

HY 2022 – Highlights

Half-year financial report

BOOKINGS	MEUR 271.5
1-6/2021	MEUR 137.2
SALES	MEUR 222.7
1-6/2021	MEUR 129.5
EBIT	MEUR 44.8
1-6/2021	MEUR 8.9
PROFIT AFTER TAX	MEUR 34.4
1-6/2021	MEUR 4.2

TO THE FUTURE.

MANAGEMENT REPORT HY 2022

HIGHLIGHTS

SBO's half-year results increase eightfold

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO), which is listed on the ATX leading index of the Vienna Stock Exchange, considerably drove up sales and profit in the first half of 2022. The momentum on the energy markets and strong demand resulted in a clear increase in all key figures. Compared to the first half of the previous year, bookings doubled to MEUR 271.5. In the first six months of the year, SBO's sales went up by more than two thirds to MEUR 222.7. At MEUR 44.8, EBIT rose fivefold year-on-year, and profit after tax of MEUR 34.4 increased eightfold compared to the previous year. Net liquidity rose to MEUR 13.8, and the gearing improved further to minus 3.5 %. The book-to-bill ratio, which compares the number of orders received with sales and serves as an indicator of medium-term development, remained consistently above 1.

Gerald Grohmann, CEO of SBO:

"The momentum observed on the energy markets is boosting spending for exploration and production outside Russia. In the first half of the year, there was strong demand for our products. With our services for the oil and gas industry, we are contributing to energy security. At the same time, we are exploring the market so as to develop new business areas in the field of renewable energies in the coming years."

In March 2022, SBO presented its „**Strategy 2030**“, which provides for building a new segment in the fields of energy transition and green tech industries. In order to drive forward a structured development of the corporate strategy, SBO has concluded a cooperation with the Fraunhofer Institute. At the same time, the company's core business aims to continue contributing to secure energy supply, with **ESG** criteria being firmly entrenched in the Group's strategy. SBO is continuously working on the structural improvement of its internal energy efficiency and reduction of CO₂ emissions. The company holds an ISS ESG rating and has first disclosed comprehensively to Carbon Disclosure Project (CDP) for the 2021 financial year.

BUSINESS DEVELOPMENT

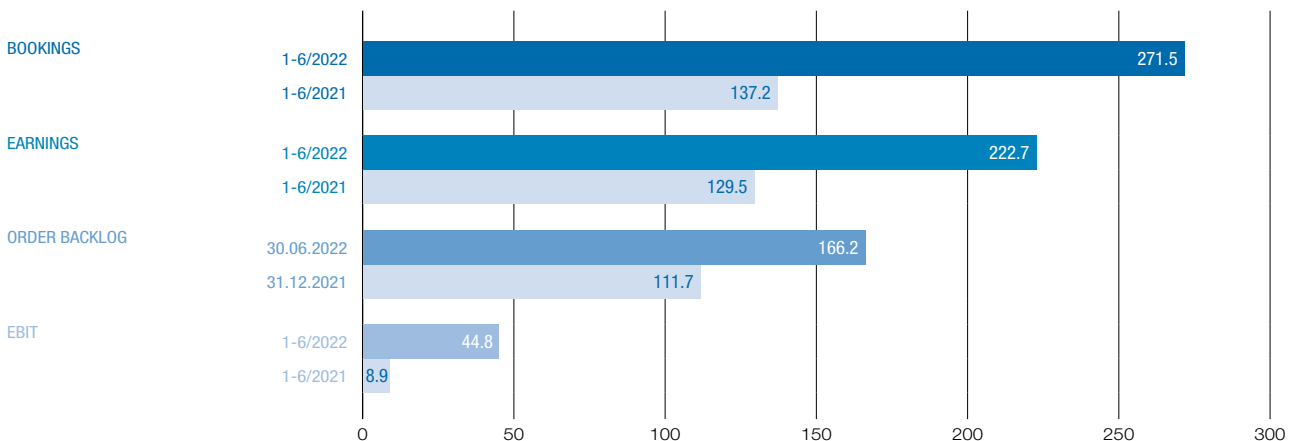
SALES AND EARNINGS

Bookings went up sharply in the first half of 2022, doubling to MEUR 271.5 (1-6/2021: MEUR 137.2, up 97.9 %). Sales increased by more than two thirds to 222.7 (1-6/2021: MEUR 129.5, up 72.0 %). The order backlog at the end of June rose to MEUR 166.2 (31 December 2021: MEUR 111.7).

