

Annual Financial Report 2022



**ENERGY.
SECURITY.**

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"In 2022, we recorded an all-time high in bookings, passed the 500-million-euro mark in sales for the second time in the history of SBO and multiplied our earnings. We look back on an outstanding financial year 2022."



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 2022

In 2022, the global economy came under pressure due to Russia's war of aggression on Ukraine. The energy crisis that was triggered, rising living costs and disrupted supply chains weighed on the global economy. Escalating inflation led to significant interest rate hikes. The ongoing COVID-19 pandemic and the associated regional restrictions in China also had a negative impact over the course of the year and slowed down economic growth. Nevertheless, many sectors proved to be more resilient than originally expected, as supply chain problems, for instance, began to ease as early as the third quarter and started to send positive signals.

The energy industry and spending for oil and gas disconnected from developments in the global economy over the year. Efforts to secure supply became a key issue in many regions and had a positive effect on the energy sector. The high oil price supported spending for exploration and production of new oil and gas fields, with the growth cycle gaining momentum. SBO was able to take advantage of this development and posted high growth.

MARKET ENVIRONMENT

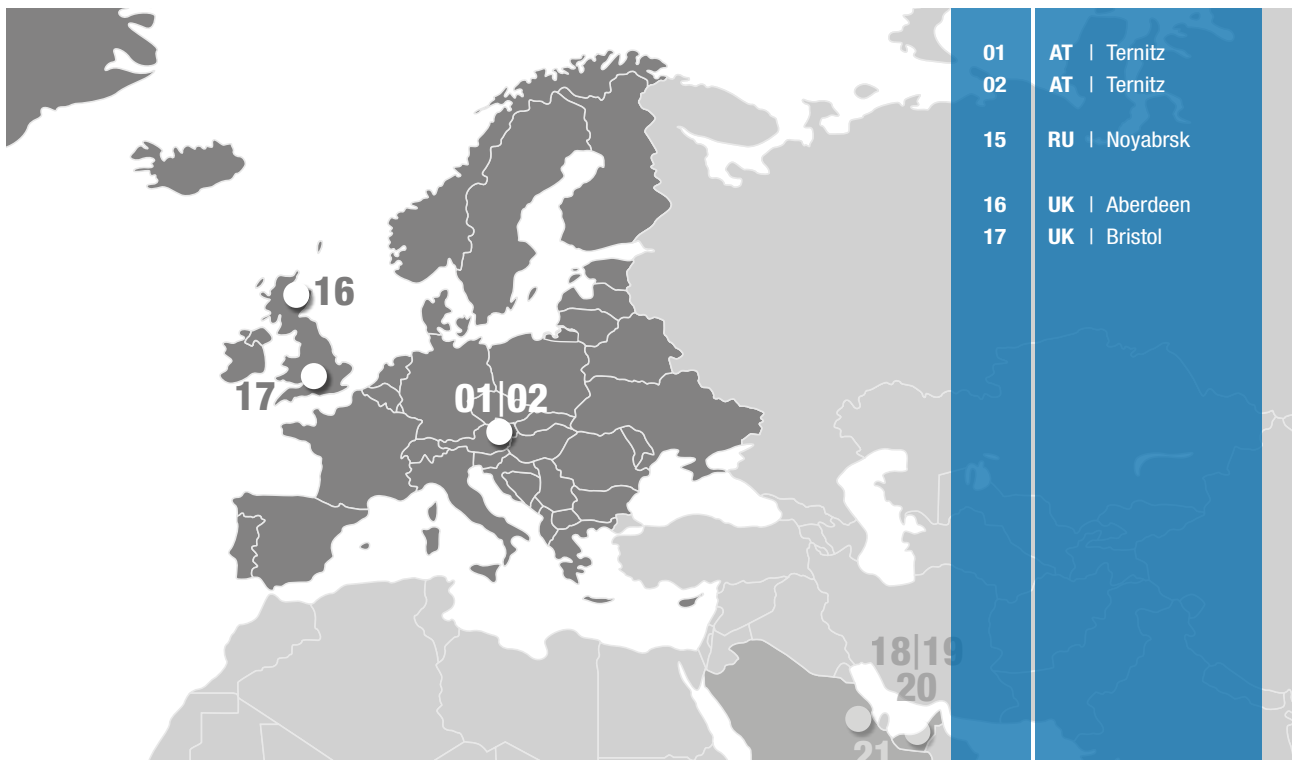
The challenges faced by world trade caused a decline in global economic growth in the past financial year. According to the latest estimates of the International Monetary Fund (IMF), global economic output rose by only 3.4 % in 2022, compared to 6.2 % in the

year 2021. This development occurred across the regions: following its 5.4 % increase in 2021, economic output in the industrialized nations came to 2.7 % in 2022, while the emerging economies posted 3.9 %, compared to a rise of 6.7 % in 2021.¹

¹ IMF, World Economic Outlook, January 2023.

REGIONS

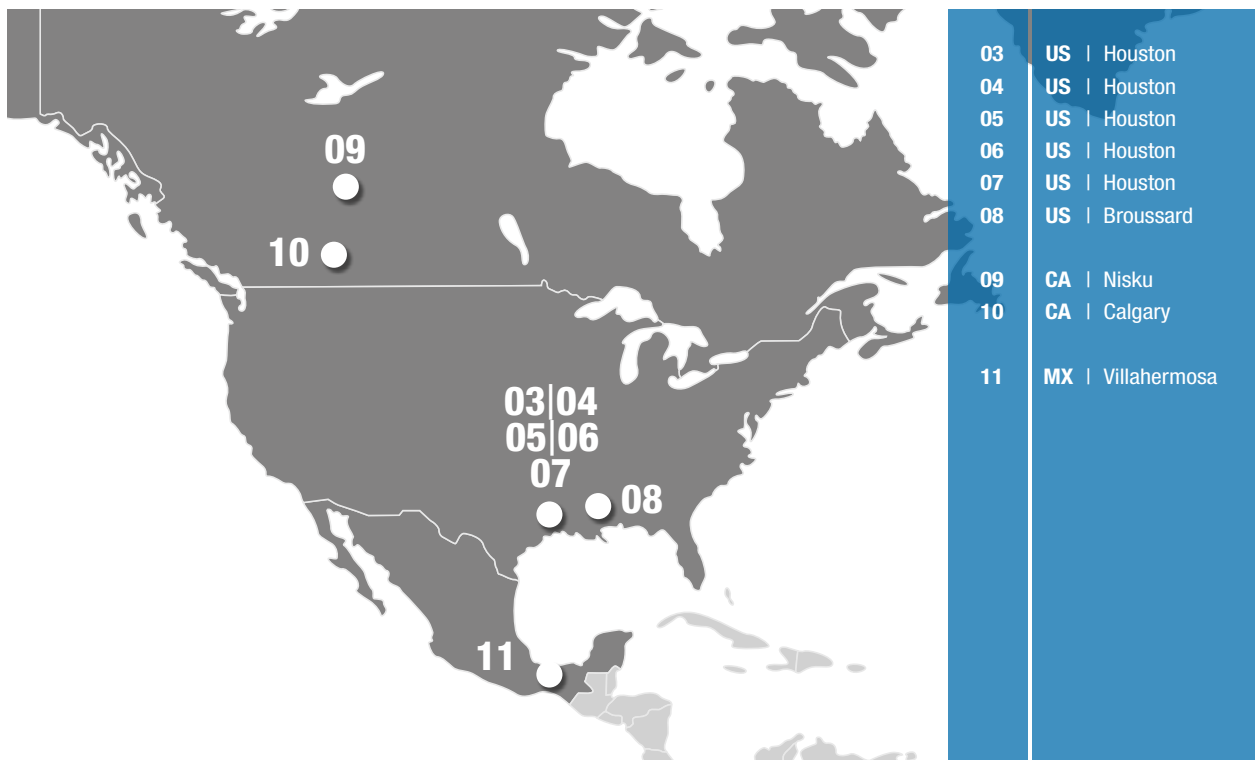
EUROPE (INCLUDING UK)



Russia's war of aggression on Ukraine had far-reaching, dramatic humanitarian repercussions and due to high energy prices and escalating inflation took ever increasing economic toll. For the European economy, the war in Ukraine came at a time when private consumption and investment were still below pre-pan-

demic levels. Key interest rates were raised to combat the steep inflation curve. European economic growth was more resilient than initially expected, rising by 3.5 %, according to the IMF. Russia, however, recorded an economic downturn of 2.2 % in the wake of the international sanctions imposed.

