Anwendung der intelligenten Werkzeugsteuerung erlaubt die material- und anwendungsangepasste Steuerung von Werkzeugen bei der Herstellung von Produkten aus hochlegierten, nicht-magnetisierbaren Edelstählen. Durch die deutliche Erhöhung der Messpunkte im Werkzeugkopf und Bereitstellung von Messwerten in Echtzeit kann die Drehzahl variabel gesteuert und so – bei deutlich geringerem Materialverschleiß – die Leistungskurve insgesamt erhöht werden.

Smart Dart System – Es vereint die Vorteile sowohl der Plug-n-Perf- als auch der effizienten Sliding Sleeve-

Technologie für die Bohrlochkomplettierung. Der Smart Dart öffnet eine beliebige Anzahl von Sleeves nach einem individuell einzustellenden, mechanischen System. Dabei können mehrere Sleeves in einer Frac Phase mit einem einzigen Dart geöffnet werden.

Dissolvable Plugs – Dissolvable Plugs sind Plugs, die sich vollständig auflösen und eine zuverlässige Methode für die vorübergehende Isolierung von Zonen in der Bohrloch-Komplettierung darstellen. Das kompakte Design eliminiert das Herausbohren und Reinigen nach der Bohrlochkomplettierung und hinterlässt keine Rückstände, die aus dem Bohrloch entfernt werden müssen.

Direct Metal Laser Sintering (DMLS) – DMLS ist eine Additive Manufacturing-Technologie, bei der individuelle, hochkomplexe Metallteile mit nur geringem Zeitaufwand durch hochpräzisen 3D-Metalldruck einzelgefertigt werden können. Das DMLS-Angebot von SBO wurde um Maschinen erweitert, die mit einer verlängerten Z-Kammer von einem Meter Höhe ausgestattet sind.

Mit diesen und vielen weiteren Innovationen, die in unserem weltweiten Netzwerk in Entwicklung sind, arbeiten wir aktiv an unserer Qualitätsführerschaft.

4) BERICHTERSTATTUNG ÜBER WESENTLICHE MERKMALE DES INTERNEN KONTROLLSYSTEMS UND DES RISIKOMANAGEMENTSYSTEMS IM HINBLICK AUF DEN RECHNUNGSLEGUNGSPROZESS

Die Gesamtverantwortung für das Risikomanagement der SBO Gruppe liegt beim Vorstand, während die unmittelbare Verantwortung bei den Geschäftsführern der operativen Einheiten liegt. Demzufolge besitzt das interne laufende Berichtswesen an die Konzernzentrale besonders hohe Bedeutung, um Risiken frühzeitig erkennen und Gegenmaßnahmen ergreifen zu können. Dies erfolgt durch eine zeitnahe monatliche Berichterstattung über die notwendigen Informationen von den operativen Einheiten an den Vorstand.

Für die Tochterunternehmen wurden vom Konzern weltweit einheitliche Standards für die Umsetzung und Dokumentation des gesamten internen Kontrollsystems und damit vor allem auch für den Rechnungslegungsprozess vorgegeben. Dadurch sollen jene Risiken vermieden werden, die zu einer unvollständigen oder fehlerhaften Finanzberichterstattung führen können.

Weiters werden die von den Tochtergesellschaften erstellten internen Berichte in der Konzernzentrale

auf Plausibilität geprüft und mit Planungsrechnungen verglichen, um bei Abweichungen geeignete Maßnahmen setzen zu können. Hierzu werden von den Gesellschaften Jahresbudgets und Mittelfristplanungen angefordert, welche vom Vorstand genehmigt werden müssen. Weiters wird die Liquiditätsplanung der Gesellschaften laufend überwacht und mit den Holdingvorgaben abgestimmt.

Die Ordnungsmäßigkeit des Rechnungswesens bei den Tochtergesellschaften wird durch Prüfungstätigkeiten des Konzerncontrollings überwacht. Weiters werden die Jahresabschlüsse aller operativen Gesellschaften und Holdinggesellschaften durch internationale Prüfungsgesellschaften geprüft. Im Zuge von regelmäßigen Meetings des Vorstandes mit den lokalen Geschäftsführungen werden die laufende Geschäftsentwicklung sowie absehbare Chancen und Risiken besprochen.

Für die Erstellung des Konzernabschlusses bestehen in Ergänzung zu den Internationalen Rechnungs-

legungsvorschriften konzerninterne Richtlinien, um eine einheitliche Darstellung bei den berichtenden Gesellschaften zu gewährleisten (Bewertungs- und Ausweisfragen). Für die automationsunterstützte Aufstellung des Konzernabschlusses wird ein zertifiziertes Konsolidierungs-Programm verwendet, welches mit den notwendigen Prüf- und Konsolidierungsroutinen ausgestattet ist.