Earnings before interest, taxes, depreciation, and amortization (EBITDA) arrived at MEUR 60.9 in 2022, compared to MEUR 25.0 in the first half of 2021, and the EBITDA margin increased to 27.3 %

(1-6/2021: 19.3 %). Profit from operations (EBIT) stood at MEUR 44.8, a fivefold increase year-on-year (1-6/2021: MEUR 8.9). Profit before tax generated by SBO went to MEUR 42.7 (1-6/2021: MEUR 6.6), and profit after tax increased eightfold to MEUR 34.4 (1-6/2021: MEUR 4.2). Earnings per share in the first half of 2022 were EUR 2.19 (1-6/2021: EUR 0.27). The strong rise of the US dollar against the euro supported the development of earnings in the first half of 2022.

IN MEUR



"Our focused management and the tailwind from the market have led to a positive development of our earnings situation. We have observed growth for the seventh quarter in a row and increased our net result eightfold compared to the first half of 2021. This underlines our course of sustainable growth",

comments SBO's CEO Mr. Grohmann.



SEGMENTS

SBO's business is divided into two segments: The Advanced Manufacturing & Services (AMS) segment comprises the manufacturing of high-alloy, non-magnetic stainless steels and high-precision manufacture of stainless steels into special components for the oil, gas and other industries by applying innovative traditional and additive technologies such as Direct Metal Laser Sintering (DMLS), a 3D metal printing technology. The Oilfield Equipment (OE) segment offers high-efficiency drilling tools and well completion equipment for the oil and gas industry.

While sales of the AMS segment in the first half of the year climbed to MEUR 108.9 (1-6/2021: MEUR 64.7), profit from operations (EBIT) increased sixfold to MEUR 22.0 (1-6/2021: MEUR 3.5). Sales in the OE segment rose to MEUR 113.8 (1-6/2021: MEUR 64.8), and EBIT nearly quadrupled to MEUR 20.0 (1-6/2021: MEUR 5.3).

KEY BALANCE SHEET FIGURES

In the first half of 2022, SBO's equity increased to MEUR 398.2 (31 December 2021: MEUR 340.9). SBO's equity ratio went up to 45.2 % (31 December 2021: 42.3 %). Net liquidity rose to MEUR 13.8 (31 December 2021: MEUR 9.9). Gearing improved to minus 3.5 % (31 December 2021: minus 2.9 %). Liquid

funds stood at MEUR 274.9 (31 December 2021: MEUR 291.8). Cashflow from operating activities in the first half of 2022 arrived at MEUR 11.4 (1-6/2021: MEUR 12.0). Capital expenditure for property, plant and equipment, and intangible assets (CAPEX) amounted to MEUR 13.8 (1-6/2021: MEUR 9.7).

SBO'S KEY PERFORMANCE INDICATORS AT A GLANCE

	UNIT	1-6/2022	1-6/2021
Sales	MEUR	222.7	129.5
Earnings before interest, taxes, depreciation and amortization (EBITDA)	MEUR	60.9	25.0
EBITDA margin	%	27.3	19.3
Earnings before interest and taxes (EBIT)	MEUR	44.8	8.9
EBIT margin	%	20.1	6.9
Profit before tax	MEUR	42.7	6.6
Profit after tax	MEUR	34.4	4.2
Earnings per share	EUR	2.19	0.27
Cashflow from operating activities	MEUR	11.4	12.0
Liquid funds as of 30 June 2022 / 31 December 2021	MEUR	274.9	291.8
Net liquidity as of 30 June 2022 / 31 December 2021	MEUR	13.8	9.9
Headcount as of 30 June 2022 / 31 December 2021		1,417	1,267

MARKET ENVIRONMENT

In the first half of 2022, the global economy recovered from the repercussions of the COVID-19 pandemic. The Russian war of aggression against Ukraine triggered far-reaching sanctions imposed mainly by the Western countries. Both events led to a sharp rise in raw material and energy prices and had a major impact on global economic development and energy markets.