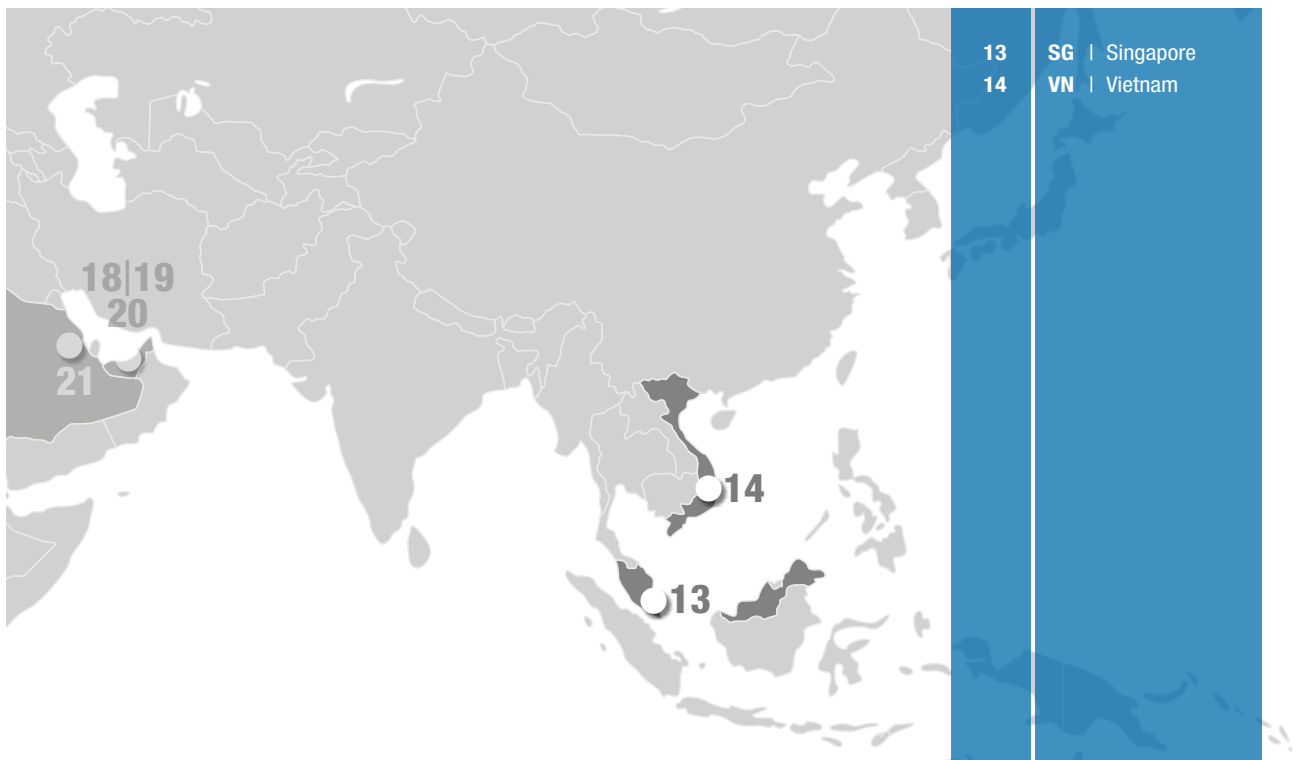
NORTH AMERICA (INCLUDING MEXICO)



The North American economic environment was confronted with a number of challenges: declining real disposable income due to rising inflation rates impacted consumer demand, and the war in Ukraine drove up energy prices. In addition, ongoing supply chain disruptions and labor shortages had a negative

effect on economic output. Nevertheless, further economic growth was recorded in 2022. For the full year, economic output in the USA went up by 2.0 %, while Canada saw an increase of 3.5 % according to the IMF, Mexico posted a rise of 3.1 %.

ASIA



The Asia-Pacific region struggled with a decline in private household purchasing power in the course of the year due to higher food and energy prices. Furthermore, emerging and developing Asian countries reacted negatively to the weaker growth of the economic output in China, where COVID-19

measures, such as lockdowns, slowed economic activity. Over the year, China's economic growth was decreasing, arriving at 3.0 % in 2022, which was the lowest growth in more than four decades, with the exception of the first COVID-19 wave in 2020.

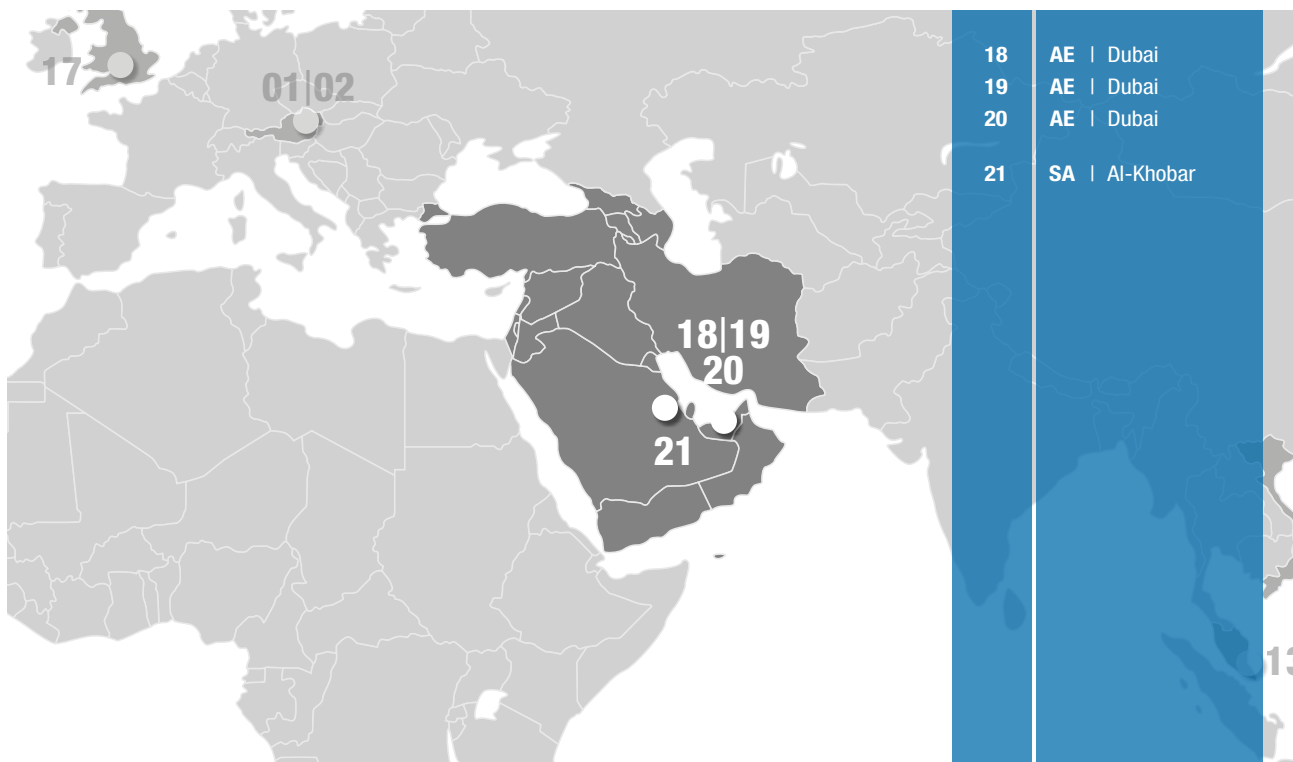
LATIN AMERICA



Latin America and the Caribbean (LAC) saw sustained economic growth, especially in the first half of 2022, thanks to favorable commodity prices and continued low-cost credit conditions. According to the IMF, oil-

exporting countries in the region performed particularly well, such as Colombia or Venezuela. In the region as a whole, real GDP increased by 3.9 % in full 2022.

MIDDLE EAST AND CENTRAL ASIA



The Middle East and Central Asia region made considerable progress by resuming activity following the COVID-19 lockdowns. Indicators clearly pointed

upward for this region, allowing economic output to increase by 5.3 % in 2022. In Saudi Arabia, economic output increased by 8.7 %.²

² IMF, World Economic Outlook, January 2023.

ENERGY MARKET

In the wake of Russia's war of aggression on Ukraine global energy flows were redeployed in 2022. The need for energy security dominated political actions as governments sought to secure alternative energy sources and store sufficient quantities of natural gas as fast as possible. Other short-term solutions included expanding oil and coal-fired power generation,

extending the lifetimes of some nuclear power plants, and pushing new renewable energy projects. These included not just short-term measures: the IEA predicts that renewables and nuclear power will see long-term gains, while the crisis-driven renaissance of coal is not expected to last.

Hydrogen

Hydrogen and hydrogen derivatives will play an important role in the decarbonization of emission-intensive industries, such as heavy industry and heavy-duty transport, in the medium and long term. In 2021, global hydrogen demand was 94 million metric tonnes

(Mt), according to the IEA, of which less than 1 % is currently produced with low emissions. Demand is expected to almost double to around 180 Mt by 2030, with production of "green" hydrogen rising to over 30 Mt per year.³

³ International Energy Agency (IEA), Hydrogen, Energy System Overview 2022.

Geothermal energy

Geothermal energy is still underrepresented in today's global energy mix, but this is expected to change in the medium term, as it is a base-load source, requires minimal land compared to many other energy sources, and can be used for both power and heat generation.

As a result, geothermal energy will play a more important role going forward. Spending for expanding geothermal development is expected to arrive at around USD 85 billion between 2022 and 2030.⁴

Natural gas and crude oil

To meet international climate targets, natural gas has been classified as a transitional resource in the European Union. Global demand for natural gas fell slightly by 32 bcm, or 0.78 %, in 2022, following an increase of 173 bcm, or 4.4 %, in 2021.⁵ The main reason for this decline were the political measures imposed by the European Union leading to a drop in supplies from Russia by almost 40 % in the first eight months of the year and the relatively warm winter 2022. This was offset, among other things, by the use of crude oil, demand for which increased by 2.3 mb/d to 100 mb/d in 2022.⁶ The need for natural gas is evident: in 2022, natural gas covered about 40 % of total European demand for space heating and water heating in private households. Moreover, natural gas accounted for up to 20 % of total electricity generation and 25 % of industrial energy demand in 2022. The substitution of natural gas or natural gas suppliers is a crucial factor for the short-term ability of the European Union to prepare for further possible supply shortages.⁷

The decline in Russian gas deliveries to Europe caused a dramatic rise in European gas prices, and indirectly of

Asian spot LNG prices as well. Also the United States saw its highest gas prices since the summer of 2008 during the year, with high prices and tight supplies leading to a gradual decline in natural gas consumption in many regions. Due to the pandemic, major Asian gas markets recorded limited to negative growth in 2022.⁸

In contrast, average global oil demand increased in 2022, registering growth of 2.3 million barrels per day (mb/d), or 2.3 %, to 100 mb/d (2021: 97.7 mb/d), according to the IEA.⁹ Rising demand was also reflected in the global oil and gas rig count, which went up by 17.3 % to 1,834 rigs during 2022 (December 2021: 1,563 rigs). The increase was visible across all regions. The rig count in the United States, for instance, rose by 34.5 % to 779 rigs (December 2021: 579 rigs), and in Canada by 3.3 % to 155 rigs (December 2021: 150). Internationally, an increase of 7.9 % to 900 rigs was recorded (December 2021: 834 rigs).¹⁰

Energy prices picked up sharply in 2022. Gas prices started 2022 at USD 3.73/MMBtu (million British thermal units), reached their highs of up to USD 9.68/MMBtu,

⁴ Rystad Energy Geothermal Solution, Whitepaper: Geothermal Market Overview, October 2022.