Die für den Konzern dargestellten Merkmale des internen Kontrollsystems und des Risikomanagementsystems im Hinblick auf den Rechnungslegungsprozess sind auch uneingeschränkt für die Holdinggesellschaft anwendbar. Für das Rechnungswesen der Holdinggesellschaft sind ebenfalls anerkannte Standardprogramme im Einsatz.

5) ANGABEN ZU KAPITAL-, ANTEILS-, STIMM- UND KONTROLLRECHTEN UND DAMIT VERBUNDENEN VERPFLICHTUNGEN

Das Grundkapital der Gesellschaft betrug zum 31. Dezember 2021 wie auch zum 31. Dezember 2020 EUR 16 Millionen und ist zerlegt in 16 Millionen Stück Nennbetragsaktien zum Nennbetrag von je EUR 1,00.

In der Hauptversammlung vom 23. April 2019 wurde der Vorstand für die Dauer von 5 Jahren ermächtigt, mit Zustimmung des Aufsichtsrats das Grundkapital um bis zu TEUR 1.600 durch Ausgabe neuer Aktien zu erhöhen. In der Hauptversammlung vom 23. April 2020 wurde der Vorstand für die Dauer von 30 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 % des Grundkapitals zu erwerben. 2021 hat die Gesellschaft von der Ermächtigung zum Erwerb eigener Aktien keinen Gebrauch gemacht. Im

Geschäftsjahr 2020 hat die Gesellschaft auf Basis der zum Erwerbszeitpunkt noch gültigen Ermächtigung der Hauptversammlung vom 24. April 2018 231.938 Stück eigene Aktien mit einem Kaufpreis von TEUR 6.502 erworben. Zusätzlich wurden in 2020 außerbörslich 6.000 Stück eigene Aktien mit einem Kaufpreis von TEUR 178 erworben.

Zum Bilanzstichtag 2021 hält die Gesellschaft 270.535 Stück eigene Aktien (Vorjahr: 276.535 Stück). Dies entspricht einem Anteil von 1,69 % (Vorjahr: 1,73 %) am Grundkapital mit einem Anschaffungswert von TEUR 8.771 (Vorjahr TEUR 8.963). Die Anzahl der im Umlauf befindlichen Aktien beträgt somit 15.729.465 Stück (Vorjahr: 15.723.465 Stück).

Zum 31. Dezember 2021 hält die Berndorf Industrie-
holding AG, Wien, rund 33,4 % vom Grundkapital
(Vorjahr: rund 33,4 %).

Darüber hinaus bestehen keine weiteren angabe-
pflichtigen Sachverhalte gemäß § 243a UGB.

Ternitz, 28. Februar 2022

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand

Ing. GERALD GROHMANN

Mag. KLAUS MADER

BESTÄTIGUNGSVERMERK

BERICHT ZUM JAHRESABSCHLUSS

PRÜFUNGSURTEIL

Wir haben den Jahresabschluss der **SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft**, Ternitz, bestehend aus der Bilanz zum 31. Dezember 2021, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Geschäftsjahr und dem Anhang, geprüft.

Nach unserer Beurteilung entspricht der beigefügte Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage zum 31. Dezember 2021 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

GRUNDLAGE FÜR DAS PRÜFUNGSURTEIL

Wir haben unsere Abschlussprüfung in Übereinstimmung mit der EU-Verordnung Nr. 537/2014 (im Folgenden EU-VO) und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt "Verantwortlichkeiten

des Abschlussprüfers für die Prüfung des Jahresabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von der Gesellschaft unabhängig in Übereinstimmung mit den österreichischen unternehmensrechtlichen und berufsrechtlichen Vorschriften, und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns bis zum Datum des Bestätigungsvermerks erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu diesem Datum zu dienen.

BESONDERS WICHTIGE PRÜFUNGSACHVERHALTE

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutsamsten für unsere Prüfung des Jahresabschlusses des Geschäftsjahres waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Jahresabschlusses als Ganzes und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt, und wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

Nachfolgend stellen wir den aus unserer Sicht besonders wichtigen Prüfungssachverhalt dar:

Bewertung von Anteilen an verbundenen Unternehmen sowie Ausleihungen und Forderungen an verbundene Unternehmen

BESCHREIBUNG

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft weist im Jahresabschluss zum 31. Dezember 2021 wesentliche Beträge als Anteile an verbundenen Unternehmen (mEUR 236,7) sowie Ausleihungen an verbundenen Unternehmen (mEUR 57,4) und Forderungen gegenüber verbundenen Unternehmen (mEUR 21,7) aus.