This led to a negative correction of the expected economic growth for 2022. However, the International Monetary Fund (IMF) assumes that the global economy, after the significant increase of 6.1 % in the previous year, will continue to record growth in 2022 and rise by 3.2 %.¹

The political efforts in Europe to reduce the need for Russian gas imports, and developments pointing to recession in some sectors, led to a reduction in demand for gas in the first half of the year, which is projected to come to 0.5 % or 20 billion cubic meters (bcm) in the year 2022.² At the same time, spending for exploration and production of gas and oil outside of Russia will increase to safeguard energy security.

Demand for crude oil rose to 98.5 million barrels per day (mb/d) in the second quarter of 2022 and is projected to come to 99.7 mb/d for the year 2022, following 97.6 mb/d in full 2021. Global oil production arrived at 98.7 mb/d. Non-OPEC production totaled

64.6 mb/d (2021: 63.7 mb/d). OPEC countries stepped up their crude oil output to 34.0 mb/d (2021: 31.5 mb/d). The effective OPEC spare capacity came to 4.0 mb/d in June 2022 with a clear downwards trend.³

The rig count stood at 1,706 rigs in June 2022, up by 381 rigs or 28.8 % year-on-year (June 2021: 1,325 rigs). Compared to the first quarter, the global rig count increased by 45 rigs in the second quarter of 2022 (March 2022: 1,661 rigs). The year-on-year growth was observed both internationally and in North America: internationally, the rig count went up by 66 rigs (June 2022: 824 rigs), in the USA by 275 rigs (June 2022: 739 rigs) and in Canada by 40 rigs (June 2022: 143 rigs).⁴

Gas and oil prices rose sharply during the reporting period. Natural gas Henry Hub started 2022 at USD 3.73/MMBtu (million British thermal units) and arrived at USD 5.42/MMBtu on the last trading day of the first half of the year. This means that the price of natural gas increased by 45.3 %.⁵ European Brent crude oil started 2022 at USD 77.78 per barrel and stood at USD 114.81 on the last trading day of the first half of the year, an increase of 47.6 %. In the same period, the price of WTI rose from USD 75.21 per barrel to USD 105.76, up by 40.6 %.⁶

¹ IMF World Economic Outlook, July 2022.

² IEA Gas Market Report, Q3 2022.

³ IEA Oil Market Report, August 2022.

⁴ Baker Hughes Rig Count.

⁵ Bloomberg, NG1 Natural Gas (Nymex).

⁶ Bloomberg, CO1 Brent Crude (ICE) and CL1 WTI Crude (Nymex).

OUTLOOK

The International Monetary Fund (IMF) projects economic growth to be 2.5 % in the developed industrialized countries in 2022, and 3.6 % in the emerging markets. Growth in the euro zone should come to 2.6 %. Rising raw material and energy prices are driving inflation, as well as bottlenecks in many sectors, which have already led to supply shortages. Nevertheless, and also taking into account the sanctions imposed on Russia, global economic growth is expected at 3.2 % in 2022,⁷ with positive effects on the oil and gas industry: worldwide spending for exploration and production should increase by 22 %, by 33 % in North America and by 18 % internationally.⁸

The current environment is fundamentally favorable for the oil and gas industry. European efforts to secure

energy independence from Russia, low OPEC spare capacity, low oil inventories and a rising demand support the industry's positive outlook. In addition, a catch-up effect has set in from the second half of 2021 after years of underinvestments in the exploration and production of oil and gas.

According to current expectations, the negative effects of developments pointing to recession in some sectors will remain low on demand for oil and gas. In order to secure global energy supply, it is expected that production of oil and gas will continue to go up and spending in the regions outside Russia will grow. This should also be reflected in demand for products and solutions of SBO.

"After years of underinvestments in the exploration and production of oil and gas and against current concerns about energy security, exploration and production spending is picking up significantly in the shadow of Russia's war of aggression. This is quite necessary if a new global energy map is to be drawn", concludes CEO Gerald Grohmann and adds: "Although trends pointing to recession are emerging in some sectors, we expect to see sustained positive business development for our industry in the second half of 2022."