⁵ International Energy Agency (IEA), Gas Market Report, Q4-2022.

⁶ International Energy Agency (IEA), Oil Market Report, February 2023.

⁷ International Energy Agency (IEA), World Energy Outlook 2022, October 2022.

⁸ International Energy Agency (IEA), Gas Market Report, Q4-2022.

⁹ International Energy Agency (IEA), Oil Market Report, February 2023.

¹⁰ Baker Hughes Rig Count.

and closed at USD 4.48/MMBtu at the end of December, up 20.1 % since the beginning of the year.¹¹ Oil prices also went up significantly in 2022. As in previous years, they were supported by the OPEC alliance, which only gradually increased production volumes in line with the development of demand, thus underpinning the price trend. European Brent crude oil started 2022 at USD 77.78 per barrel, reached its highs of more than USD 127.98 during the year, and arrived at USD 85.91 on the last trading day, up 10.5 % since the beginning of the year. During the same

period, the price of WTI rose from USD 75.21 per barrel and, following its highs of more than USD 123.70, came to USD 80.26 at year-end, which is an increase of 6.7 % since the beginning of the year.¹²

Global exploration and production (E&P) spending rose by a total of 20 % in 2022, with the largest growth being posted in North America, where E&P spending climbed by 44 %. Internationally, spending went up by 15 %.¹³

"We differentiate ourselves through technology and ongoing research and development. Our innovations create measurable benefits for our customers."



¹¹ Bloomberg: NG1 Natural Gas (Nymex).

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

¹³ Evercore ISI, The 2022 Evercore ISI Global E&P Spending Outlook, December 2022.

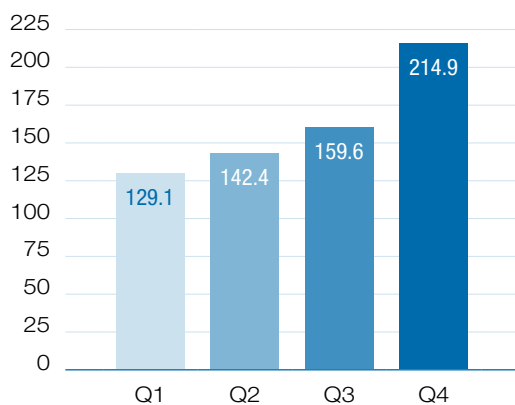
BUSINESS DEVELOPMENT IN 2022

The SBO Group recorded outstanding business development in 2022. The momentum seen in the energy markets and the associated high demand for SBO's products and solutions resulted in all-time high bookings and multiplications of earnings. 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, underlining the positive outlook for 2023.

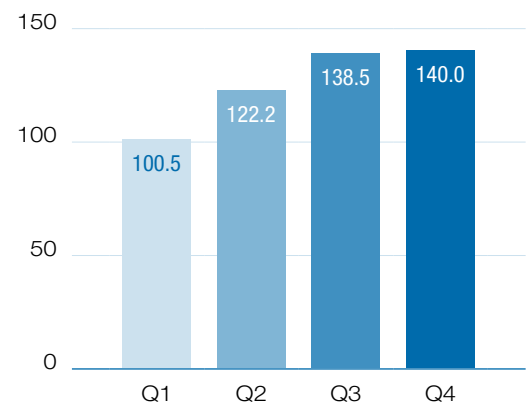
BOOKINGS

IN MEUR



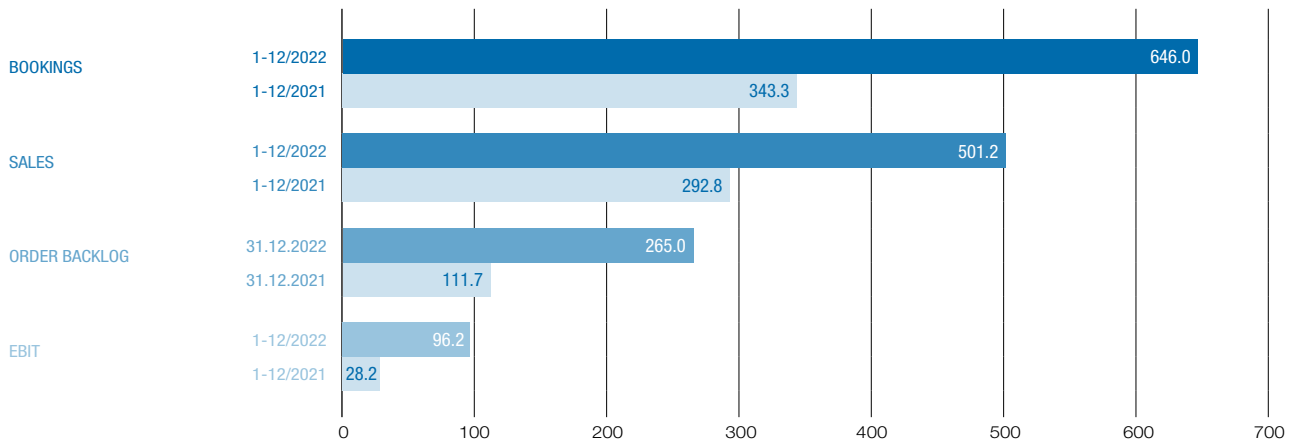
SALES

IN MEUR



SALES AND EARNINGS

IN MEUR



SBO Group sales climbed by more than 70 % to MEUR 501.2 (2021: MEUR 292.8). Bookings reached a record level of MEUR 646.0, up 88.2 % (2021: MEUR 343.3). The order backlog arrived at MEUR 265.0 (2021: MEUR 111.7).

Earnings before interest, taxes, depreciation and amortization (EBITDA) climbed to MEUR 129.1 (2021: MEUR 60.0). SBO's profit from operations (EBIT) more

than tripled to MEUR 96.2 (2021: MEUR 28.2). The EBITDA margin improved to 25.8 % (2021: 20.5 %), and the EBIT margin to 19.2 % (2021: 9.6 %).

The financial result arrived at MEUR minus 2.8 (2021: MEUR minus 4.8). Profit before tax almost quadrupled to MEUR 93.3 (2021: MEUR 23.4), while profit after tax rose to MEUR 75.2 (2021: MEUR 21.0). Earnings per share increased to EUR 4.78 (2021: EUR 1.33).

SEGMENT RESULTS

The business of the SBO Group is divided into two segments, “Advanced Manufacturing & Services” (AMS) and “Oilfield Equipment” (OE). In 2022, the two segments were almost balanced: sales generated in the AMS segment increased strongly to MEUR 248.7 (2021: MEUR 141.4), profit from operations (EBIT)

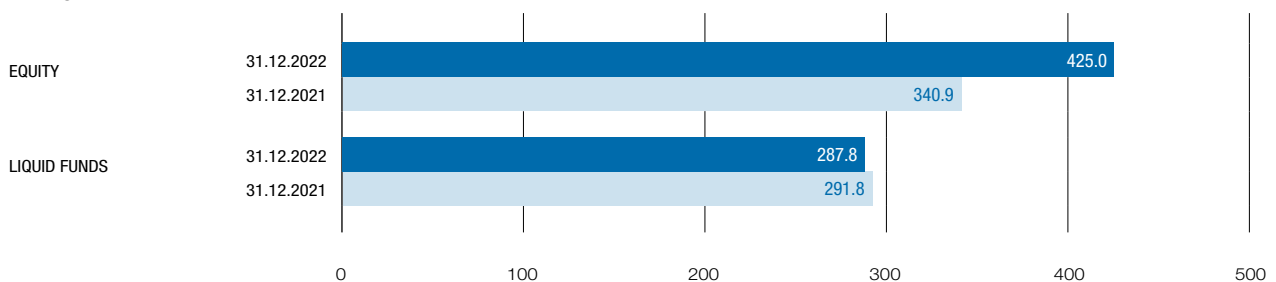
tripled to MEUR 48.3 (2021: MEUR 16.1). In the “Oilfield Equipment” (OE) segment, sales went up to MEUR 252.5 (2021: MEUR 151.4), and EBIT rose to MEUR 50.1 (2021: MEUR 10.4), an almost fivefold increase.

BALANCE SHEET FIGURES AND CASHFLOW

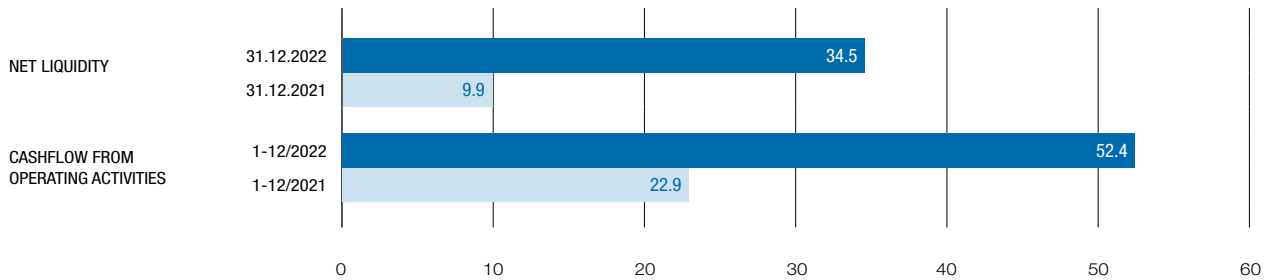
In 2022, equity of the SBO Group increased by 24.7 %, arriving at MEUR 425.0 as at 31 December 2022 (2021: MEUR 340.9). SBO's equity ratio climbed to 47.1 % (2021: 42.3 %). Liquid funds totaled

MEUR 287.8 (2021: MEUR 291.8). Net liquidity rose to MEUR 34.5 (2021: MEUR 9.9), and gearing ratio improved to minus 8.1 % as at 31 December 2022 (2021: minus 2.9 %).