Wir betrachteten die Bewertung der Anteile an verbundenen Unternehmen sowie der Ausleihungen und der Forderungen an verbundene Unternehmen als besonders wichtigen Prüfungssachverhalt, da die Beträge wesentlich sind, die Bewertung komplex ist und Ermessensentscheidungen fordert. Das wesentliche Risiko besteht dabei in der Schätzung der künftigen Cash Flows der (mittelbaren) Tochterunternehmen, welche zur Feststellung der Werthaltigkeit dieser Bilanzpositionen herangezogen werden. Diese Cash Flow Schätzungen basieren auf Annahmen, die von zukünftigen Markt- und Wirtschaftsparametern beeinflusst sind.

Die entsprechenden Angaben der Gesellschaft über die Bewertung der Anteile an verbundenen Unternehmen sowie der Ausleihungen und der Forderungen an verbundene Unternehmen sind in den Anhangsangaben "II. Bilanzierungs- und Bewertungsmethoden" sowie "III. Erläuterungen zu den Posten der Bilanz und der

Gewinn- und Verlustrechnung, 1. Erläuterungen zur Bilanz" enthalten.

WIE WIR DEN SACHVERHALT IM RAHMEN DER PRÜFUNG ADRESSIERT HABEN:

Unsere Prüfungshandlungen haben, unter anderem, folgende Tätigkeiten umfasst:

Mit der Unterstützung von EY Bewertungsspezialisten haben wir für jene verbundenen Unternehmen, für welche keine Überdeckung des Buchwerts durch das Eigenkapital der Gesellschaften gegeben ist, die wesentlichen Annahmen in den Bewertungsmodellen kritisch hinterfragt.

Die angewandten Bewertungsmodelle (Diskontierung prognostizierter Cashflows) wurden hinsichtlich ihrer Angemessenheit beurteilt, die rechnerische Richtigkeit der Modelle wurde geprüft. Die angesetzten Rechenparameter (unter anderem Abzinsungssätze und Wachstumsraten) wurden hierbei mit unternehmensspezifischen Informationen sowie branchenspezifischen Marktdaten bzw. Markterwartungen verplausibilisiert.

Die für die Berechnung verwendeten Zahlungsmittelflüsse und die darin verwendeten Plandaten wurden mit den vom Vorstand genehmigten Mittelfristplanungen des Managements abgestimmt.

Wir haben die Angemessenheit der Angaben im Anhang zur Bewertung der Anteile an verbundenen Unternehmen sowie zu Anteilsübertragungen, Wertberichtigungen zu Ausleihungen und Forderungen an verbundenen Unternehmen beurteilt.

SONSTIGE INFORMATIONEN

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen umfassen alle Informationen im Jahresfinanzbericht 2021, ausgenommen den Jahresabschluss, den Lagebericht und den Bestätigungsvermerk.

Unser Prüfungsurteil zum Jahresabschluss erstreckt sich nicht auf diese sonstigen Informationen, und wir geben keine Art der Zusicherung darauf ab.

Im Zusammenhang mit unserer Prüfung des Jahresabschlusses haben wir die Verantwortlichkeit, diese sonstigen Informationen zu lesen und zu würdigen, ob diese sonstigen Informationen wesentliche Unstimmigkeiten zum Jahresabschluss oder zu unseren bei der Abschlussprüfung erlangten Kenntnissen aufweisen oder anderweitig falsch dargestellt erscheinen.

Falls wir auf Grundlage der von uns zu den vor dem Datum des Bestätigungsvermerks des Abschlussprüfers erlangten sonstigen Informationen durchgeführten Arbeiten den Schluss ziehen, dass eine wesentliche falsche Darstellung dieser sonstigen Informationen vorliegt, sind wir verpflichtet, über diese Tatsache zu berichten. Wir haben in diesem Zusammenhang nichts zu berichten.

VERANTWORTLICHKEITEN DER GESETZLICHEN VERTRETER UND DES PRÜFUNGS-AUSSCHUSSES FÜR DEN JAHRESABSCHLUSS

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses und dafür, dass dieser in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von

wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit – sofern einschlägig – anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzuwenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder die Gesellschaft zu liquidieren oder die Unternehmenstätigkeit einzustellen oder haben keine realistische Alternative dazu.

Der Prüfungsausschuss ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft.

VERANTWORTLICHKEITEN DES ABSCHLUSSPRÜFERS FÜR DIE PRÜFUNG DES JAHRESABSCHLUSSES

Unsere Ziele sind, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist, und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses

Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus gilt:

- Wir identifizieren und beurteilen die Risiken wesentlicher falscher Darstellungen aufgrund von dolosen Handlungen oder Irrtümern im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen kollusives Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.
- Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.
- Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.
- Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die erhebliche Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr der Gesellschaft von der Fortführung der Unternehmenstätigkeit zur Folge haben.
- Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.

Wir tauschen uns mit dem Prüfungsausschuss unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.