⁷ IMF World Economic Outlook, July 2022.

⁸ Evercore ISI Research, The 2022 Evercore ISI Global E&P Spending Outlook, July 2022.

RISK REPORT

The business risks of SBO have changed in the first half of 2022 compared to the risks presented in the 2021 annual financial statements. The war of aggression on Ukraine has led to sanctions and embargoes by the large Western countries, which require increased attention in the company's risk management. Current assumptions are that these geopolitical measures will prevail over the long term. The subsidiary operating in Russia acts independently and continues to operate independently. The market environment of the oilfield service industry in the Russian market has not fundamentally changed at the moment. The public announcement of re-organization measures by individual customers in the region does not lead to a reassessment of the market, because the general expectation is that existing activities will

be continued. At the same time, the increase in energy prices (oil and gas) supports activities in the industry in the regions outside Russia. Rising prices of raw materials, supplies and consumables on the purchasing side were offset in the first half and therefore do not represent an increased risk for the company. Possible bottlenecks in the supply of gas are a selective risk at the Austrian location. The company has taken precautionary measures to counter these risks. Potential negative effects of another wave of COVID-19 measures cannot be assessed at present. Furthermore, SBO refers to all risks explained in the 2021 Annual Report and recommends to always read this report on the first half of 2022 in conjunction with the risk report of the 2021 Annual Report.

ABOUT SBO

SBO AT A GLANCE

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO) is the global market leader in the manufacture of high-alloy, non-magnetic stainless steels and high-precision manufacture of stainless steels into special components for the oil, gas and other industries by applying innovative traditional and additive technologies such as Direct Metal Laser Sintering (DMLS), a 3D metal printing technology. At the same time the SBO Group is known worldwide for its high-efficiency drilling tools and equipment for the oil and gas industry.

Strong intellectual property protection offers significant competitive advantages. Product and process innovations, including the Direct Metal Laser Sintering (DMLS) 3D printing technology, support the leading

position of SBO in the oil and gas industry and other sectors. The Group employs a workforce of more than 1,400 worldwide and is successfully positioned in technologically demanding, profitable niches.

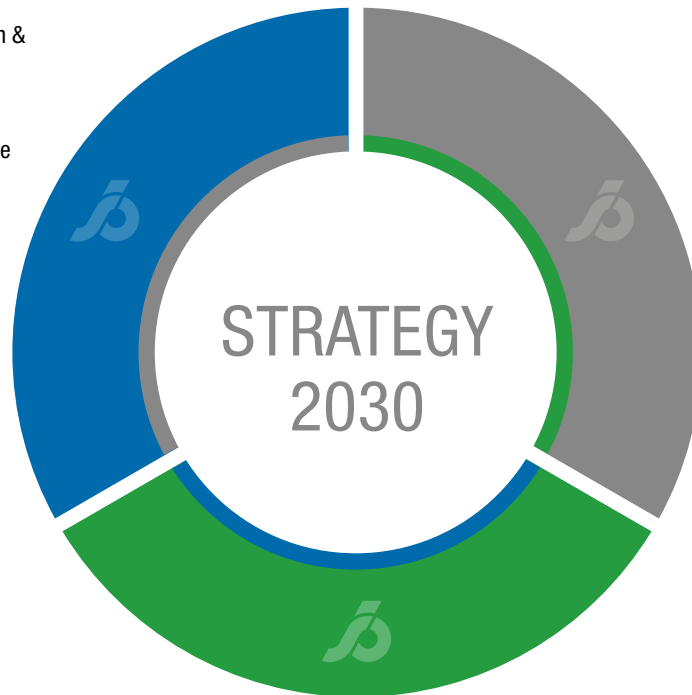
Making an active contribution to energy transition is a key element of the Group's Strategy 2030. With its high-quality products and technologies, the SBO Group already today provides for an increasingly efficient and environmentally friendly supply of energy. While oil and gas remain the most important energy sources, the company's new strategy is a response to changing environmental and climate targets. More detailed information on the Strategy 2030 and sustainable management (ESG) is available in the Annual Report at <https://www.sbo.at/publikationen>.