IN MEUR



IN MEUR



The cashflow from operating activities more than doubled and arrived at MEUR 52.4 in 2022 (2021: MEUR 22.9), free cashflow clearly turned into positive territory to MEUR 27.1 (2021: MEUR minus 17.0). Capital expenditure on property, plant and equipment

and intangible assets (CAPEX) increased to MEUR 31.0 (2021: MEUR 19.4). On 31 December 2022, purchase commitments for property, plant and equipment amounted to MEUR 5.6 (2021: MEUR 3.2).

DIVIDEND PROPOSAL

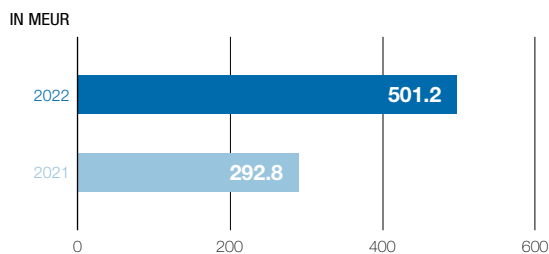
The Executive Board will propose to the Annual General Meeting on 27 April 2023 to distribute a dividend for

the financial year 2022 of EUR 2.00 per share (2021: EUR 0.75 per share).

ANALYSIS AND RESULTS

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

Sales



The SBO Group recorded a very positive business development in 2022, which led to a significant increase in sales. Sales rose by 71.2 %, from MEUR 292.8 in 2021 to MEUR 501.2 in 2022. The constant sequential quarterly growth in sales in 2021, resulting from the pandemic-related low point in 2020, continued throughout 2022: following MEUR 100.5 in the first quarter, MEUR 122.2 in the second quarter and MEUR 138.5 in the third quarter, the company generated MEUR 140.0 in the fourth quarter.

As in the previous years, the US dollar remained the most important currency for the SBO Group. In 2022, 79 % (after 79 % in 2021) of sales were generated in

US dollars, with approximately 57 % (after 59 % in 2021) of expenses also incurred in US dollars. The average exchange rate for 2022 of EUR 1 = USD 1.0539 was clearly stronger than in 2021, when it had been EUR 1 = USD 1.1835, and had a supporting effect regarding translation of local sales. The US dollar rose considerably in relation to the euro in the course of the year, arriving at its high of EUR 1 = USD 0.9565 in September. The closing price on 31 December 2022 was EUR 1 = USD 1.0666, trading around 6 % higher compared to EUR 1 = USD 1.1326 on 31 December 2021.

Exchange rate development

IN EUR/ USD	HIGH	LOW	AVERAGE	CLOSING
Year 2022	1.1464	0.9565	1.0539	1.0666
Year 2021	1.2338	1.1206	1.1835	1.1326

In the preparation of the annual financial statements 2021 and 2022, 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.

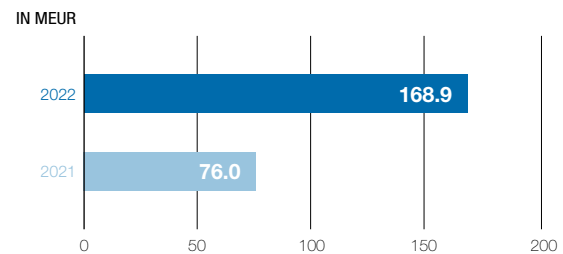
Sales by business segments

IN MEUR	2022	2021
Advanced Manufacturing & Services (AMS)	248.7	141.4
Oilfield Equipment (OE)	252.5	151.4
Total sales	501.2	292.8

Development of the “Advanced Manufacturing & Services” (AMS) segment heavily depends on our customers’ CAPEX spending. Following the sharply reduced spending level in 2020, CAPEX spending went up only slightly in 2021 and rose materially in 2022, leading to a significant growth of sales in the course of 2022. Sales increased by 75.8 %, from MEUR 141.4 in 2021 to MEUR 248.7 in 2022.

Due to the market recovery and associated significantly intensifying drilling and completion activities in particular in North America, sales generated in the “Oilfield Equipment” (OE) segment went up by 66.8 %, from MEUR 151.4 in 2021 to MEUR 252.5 in 2022.

Gross profit

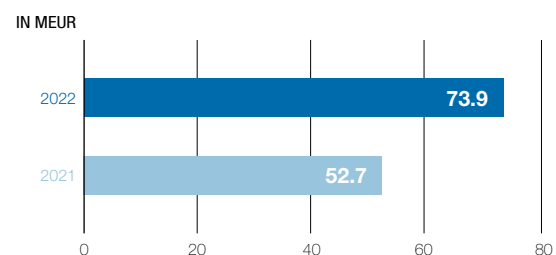


Following MEUR 76.0 for the year 2021, gross profit in 2022 rose to MEUR 168.9 and with it the gross margin, which went from 25.9 % in 2021 to 33.7 % in 2022.

The significant increase in the gross margin results from a higher production output and associated higher capacity utilization and the fact that input cost inflation could be passed on to customers by increasing sales prices.

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

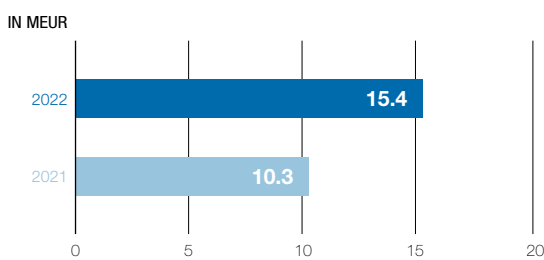
Selling, general, and administrative expenses



While selling, general, and administrative expenses in 2022 went up 40.3 %, from MEUR 52.7 in 2021 to MEUR 73.9, as the business activities had increased, they fell from 18.0 % of sales for the year 2021 to 14.7 % for the year 2022.

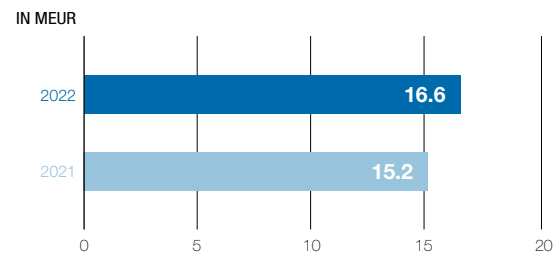
Selling, general, and administrative expenses consist mainly of payroll expenses, professional fees for operational activities, travel and entertainment costs, communication and insurance expenses.

Other operating expenses



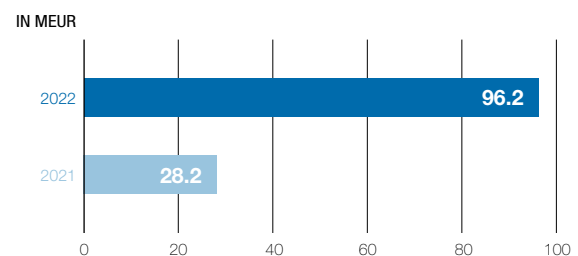
Other operating expenses amounted to MEUR 15.4 in 2022 (2021: MEUR 10.3). Essentially, this line item includes research and development costs of MEUR 6.9 (2021: MEUR 7.5) as well as exchange losses of MEUR 8.0 (2021: MEUR 2.6). The sharp fall of the US dollar against the euro seen in the fourth quarter of 2022 led to a significant increase in exchange losses resulting in a rise of other operating expenses.

Other operating income



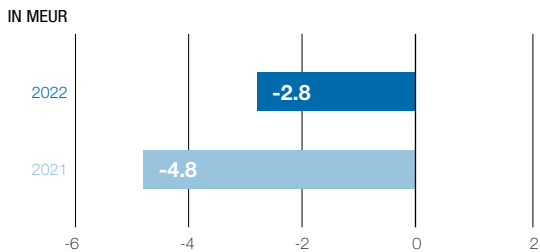
Other operating income in 2022 totaled MEUR 16.6 (2021: MEUR 15.2) and, apart from exchange gains in 2022, consisted mainly of income from the sale of fixed assets, rental income and service charges. Whereas exchange gains increased from MEUR 8.1 in 2021 to MEUR 13.3 in 2022 due to the strong increase in the USD dollar during the year until the third quarter of 2022, no income from COVID-19 subsidies was generated in 2022 compared to MEUR 4.8 in 2021.

Profit from operations



Due to the significant increase in gross profit and the disproportionately low increase in selling, general and administrative expenses, profit from operations more than tripled from MEUR 28.2 in 2021 to MEUR 96.2 in 2022, representing 19.2 % of sales compared to 9.6 % in the previous year.

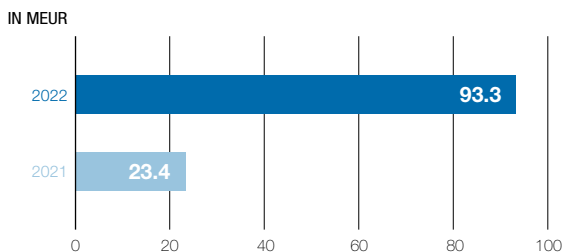
Financial result



The financial result in 2022 was MEUR minus 2.8, compared to MEUR minus 4.8 in 2021, which is due to higher interest income from USD deposits.