Wir geben dem Prüfungsausschuss auch eine Erklärung ab, dass wir die relevanten beruflichen Verhaltensanforderungen zur Unabhängigkeit einge-

halten haben, und tauschen uns mit ihm über alle Beziehungen und sonstigen Sachverhalte aus, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit und – sofern einschlägig – damit zusammenhängende Schutzmaßnahmen auswirken.

Wir bestimmen von den Sachverhalten, über die wir uns mit dem Prüfungsausschuss ausgetauscht haben, diejenigen Sachverhalte, die am bedeutsamsten für die Prüfung des Jahresabschlusses des Geschäfts-

jahres waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte in unserem Bestätigungsvermerk, es sei denn, Gesetze oder andere Rechtsvorschriften schließen die öffentliche Angabe des Sachverhalts aus oder wir bestimmen in äußerst seltenen Fällen, dass ein Sachverhalt nicht in unserem Bestätigungsvermerk mitgeteilt werden sollte, weil vernünftigerweise erwartet wird, dass die negativen Folgen einer solchen Mitteilung deren Vorteile für das öffentliche Interesse übersteigen würden.

SONSTIGE GESETZLICHE UND ANDERE RECHTLICHE ANFORDERUNGEN

BERICHT ZUM LAGEBERICHT

Der Lagebericht ist aufgrund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob er nach den geltenden rechtlichen Anforderungen aufgestellt wurde.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Lageberichts in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Lageberichts durchgeführt.

Urteil

Nach unserer Beurteilung ist der Lagebericht nach den geltenden rechtlichen Anforderungen aufgestellt worden, enthält die nach § 243a UGB zutreffende Angaben, und steht in Einklang mit dem Jahresabschluss.

Erklärung

Angesichts der bei der Prüfung des Jahresabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über die Gesellschaft und ihr Umfeld wurden wesentliche fehlerhafte Angaben im Lagebericht nicht festgestellt.

ZUSÄTZLICHE ANGABEN NACH ARTIKEL 10 DER EU-VO

Wir wurden von der Hauptversammlung am 29. April 2021 als Abschlussprüfer gewählt und am 29. April 2021 vom Aufsichtsrat beauftragt. Wir sind ununterbrochen seit dem Geschäftsjahr 2018 Abschlussprüfer.

Wir erklären, dass das Prüfungsurteil im Abschnitt "Bericht zum Jahresabschluss" mit dem zusätzlichen Bericht an den Prüfungsausschuss nach Artikel 11 der EU-VO in Einklang steht.

Wir erklären, dass wir keine verbotenen Nichtprüfungsleistungen (Artikel 5 Abs 1 der EU-VO) erbracht haben und dass wir bei der Durchführung der Abschlussprüfung unsere Unabhängigkeit von der geprüften Gesellschaft gewahrt haben.

AUFTRAGSVERANTWORTLICHER WIRTSCHAFTSPRÜFER

Der für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüfer ist Herr Mag. Markus Jandl.

Wien, am 28. Februar 2022

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Markus Jandl eh

Wirtschaftsprüfer

ppa Dipl.-Ing. (FH) Mag. Manfred Siebert eh

Wirtschaftsprüfer

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the Consolidated Financial Statements as of 31 December 2021, which were compiled in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), present a true and fair view of the assets, liabilities, financial position and earnings situation of the Group, and that the Consolidated Management Report presents the development and performance of the business and the position of the Group in such a way as to give a true and fair view of the assets, liabilities, financial position and financial performance of the Group, and that the Consolidated Management Report describes the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the Annual Financial Statements of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft as of 31 December 2021 which were compiled in accordance with the Austrian Commercial Code (UGB) provides a true and fair view of the assets, liabilities, financial position and earnings situation of the Group, and that the Management Report presents a true and fair view of the development and performance of the business and the position of the Company, and that the Management Report describes the principal risks and uncertainties the Company faces.

Ternitz, 28 February 2022

The Executive Board

Ing. GERALD GROHMANN

Mag. KLAUS MADER

This annual financial report was prepared with the greatest possible diligence. Nevertheless, mistakes and printing errors cannot be excluded. This annual financial report includes information and forecasts that are based on the future development of the SBO Group and its member companies. These forecasts represent estimates, which have been prepared based on the information currently available. Should the assumptions underlying these forecasts not realize or risks – as those described in the risk report – occur, actual results may differ from the results currently expected.

This report may not be misinterpreted as a recommendation to buy or sell shares in SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft.

In the interest of better readability, we refrain from simultaneously using feminine and masculine versions and use only the masculine form. All references to persons apply equally to both genders.

This English translation of the report is for convenience. Only the German version shall be binding.

Published on 17 March 2022

FOR FURTHER INFORMATION:

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