MAINTAINING OUR CORE BUSINESS

- defend our market-leading positions
- continue to invest in research & development and in bolt-on acquisitions
- generate high cashflows as well as liquidity and maximize value (value strategy)

BUILDING A NEW BUSINESS SEGMENT

- further expand existing diversification initiatives in areas such as aerospace, geothermal and in other industrial sectors
- make strategic investments or acquisitions, preferably in the fields of energy transition and green tech industries, thus opening a new business segment that will account for 50 % of Group revenue in the long term



ENSURING SUSTAINABILITY

- further reduce the already low total amount of greenhouse gas emissions (CO₂)
- expand in ESG-compliant business areas
- invest in our employees
- encourage diversity in the teams

ENERGY IS AND REMAINS OUR BUSINESS

ENERGY CONSUMPTION OF THE SBO GROUP

	UNIT	HY 2022	HY 2021
Energy consumption*	MWh	25,815.4	19,823.0
Production-related CO₂ emissions (location based)	tons	7,380.6	6,326.7
thereof direct, Scope 1	tons	1,736.3	1,621.5
thereof indirect, Scope 2	tons	5,644.3	4,705.2
Production-related CO₂ emissions (market based)	tons	7,259.5	6,070.3
thereof direct, Scope 1	tons	1,736.3	1,621.5
thereof indirect, Scope 2	tons	5,523.1	4,448.8
Production-related CO₂ intensity (location based)	tCO ₂ / Sales in MEUR	33.1	48.9
Production-related CO₂ intensity (market based)	tCO ₂ / Sales in MEUR	32.6	46.9

* Energy consumption calculated according to Umweltbundesamt (Federal Environmental Office); emission factors based on sources of EIA and AIB

SBO reports for the first time according to the Greenhouse Gas Protocol (GHG Protocol).

THE SBO SHARE

The share of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft is listed in the Prime Market of the Vienna Stock Exchange and is part of the ATX, the leading Austrian index. In total, 16,000,000 par value shares with a nominal value of EUR 1.00 each have been issued.

The SBO share started into the trading year at a price of EUR 30.95 and closed at EUR 53.70 on

30 June 2022, increasing by 73.5 % in that period. Therefore, the share was leading the blue-chip ATX index over large parts.

Market capitalization as of 30 June 2022 was MEUR 859.2, with 67 % of the shares in free float at that date.

EUR **30.95**
31 December 2021

EUR **53.70**
30 June 2022

MEUR **859.2**
MARKET CAPITALIZATION – 30 June 2022

FINANCIAL CALENDAR 2022

DATE

24.11.2022

EVENT

Q3 2022

CONSOLIDATED PROFIT AND LOSS STATEMENT

IN TEUR	6 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Sales	222,712	129,515	122,203	70,178
Cost of goods sold	-153,779	-98,703	-83,538	-52,258
Cost of goods sold	68,933	30,812	38,665	17,920
Selling expenses	-13,761	-9,933	-7,155	-5,411
General and administrative expenses	-19,047	-13,384	-10,442	-6,032
Other operating expenses	-5,419	-4,988	-1,843	-2,038
Other operating income	14,127	6,368	10,109	873
Profit from operations	44,833	8,875	29,334	5,312
Interest income	461	207	326	80
Interest expenses	-2,601	-2,603	-1,246	-1,298
Other financial income	0	111	0	99
Financial result	-2,140	-2,285	-920	-1,119
Profit before tax	42,693	6,590	28,414	4,193
Income taxes	-8,309	-2,407	-5,386	-999
Profit after tax	34,384	4,183	23,028	3,194
Average number of shares outstanding	15,729,465	15,726,581	15,729,465	15,729,465
EARNINGS PER SHARE IN EUR (BASIC = DILUTED)	2.19	0.27	1.46	0.20

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN TEUR	6 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Profit after tax	34,384	4,183	23,028	3,194
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Currency translation adjustment - subsidiaries	30,865	12,427	23,506	-3,845
Currency translation adjustment - other items	5,188	1,725	4,025	-742
Income tax effect	-1,297	0	-1,006	0
Other comprehensive income, net of tax	34,756	14,152	26,525	-4,587
TOTAL COMPREHENSIVE INCOME, NET OF TAX	69,140	18,335	49,553	-1,393