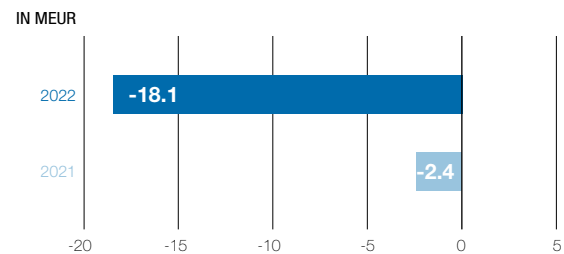
The financial result also includes the profit portion of the shares and participation rights in individual subsidiaries held by the respective managements reported as interest expense, which came to MEUR minus 0.7 in 2022 (2021: MEUR minus 0.4).

Profit before tax



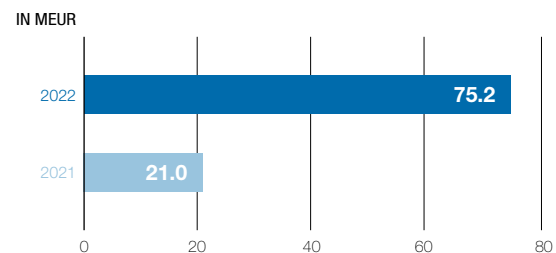
Profit before tax for 2022 standing at MEUR 93.3 has gone up substantially and almost quadrupled, compared to profit before tax of MEUR 23.4 in 2021.

Income taxes



Income taxes in 2022 rose due to substantial improvement in earnings in 2022 to MEUR minus 18.1 compared to MEUR minus 2.4 in 2021, consisting of current tax expenses of MEUR 14.5 and deferred tax expenses of MEUR 3.6. The higher tax rate in 2022 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 in 2021.

Profit after tax / dividend



Profit after tax for 2022 increased to MEUR 75.2, compared to MEUR 21.0 in the year before. Earnings per share improved substantially to EUR 4.78 in 2022, compared to EUR 1.33 in 2021. The Executive Board proposes to the Annual General Meeting to distribute a dividend of EUR 2.00 per share.

Assets and financial position

Group equity as at 31 December 2022 rose to MEUR 425.0 compared to MEUR 340.9 as at 31 December 2021. This increase is due to profit after tax and the stronger US dollar, which led to a positive development of the currency translation reserve. As a result, the equity ratio increased to 47.1 %, compared to 42.3 % as at 31 December 2021.

Net liquidity was further improved in 2022, rising to MEUR 34.5 as at 31 December 2022, compared to MEUR 9.9 as at 31 December 2021. As a result, gearing (net liquidity / net debt as a percentage of equity) improved further from minus 2.9 % as at 31 December 2021 to minus 8.1 % as at 31 December 2022.

Cashflow from profit came to MEUR 104.7 in 2022, compared to MEUR 40.4 in 2021. The key components of this indicator in 2022 were profit after tax of MEUR 75.2 (2021: MEUR 21.0) and depreciation, amortization, and impairment of MEUR 32.9 (2021: MEUR 31.8).

Net working capital (defined as current assets excluding cash and cash equivalents less current liabilities adjusted for the option liability, lease liabilities and liabilities to banks and loans) rose from MEUR 149.9 as at 31 December 2021 to MEUR 209.9 as at 31 December 2022. This rise is mainly due to an

increase in trade receivables and inventories because of higher sales and a significant growth of bookings in 2022. Nevertheless, cashflow from operating activities of MEUR 52.4 in 2022 is clearly above the level reported in the previous year (MEUR 22.9).

Net cash outflows from investment activities totaled MEUR 25.3 (2021: MEUR 39.9), of which MEUR 31.0 (2021: MEUR 19.4) were spent for additions to property, plant and equipment and intangible assets. Thereof, MEUR 17.5 were used for the "Oilfield Equipment" (OE) segment, mainly for further expanding the rental fleet of drilling motors, downhole circulation tools, rotary steerable tools, and replacement investments in machines. In the AMS segment, MEUR 13.4 were spent essentially on machinery, primarily for 3D metal printers.

In 2021, another material component of net cash outflows from investing activities was a surety deposit made 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 19).

Free cashflow in 2022 of MEUR 27.1 clearly turned into positive territory again, compared to MEUR minus 17.0 in 2021.

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 38 in the consolidated financial statements.

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

Reference is made to Note 21 in the consolidated financial statements.

Hedging transactions and financial instruments

Reference is made to Notes 4.6, 32 and 33 in the consolidated financial statements.

OUTLOOK

Following a worldwide increase in economic output of 3.4 % in 2022, global economic growth is expected to come to 2.9 % in 2023. The economies of the industrialized countries are expected to grow by 1.2 %,

following a rise of 2.7 % in 2022. As for economic growth of the emerging and developing countries, the IMF forecasts an increase of 4.0 % in 2023, following a similar development of growth at 3.9 % in 2022.¹⁴

Forecast of economic development in individual regions and countries

- In the eurozone, economic output is projected to grow by 0.7 % in 2023 (compared to 3.5 % in 2022).
- The economy in the United States is expected to grow by 1.4 % in 2023 (compared to 2.0 % in 2022), and in Canada by 1.5 % (compared to 3.5 % in 2022).
- In Latin America, the economy should grow by 1.8 % in 2023 (compared to 3.9 % in 2022).
- In the Middle East and Central Asia regions, the economy is expected to grow by 3.2 % in 2023 (compared to 5.3 % in 2022).
- In China, economic output is projected to increase again by 5.2 % in 2023 (compared to 3.0 % in 2022).
- In India, economic growth is expected to arrive at 6.1 % in 2023 (compared to 6.8 % in 2022).

"Our well-filled order books give us tailwind into the new year."



¹⁴ IMF, World Economic Outlook, January 2023.

Despite the weaker economic outlook, which continues to be strained by the global fight against inflation and Russia's war in Ukraine, the International Energy Agency (IEA) in its Stated Policies Scenario expects primary energy demand to grow by around 1 % per year until 2030. Renewable energies are believed to cover more than half of the total increase in global energy demand on average. Overall, oil and gas are thus expected to account for 51.7 % of total global energy in 2030 (currently 52.7 %) and renewables for 17.2 % (currently 11.9 %).¹⁵

Short-term market data are equally compelling for both oil and gas and low-carbon energy resources. The IEA expects gas and oil demand to increase in 2023, as demand for gas is believed to rise by 14 billion cubic meters (bcm) to 4,085 bcm¹⁶, and for oil by 1.9 million barrels per day (mb/d) to a record 101.9 mb/d¹⁷. Demand for both energy sources is projected to increase by 2030 as well: gas demand is expected to grow by 3.2 % to 4,372 bcm, while oil is forecast to grow by 8.4 % to 102.4 mb/d.¹⁸

Over the past year, awareness of energy security increased significantly. For 2023, renowned banks and analyst firms expect global exploration and production (E&P) spending on new oil and gas fields to rise by 14 %, following growth of 20 % in 2022. In the North American market, E&P spending should go up by 18 %, following an exceptionally strong year 2022. While growth in the United States is expected to come to 19 % in 2023, E&P spending in Canada is forecast

to increase by 11 %. Internationally, the forecast sees a 13 % increase.¹⁹

Given the above, oil and gas fundamentals remain strong. Increased spending for the exploration and production of new oil and gas fields, low oil inventories and OPEC spare capacities as well as international efforts to achieve energy independence from Russia lead us to expect rising demand for oil and gas. With that, the industry looks to a positive cycle in 2023 and the following years, which should also have a positive effect on SBO's current core business. At the same time, significant expansion of the "new energy" sector is projected as well.

The SBO Group was able to grow dynamically with the market in 2022 and expects this development to continue in 2023. With forecasts of further rising spending in exploration and production and well-filled order books, the Group is starting with a tailwind into the year 2023. Furthermore, Strategy 2030 will be driven forward. Herein, we position ourselves for the most important developments in the energy future and will help shaping it using technological innovations in oil & gas and new energy. A key element of the Strategy 2030 is the establishment of a new segment outside the current core business, which shall generate 50 % of Group sales in the long term primarily in sustainable energy technologies. Internal and external projects already underway to identify promising technologies and targets in the new energy area will be continued consistently.

¹⁵ International Energy Agency (IEA), World Energy Outlook 2022, October 2022.

¹⁶ International Energy Agency (IEA), Gas Market Report, Q4-2022.

¹⁷ International Energy Agency (IEA), Oil Market Report, February 2023.

¹⁸ International Energy Agency (IEA), World Energy Outlook 2022, October 2022; reference year acc.to the report: 2021.

¹⁹ Evercore ISI, The 2022 Evercore ISI Global E&P Spending Outlook, December 2022.

NON-FINANCIAL HIGHLIGHTS

ESG MANAGEMENT

PART 1: **NON-FINANCIAL STATEMENT**

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

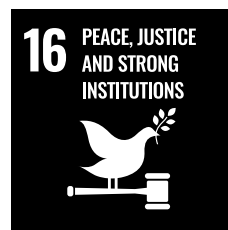
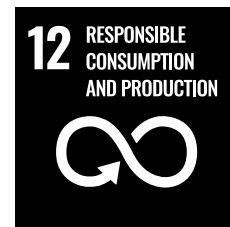
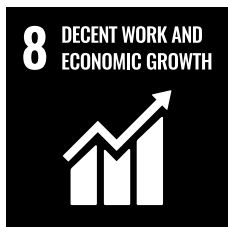
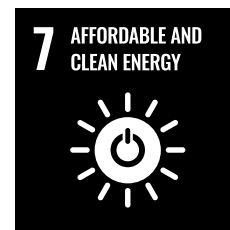
Our Annual Report has been prepared in accordance with the provisions of the Austrian Sustainability and Diversity Improvement Act (Nachhaltigkeits- und Diversitätsverbesserungsgesetzes or NaDiVeG) pursuant to § 267a UGB (Austrian Commercial Code). In addition, we are committed to the United Nations “Agenda 2030 for Sustainable Development”, which is a global plan to promote sustainable peace and prosperity and protect our planet.