CONSOLIDATED BALANCE SHEET

ASSETS

IN TEUR

30.06.2022

31.12.2021

Current assets

Cash and cash equivalents	274,852	291,754
Trade receivables	130,854	86,300
Other receivables and other assets	10,576	10,965
Inventories	147,511	121,093
	563,793	510,112
Assets held for sale	1,573	0
Total current assets	565,366	510,112

Non-current assets

Property, plant and equipment	129,495	120,921
Goodwill	137,979	127,036
Other intangible assets	10,950	11,638
Long-term receivables and assets	3,468	3,655
Deferred tax assets	33,546	32,246
Total non-current assets	315,438	295,496

TOTAL ASSETS

880,804

805,608

LIABILITIES AND EQUITY

IN TEUR	30.06.2022	31.12.2021
Current liabilities		
Liabilities to banks	33,880	37,321
Current portion of long-term loans	58,177	21,987
Lease liabilities	2,268	2,047
Trade payables	28,481	18,009
Government grants	89	89
Income tax payable	10,127	5,198
Other liabilities	151,966	131,290
Other provisions	8,302	7,757
Total current liabilities	293,290	223,698
Non-current liabilities		
Long-term loans	169,030	222,529
Lease liabilities	6,700	4,640
Provisions for employee benefits	6,850	6,858
Other liabilities	6,712	7,004
Total non-current liabilities	189,292	241,031
Equity		
Share capital	15,729	15,729
Capital reserve	63,122	63,122
Legal reserve	785	785
Other reserves	19	19
Currency translation reserve	63,322	28,566
Retained earnings	255,245	232,658
Total equity	398,222	340,879
TOTAL LIABILITIES AND EQUITY	880,804	805,608

CONSOLIDATED CASHFLOW STATEMENT

IN TEUR	6 MONTHS PERIOD ENDED	
	30.06.2022	30.06.2021
OPERATING ACTIVITIES		
Profit after tax	34,384	4,183
Depreciation, amortization and impairments	16,060	16,107
Other non-cash expenses and revenues	-9,892	-4,273
Cashflow from profit	40,552	16,017
Change in working capital	-29,191	-4,020
Cashflow from operating activities	11,361	11,997
INVESTING ACTIVITIES		
Expenditures for property, plant and equipment and intangible assets	-13,811	-9,667
Other activities	19	351
Cashflow from investing activities	-13,792	-9,316
FREE CASHFLOW	-2,431	2,681
FINANCING ACTIVITIES		
Dividend payment	-11,797	0
Change in financial liabilities	-23,116	-17,418
Cashflow from financing activities	-34,913	-17,418
Change in cash and cash equivalents	-37,344	-14,737
Cash and cash equivalents at the beginning of the period	291,754	313,950
Effects of exchange rate changes on cash and cash equivalents	20,442	8,277
Cash and cash equivalents at the end of the period	274,852	307,490

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2022

IN TEUR	SHARE CAPITAL	CAPITAL RESERVE	LEGAL RESERVE	OTHER RESERVES	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
1 January 2022	15,729	63,122	785	19	28,566	232,658	340,879
Profit after tax						34,384	34,384
Other comprehensive income, net of tax					34,756		34,756
Total comprehensive income, net of tax	0	0	0	0	34,756	34,384	69,140
Dividend payment						-11,797	-11,797
30 June 2022	15,729	63,122	785	19	63,322	255,245	398,222

2021

IN TEUR	SHARE CAPITAL	CAPITAL RESERVE	LEGAL RESERVE	OTHER RESERVES	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
1 January 2021	15,723	62,780	785	19	-3,747	211,478	287,038
Profit after tax						4,183	4,183
Other comprehensive income, net of tax					14,152		14,152
Total comprehensive income, net of tax	0	0	0	0	14,152	4,183	18,335
Share-based payment	6	168					174
30 June 2021	15,729	62,948	785	19	10,405	215,661	305,547

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1

BASIS OF PREPARATION

The interim report as at 30 June 2022 has been prepared in accordance with the principles of the International Financial Reporting Standards (IFRS), rules for interim financial reporting (IAS 34), to be applied in the European Union.

This report on the second quarter of 2022 of the SBO group has neither been audited nor reviewed by independent accountants.

NOTE 2

ACCOUNTING POLICIES

The accounting and valuation methods of 31 December 2021 have been applied basically unchanged. In this context, we refer to the consolidated financial statements for the year ended 31 December 2021.

NOTE 3

SCOPE OF CONSOLIDATION

During the reporting period no changes occurred in the scope of consolidation.

NOTE 4

SEASONALITY

Business development of SBO is not subject to significant seasonal influences.

NOTE 5

DIVIDEND PAID

	TOTAL AMOUNT TEUR	NUMBER OF SHARES (ordinary shares)	PER SHARE EUR
For the business year 2021 paid in 2022	11,797	15,729,365	0.75

No dividend was paid in 2021 for the financial year 2020.

NOTE 6

SEGMENT INFORMATION

Based on product groups and services offered and existing customer groups, respectively, SBO's business operations are subdivided into two reportable segments Advanced Manufacturing & Services (AMS) and Oilfield Equipment (OE).

The Advanced Manufacturing & Services (AMS) segment comprises the production of high-alloy, non-magnetic stainless steels and high-precision manufacture of stainless steels into special components for the oil, gas and other industries by applying innovative traditional and additive technologies such as Direct Metal Laser Sintering (DMLS), a 3D metal printing technology.

The Oilfield Equipment (OE) segment offers high-efficiency drilling tools and well completion equipment for the oil and gas industry.

Management of the group as well as the allocation of resources is based on the financial performance of these segments.

Results in the total column correspond to those in the profit and loss statement.

1-6/2022

IN TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO-HOLDING & CONSOLIDATION	GROUP
External sales	108,894	113,818	0	222,712
Intercompany sales	40,015	13,805	-53,820	0
Total sales	148,909	127,623	-53,820	222,712
Profit from operations	22,024	19,961	2,848	44,833
Profit before tax	22,435	19,654	604	42,693

1-6/2021

IN TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO-HOLDING & CONSOLIDATION	GROUP
External sales	64,734	64,781	0	129,515
Intercompany sales	23,386	9,830	-33,216	0
Total sales	88,120	74,611	-33,216	129,515
Profit from operations	3,522	5,312	41	8,875
Profit / loss before tax	4,025	4,948	-2,383	6,590

External sales were as follows:

IN TEUR	ADVANCED MANUFACTURING & SERVICES		OILFIELD EQUIPMENT	
	1-6/2022	1-6/2021	1-6/2022	1-6/2021
Product sales	99,049	57,720	52,468	32,997
Services and repairs	7,009	5,198	3,511	1,271
Rental revenue	2,836	1,816	57,839	30,513
Total	108,894	64,734	113,818	64,781

NOTE 7

SIGNIFICANT EVENTS

In connection with the Russian war of aggression against Ukraine and the resulting sanctions imposed on Russia by the Western countries, an impairment test was carried out for the cash-generating unit located in Russia as of 30 June 2022. No impairment need was identified. The subsidiary operating in Russia acts independently and continues to operate independently. The market environment of the oilfield service industry in the Russian market has not changed fundamentally at the current time. The public announcement of reorganization measures by individual customers in the region does not lead to a significant reassessment of the market, because the activities in the oilfield service industry are expected to continue. Due to current foreign exchange regulations, cash and cash equivalents of the subsidiary in Russia amounting to TEUR 9,545 are subject to restrictions on general use within the group as of 30 June 2022. There are no material circumstances that would lead to a change in the assessment of power over the investee and thus to a change in the scope of consolidation.

In the case of the other cash-generating units, there are no significant business activities with Ukraine or Russia. Based on activities in the industry in the regions outside Russia supported by the increase in energy prices (oil and gas) and the current forecasts, no significant indications of impairment were identified for the other cash-generating units as of 30 June 2022.