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. Therefore, the Agenda is considered a new orientation framework for global development and environmental policy and is intended to shape development work for the national and global common good. The core of this resolution is represented by 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

The goal of the European Green Deal is to make a green transition ensuring that the EU becomes climate-neutral by 2050. 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 unify the perception of environmental sustainability of business activities and serve as a basis for investment decisions. It therefore represents an important step toward achieving the overarching goal of a climate-neutral EU by 2050. The EU Taxonomy only covers those economic activities that are explicitly listed in the corresponding delegated acts. In the manufacturing sector, the focus is particularly on emission-intensive industries. For the time being, the supply industry has not been covered satisfactorily. However, major innovations that can make a significant contribution to climate neutrality take place precisely in the supplier industry.

The EU Taxonomy Regulation requires companies to classify their business activities according to the list of criteria set forth in Annex 1 and Annex 2 to Delegated Regulation (EU) 2021 / 2139 and to assess them according to the criteria for substantial contribution and “do no significant harm” as well as criteria for minimum social safeguards. If the business activities can be attributed to one or more of the sustainable economic activities, they are Taxonomy-eligible. If they also meet the technical screening criteria and the criteria for minimum social safeguards, they are Taxonomy-aligned.

For the previous reporting year, companies only had to report on their Taxonomy eligibility if their activities were covered by the delegated acts. For the reporting year 2022, companies must report for the first time on their Taxonomy alignment and thus their compliance with the technical screening criteria and the requirements for minimum social safeguards.

MATERIALITY ANALYSIS: STAKEHOLDERS AND THEMATIC AREAS OF SUSTAINABILITY

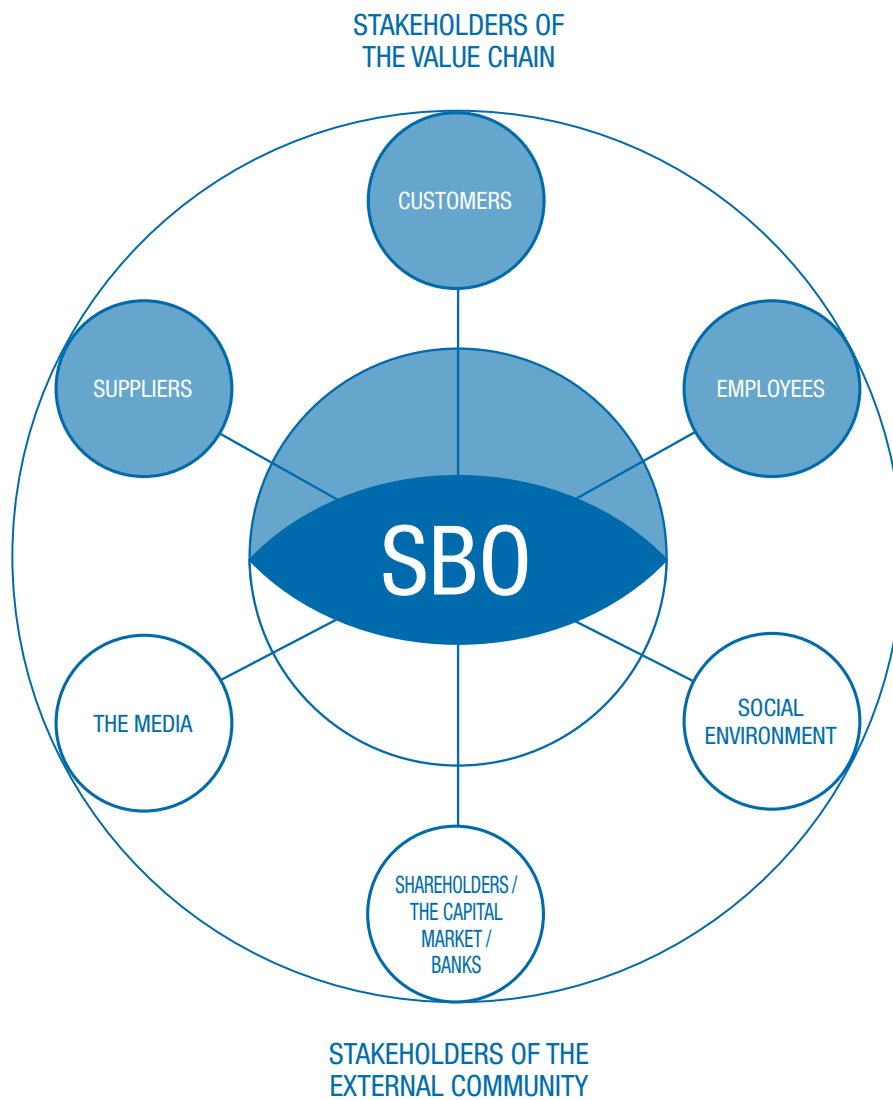
In its sustainability management, the SBO Group focuses on the economic, ecological and social effects of its activities. As part of a materiality analysis, we have identified relevant stakeholders, captured the most important thematic areas for sustainability and defined twelve key action areas.

OUR STAKEHOLDERS

We define those people and organizations as stakeholders of the Group that we are in contact with and that can influence our business development and activities. The specifics and characteristics of our ongoing business activities are of great importance for identifying those stakeholders. In addition to the global presence of our sites and production facilities, we also take into account our leading role as a niche supplier and the value chain of our industry.

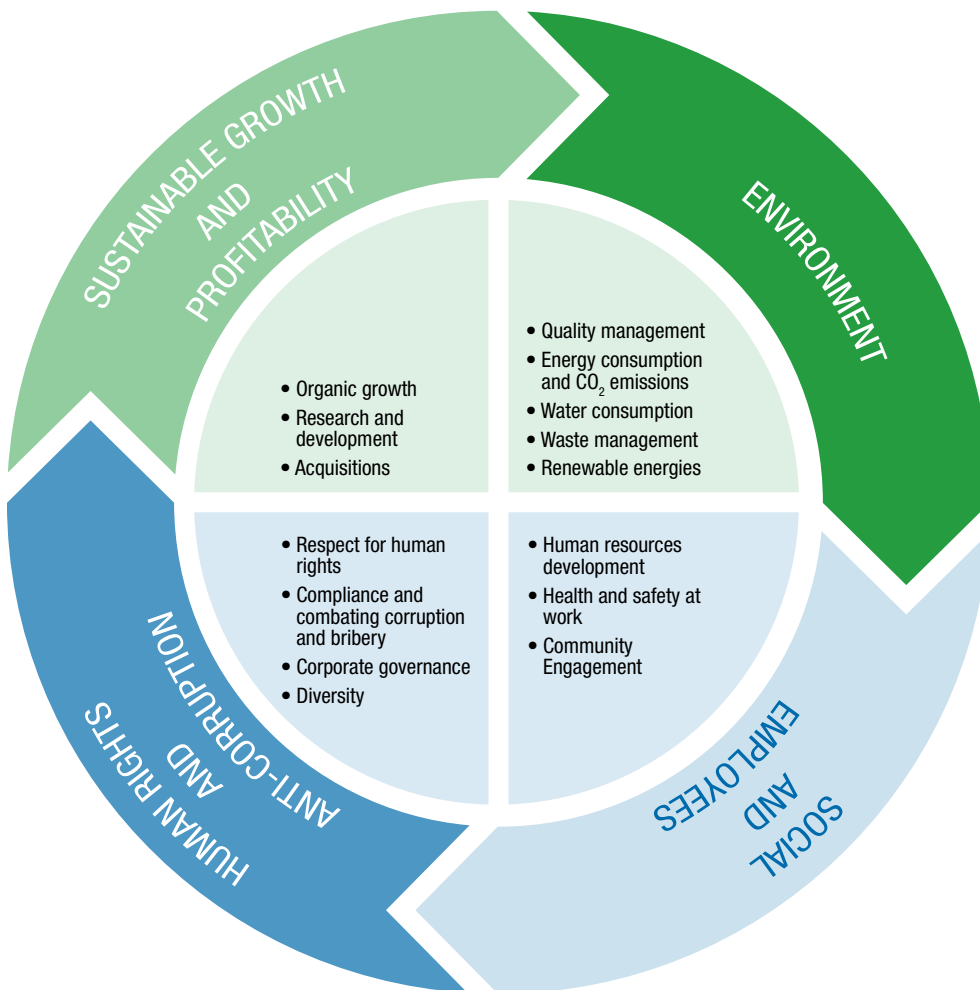
We consider our stakeholder value to be a key factor for corporate governance. We break down our stakeholders according to their interests in the following two main groups:

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 sound and safe work conditions and processes, high-quality products and sustainable value-adding business relationships.
2. Owners and the capital and financial 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 potential risks early and take proactive countermeasures as necessary. At the same time, this approach contributes significantly to our business success and reputation.

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



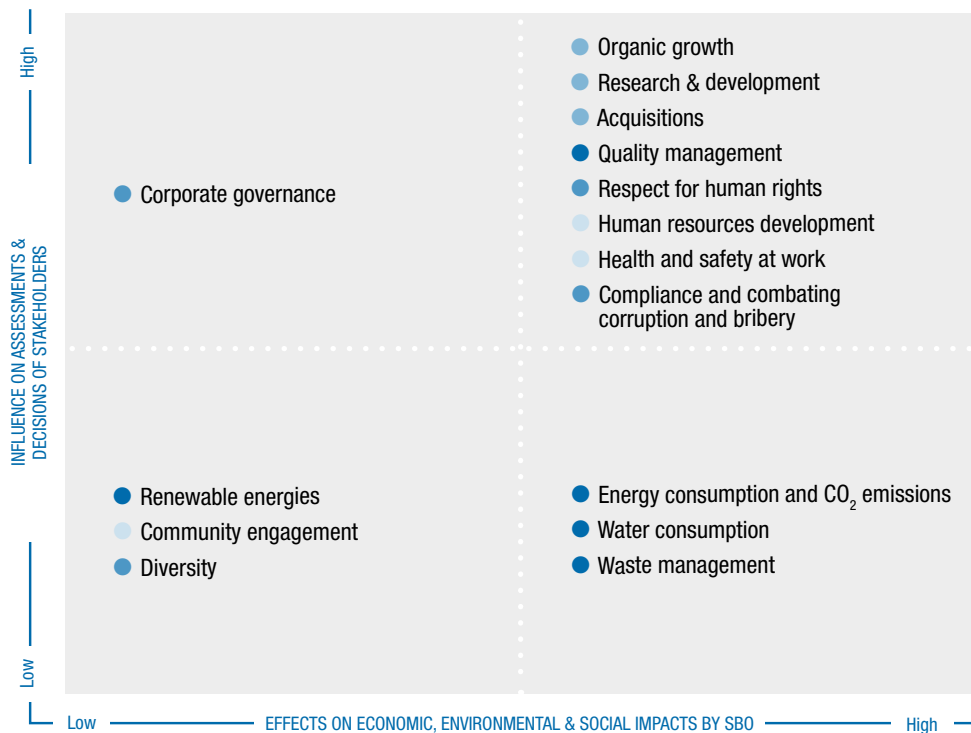
KEY TOPICS OF SUSTAINABILITY

When the Sustainability and Diversity Improvement Act entered into force, we 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.

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. according to 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 being of "low" relevance, while those defined as being of "high" relevance were 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. Environment, Social and (Corporate) Governance (ESG) themes are firmly integrated in our corporate Strategy 2030.

Alongside this direct anchoring of ESG themes, the corporate strategy provides for building a new business 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 new energy sector, which will secure SBO a role as a leading supplier of high-tech solutions and products even outside its core business beyond the year 2030.

Our ESG strategy starts from an industry-wide high level of ecological efficiency and plans to achieve 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 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 a circular economy, as there are major ecological benefits from returning steel scrap to the production of steel bars, for instance. Moreover, the share of renewable energy sources on own consumption is increased through targeted measures and thus the CO₂-efficiency of used resources improved further. 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 information security.

We traditionally pursue a policy of transparent reporting. In recent years the focus was on reporting Scope 1 and Scope 2 information from the business activities of a steel manufacturer and equipment supplier, backed up by values and measured quantities.

A new feature included in reporting is the classification of key financial indicators according to environmentally relevant aspects based on EU environmental targets. In addition, a project is running to prepare the Group for professional Scope 3 reporting. Also, we are preparing publication of so-called science-based targets (SBTs), which determine what the extent of the Company's CO₂ reduction would have to be to effectively limit global warming to 1.5 degrees. Moreover, we strive to further expand ESG communication by reporting competitive ratings.

SBO's current business activities include the manufacture of high-alloy, non-magnetic steels and high-precision production of stainless steels as special components for the oil and gas and other industries by applying innovative and additive technologies. Moreover, development and distribution of equipment are part of the Company's offering which is primarily used for the efficient extraction of crude oil and natural gas, apart from application in the field of geothermal energy. According to relevant forecasts, global demand for these resources will increase beyond the year 2030, with a focus on the efficient and environmentally friendly extraction of these resources. Natural gas in particular plays a special role from an ecological point of view: gas as an energy source has an energy density comparable to liquid fuels and at the same time scores with a significantly higher ecological efficiency. The switch from coal to gas since 2010, especially in the power sector in the United States and Europe and in buildings and industry in China, has resulted in a reduction of global emissions by around 750 million tonnes of CO₂.¹ In terms of eco-efficiency criteria, natural gas therefore makes a significant contribution to achieving the climate targets. SBO currently generates a relevant portion of its revenues from the sale or rental of products used to extract natural gas.

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. On top of that, 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.

¹ International Energy Agency (IEA), World Energy Outlook 2021, October 2021.

QUALITY MANAGEMENT

As a quality and technology leader, we set 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 production processes, meaning that each product is specified on the basis of clearly defined characteristics and is then inspected continuously. Apart from that, each production step is recorded in a quality control chart and confirmed by the employees in charge.

To safeguard perfect quality of our products, our quality management accompanies the complete product life cycle from the manufacturing process to our in-house service and repair shops. We document and analyze complaints to improve products and processes constantly. 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 Group.

Our DNA consists of precision and speed. We act according to the "Quality First" principle: our core competence is to develop, produce and market advanced high-quality products with a USP (Unique Selling Proposition). The clear goal is to create added value for our customers. We differentiate ourselves through technology and ongoing research and development. Our innovations create a measurable benefit 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 advanced manufacturing processes, material-adapted and precise machining of non-magnetic specialty steels is an essential factor. This applies equally to producing metal components using Direct Metal Laser Sintering (DMLS), a 3D printing process, where accuracy and quality assurance are the fundamental requirements.

As market leader, the SBO Group produces components that are applied by customers in various industries. In the core business, the products of SBO are used 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. Drilling motors distributed by SBO are designed to be extremely reliable and powerful in achieving particularly high penetration rates in hard rock formations. We provide special tools to clean or seal boreholes as needed while drilling. The benefit lies in considerable time and cost savings and, in addition, expensive drillstring components (such as MWD and LWD equipment) can be protected from damage. Rotary steerable tools are an addition to the broad product portfolio of SBO and are used for intelligent drillstring drive during directional drilling.

Quality tests and certifications are used at our production sites to ensure compliance with quality standards. Many of our worldwide locations work according to the leading industry standards API Spec Q1, 7-1 and ISO 9001 and are audited accordingly at regular 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 not only saves time and costs but also leads to a significant increase in overall efficiency.

Our suppliers are evaluated at regular intervals with regard to the materials delivered and their certifications. This is how we make sure that the high quality standards of SBO are met along the value chain as well. In case of critical suppliers, we carry out assessments on site by conducting first article inspection, an analysis of origin. 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 research & development (R&D). In 2022, we developed innovations such as:

Data platform for machining

In a new, modular application system featuring a central data platform, process and manufacturing data are combined into an intelligent data pool. The system connects all process holders from the CNC machining area with this data, supporting CNC specialists on the production machine, tool presetting, creators of machining programs and all production control processes. As a result, production processes can be carried out more efficiently, with less material wear and higher overall quality.

3D print of high-alloy metals (DMLS)

SBO has further expanded its additive manufacturing capabilities and added products on the basis of copper and titan. This extends the options for customer-oriented production of components, with the focus being on the manufacture of components with low wall thicknesses and complex geometries. Moreover, individually printed layers can be checked for defects using the integrated quality control software, thus ensuring a high level of quality.

Hybrid preheating furnace

In order to reduce the risk of gas dependency for the heating of steel, the "hybrid preheating furnace" project was launched. This involves replacing a traditional gas-fired preheater with an electrically powered hot air blower and allows switching between gas and electricity to minimize the risk of production downtime.

Rotary steerable tools

SBO's rotary steerable tool offering has been extended by new features. As the steerable system enables targeted drive of the drillstring it is essential for performing state-of-the-art directional drilling. The use of such tools reduces risks, drilling time and downtime, and therefore the cost of downhole operations.

Dissolvable plugs

During 2022, the SoluBoss and Baby Boss dissolvable plugs were improved. In addition, new SoluBoss designs were developed for customers in the Middle East. Their market launch in the United Arab Emirates and Saudi Arabia is scheduled for 2023.

All-composite plugs

The size range of Boss Hog all-composite plugs was expanded. All-composite plugs meet high standards in wells and have high market shares.

Those examples and many other innovations under development in our global network demonstrate that we are actively working on 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. The overall risk from the company's business activities regarding environmental, social and employee concerns, respect for human rights and the combat against corruption and bribery in general can be classified as low. The company is preparing for the systematic identification and assessment of non-financial risks in the supply chain. However, due diligence within the meaning of the proposal for the European Corporate Sustainability Due Diligence Directive (CSDD) has not been carried out, because it has not entered into force yet.

In this chapter, we deal exclusively with risks associated with sustainable corporate governance. The following risks have been evaluated on the basis of the non-financial performance indicators and the qualitatively collected explanations 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 Group's business risks have not changed fundamentally in the 2022 financial year. From today's perspective, no risks can be identified that pose a threat to the going concern status of the company. Nevertheless, the Group's business activities are exposed to a variety of risks that are inseparable from global entrepreneurial activity. Effective management and control systems are in place to identify, analyze and manage these risks under which the managements of the individual sites monitor the risks and report on them to Group management.

Identified risks were evaluated internally and countermeasures were taken immediately where necessary. Implementation of, and incorporation into, work instructions are reviewed as part of regular internal audits. In the 2022 financial year, the audit focus was on numerous topics, such as the internal control system. In addition, an external audit on IT security was conducted.

As price increases for raw materials and supplies on the purchasing side could be compensated for in the 2022 financial year through the increase of sales prices, they do not represent an increased risk for the company. Potential bottlenecks in the supply of gas are a selective risk at the Austrian site. The company has taken precautionary measures to counter these risks through the electrification of certain processes. Negative effects of another wave of COVID-19 measures are not apparent. On the contrary, the easing of measures in China should support demand for products of SBO.