NOTE 8

TANGIBLE AND INTANGIBLE FIXED ASSETS

During the first six months of 2022 capital expenditures for tangible and intangible fixed assets (including right-of-use assets) amounted to MEUR 16.7 (1-6/2021: MEUR 10.3). Purchase commitments for expenditure in property, plant and equipment as of 30 June 2022 were MEUR 4.0 (31 December 2021: MEUR 3.2).

NOTE 9

RELATED PARTY TRANSACTIONS

With respect to business transactions with related parties there were no substantial changes compared to 31 December 2021. All transactions with related parties are carried out at generally acceptable market conditions. For further information on individual business relations please refer to the consolidated financial statements of SBO for the year ended 31 December 2021.

NOTE 10

FINANCIAL INSTRUMENTS

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have significant effects on the recorded fair value are observable, either directly or indirectly;

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

As at balance sheet date, the Group held the following classes of financial instruments measured at fair value:

2022

IN TEUR	BALANCE SHEET ITEM	30.06.2022	LEVEL 2	LEVEL 3
Assets				
Derivatives (FVTPL)	Other receivables and other assets	0	0	0
Liabilities				
Derivatives (FVTPL)	Other liabilities	-103,137	-862	-102,275

2021

IN TEUR	BALANCE SHEET ITEM	31.12.2021	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

During the reporting period 2022 there were no transfers between the levels of fair value measurements. In general, if required, transfers are carried out at the end of each reporting period.

Derivatives shown under level 3 exclusively consist of option commitments relating to cancelable non-controlling interests to purchase the offered shares from the minority shareholders. The development of liabilities for option commitments in the reporting period 2022 was as follows:

IN TEUR	BUSINESS COMBINATION DOWNHOLE TECHNOLOGY
1 January 2022	-93,796
Currency adjustment	-8,479
30 June 2022	-102,275

The option commitments from cancelable non-controlling interests were measured at fair value at the time of acquisition and remeasured in the following periods at fair value on each balance sheet date. The determination of the fair value was based on discounted cash flows, which were derived from the respective results planned for the company concerned. SBO has already exercised its right to purchase the minority shares of 32.3 % in Downhole Technology (now The WellBoss Company, LLC) in previous years with its share in the company reaching 100 % already as of 1 April 2019. For shares amounting to 6.6 %, the purchase price was paid in previous years. 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 30 June 2022 as well as of 31 December 2021, provision was made for the purchase price on the basis of the contractually agreed mechanism to be applied under normal circumstances. SBO filed an appeal against this judgment in the third quarter of 2021. In this connection, a surety deposit of TEUR 21,124 was made with the court of first instance, which was offset against the existing option liability. Depending on the outcome of the proceedings in the appeal bodies 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. We refer to the consolidated financial statements 2021.

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

For each category of financial instruments which are amortized at acquisition costs, both the carrying value and the deviating fair value are provided in the table below:

IN TEUR	LEVEL	30.06.2022		31.12.2021	
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Liabilities					
Borrowings from banks and other loans	2	-261,086	-252,704	-281,837	-285,687

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 payables and all other items have mostly short residual terms. The carrying amounts therefore equal the fair values on the reporting date.

NOTE 11

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 30 June 2022.

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report of the first half gives a true and fair

view of important events that have occurred during the first six months of the financial year and their impact on the interim financial statements, and of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Ternitz, 17 August 2022



Gerald Grohmann



Klaus Mader

Executive Board

CONTACT AND LEGAL NOTICE

Further information about SBO is available on www.sbo.at. If you have any questions regarding the company or would like to be included in SBO's Investor Relations Information Service (IRIS), please send an e-mail to investor_relations@sbo.co.at.

DISCLAIMER

Note on the half-year report:

This half-year financial report is also available in the German language. In the event of discrepancies, the German version shall prevail.

FORWARD-LOOKING STATEMENTS AND FORECASTS:

This corporate publication contains information with forward-looking statements. Parts of those statements contain forecasts regarding the future development of SBO, SBO group companies, relevant industries and the markets. All these statements as well as any other information contained in this corporate publication are for information only and do not substitute professional financial advice. As such, this information must not be understood as a recommendation or offer to buy or sell SBO shares, and SBO cannot be held liable therefrom.

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