The following risks are regularly identified and documented in order to initiate strategic improvements where necessary:

Climate change

The SBO Group has been monitoring climate change and its potential impact on the Group's business activities for years. Climate change as such is not classified as a material risk for the company. Climate-related risks must be assessed in the context of the European Green Deal and relevant European Union regulations such as the EU Taxonomy Regulation.

The European Green Deal requires companies to have, among other things, a plan to ensure that the company's business model and strategy are compatible with the transition to a sustainable economy and with limiting global warming to 1.5°C in line with the Paris Agreement. SBO refers to the "Strategy 2030" in this regard. At the same time, investments are to be shifted primarily to sustainable economic activities. The energy sector is also to be transformed in the long term with the aim of gradually replacing fossil fuels with renewable energies or neutralizing their emissions to ensure that the net zero target for 2050 can be achieved. However, this target lost priority over the aim of providing affordable energy to the economy and population as a result of the Russia-Ukraine war.

Tighter climate policies could trigger a decline in oil demand within the EU and affect the SBO Group's core business due to lower demand for tools used in drilling for oil. However, long-term market expectations are that global demand for this resource will continue to increase for a long time to come. In addition, the European Union has recognized natural gas as an essential transitional resource for achieving climate targets and has, for instance, classified electricity generation from fossil gaseous fuels as a Taxonomy-aligned economic activity. SBO's products and solutions are used in drilling for both oil and natural gas.²

² International Energy Agency (IEA), World Energy Outlook 2022, October 2022.

The goods and services produced by the SBO Group are mainly demanded outside the European Union, meaning that European climate policy only partially influences the SBO Group's economic activities and (production) locations. Nevertheless, assumptions regarding individual non-current assets (mainly goodwill) recognized in the consolidated financial statements involve estimates and judgments about future developments with regard to climate change and the related climate policy framework.

(Production) sites of the SBO Group have a relatively low energy consumption, which will be reduced even further through appropriate measures in the coming years. For example, two photovoltaic plants with a total nominal output of around 1,450 MWh of renewable energy were built at the Ternitz site (Austria) in 2022 and secured by a long-term power purchase agreement. In addition, construction of further plants at SBO locations is planned. The switch to renewable energy sources is a relatively low cost factor.

The economic activity and the locations of the SBO Group are only to a small extent exposed to physical climate risks in terms of temperature changes, wind, precipitation or erosion, with overall climate-related risks be classified as low. For an essential (production) site, climate scenario analyses were made and have also not shown any significant future risks.

SBO specifies the climate compliance of its economic activities as part of its reporting on the EU Taxonomy Regulation (see chapter "EU Taxonomy") and reports climate-related risks and values to selected ESG ratings such as CDP. Climate-related risks are currently not a relevant factor in credit risk assessment and it is not fully foreseeable whether and to what extent such risks could become a risk in the future when taking out new credit lines. Nevertheless, SBO is proactively working on successively improving ESG scores.

Market environment

The oil and gas industry, in which a large portion of our products are currently used, is traditionally characterized by cyclical phases. SBO's personnel and material requirements were covered even in the high-production year 2022. Bottlenecks in the supply chains existed only to a limited extent, with no impact on overall production output.

Employee recruitment

The current market environment of robust production output in most industries and COVID-19-related subsidy measures in almost all industrialized countries extended the shortage of skilled workers in 2022, creating a challenging situation for companies. In some regions, it was difficult to recruit not only skilled workers but also less qualified personnel. Although the market situation remains tight, SBO resolves this challenge by using selective measures such as attractive overall packages, working time flexibility and salary adjustments to ensure that increased production output is maintained.

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 at SBO. COVID-19-related absences were lower with increasing immunization and gradual reductions in officially mandated measures. Although COVID-19 is no longer classified as a pandemic, internal company measures could be tightened again in response to the situation.

Quality assurance

Product defects such as material breakage may involve risks for our customers and the environment, as such incidents could damage or contaminate the soil. We actively counteract these risks through consistent quality management. 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. Our employees worldwide receive 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 privacy 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 2022, there were attempts to attack the IT system, but they were all successfully averted.

Risks associated with the Russia-Ukraine war

SBO established an information system for new sanctions related to the Russia-Ukraine war from 24 February 2022. The information system aims to provide the Group with early information on new sanctions imposed by the EU, the United States and the UK and to raise awareness of potentially sanctioned behavior. A Group-wide binding internal policy was set up to order refraining from sanctioned behavior.

Business activities with Russia are subject to increasing restrictions. Deliveries from the Group, which were previously prohibited in partial applications (in particular in the context of projects for oil exploration and production in deepwater and / or the Arctic or regarding shale oil projects in Russia), were completely shut down in 2022 and will not be resumed in the foreseeable future. Our subsidiary operating as a repair and service shop in Russia carries out its business self-contained.

Russia's war of aggression on Ukraine has led to increasing sanctions and embargoes imposed by the major Western countries, which require increased attention in the company's risk management. The sanctions currently in place are primary in nature and cover Western companies and individuals, but not subsidiaries of these companies. There are no indications of a tightening of existing sanctions in this regard. The situation is nevertheless evaluated on an ongoing basis so we can initiate the required organizational measures in good time if necessary. In any case, it is safe to assume that these geopolitical measures will be longer-term.

The market environment of the oilfield service industry in the Russian market has not changed fundamentally at the moment. Re-organization measures of individual customers in the region did not lead to a material reassessment of the market, as it is generally expected that existing activities will continue. At the same time, the increase in energy prices (oil and gas) is supporting activities of the industry in the regions outside Russia.

PART 2: ESG DEVELOPMENTS IN 2022

OVERVIEW OF MAJOR DEVELOPMENTS IN 2022

In its Strategy 2030, the SBO Group has specifically defined the Group's path to the future. On the basis of sustainability, we aim to contribute to energy security with our existing business, on the one hand, and make a substantial contribution to the energy transition in a new business area on the other. Last year, a highly structured search process was launched with internal and external partners to find suitable acquisition targets for the development of this business area.

In our core business, our high-quality products contributed to energy supply security for the world's population in 2022, in an environment characterized by Russia's war of aggression on Ukraine involving severe distortions on the energy markets. Our range of products and services for the oil and gas industry warrants safe, efficient and environmentally friendly extraction. Natural gas in particular plays an important role as a bridging technology in the energy transition, as increased use could reduce the share of coal in the energy mix and, at the same time, significantly reduce CO₂ emissions. Gas has a CO₂ efficiency that is around 45 % better than coal.³

³ International Energy Agency (IEA), World Energy Outlook 2022, October 2022.

In our own production, our subsidiaries pay attention to the efficient use of resources such as energy or water and continuously optimize measures to keep CO₂ emissions structurally low. In 2022, we installed photovoltaic systems at our site in Austria, which we use to cover a significant portion of the energy requirements of our local production. This is another step toward increased energy efficiency.

Finally, we worked on further improving the quality of the data needed for consistent, targeted ESG management in 2022. Another focus was confirmation of reporting in accordance with the EU Taxonomy. In 2022, the Österreichische Prüfstelle für Rechnungslegung (OePR, or Austrian Financial Reporting Enforcement Panel) audited SBO regarding non-financial reporting and the EU Taxonomy. Details on the audit can be found below. Our efforts in the field of ESG have also been recognized by receiving ratings from CDP (rating C) and ISS ESG (rating C-).

SBO REPORTING ON THE EU TAXONOMY REGULATION

CORE BUSINESS AND CROSS-CUTTING ACTIVITIES

Regarding the **core business** of the SBO Group, the following activities are reported as Taxonomy-eligible:

- 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.

SBO is a manufacturer of high-alloy, non-magnetic stainless steels. Production takes place in a shared process with the main supplier. This special type of division of labor has grown historically and is partly reflected in joint patents. The main supplier produces customized starting materials in close coordination with SBO. Cold forming and treatment takes place at SBO and meets the criteria of economic activity 3.9. In addition, SBO is engaged in the field of 3D printing (direct metal laser sintering). The description of activity 3.9 is also fulfilled for this activity. Likewise, the sale of steel scrap ("scrap") is to be subsumed under activity 3.9. Turnover, CapEx and OpEx figures attributable to the aforementioned activities are accordingly reported as Taxonomy-eligible.

In contrast, 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 relating to gas, valid from 2023, have not been included in the identification of economic activities.

SBO also conducted **infrastructural or cross-cutting activities** in the 2022 financial year. The EU Taxonomy classifies not only core business activities in terms of environmental sustainability, but also certain capital expenditures and operating expenses in renewable energies, buildings or vehicle fleet. Reported as infrastructural or cross-cutting activities are:

- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles

Taxonomy-eligible activities include, in particular, the acquisition, financing, rental, leasing and operation of vehicles of classes M, N or L. In the specific case, this activity is relevant with regard to capital expenditure and operating expenses in connection with the vehicle fleet of SBO.

- 6.6 Freight transport services by road

Taxonomy-eligible activities include in particular, the purchase, financing, leasing, rental and operation of vehicles designated as category N1, N2 or N3 for freight transport services by road, which fall under the scope of EURO VI step E or its successor. In the specific case, this activity is relevant with regard to operating expenses in connection with SBO's own delivery trucks.

- 7.3 Installation, maintenance and repair of energy efficient equipment

Individual renovation activities consisting in the installation, maintenance or repair of energy-efficient equipment are Taxonomy-eligible.

- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

Taxonomy-eligible are the installation, maintenance and repair of equipment for the measurement, regulation and steering of the overall energy efficiency of buildings. For SBO, this activity is related to efficient cooling or the efficient heating of buildings.

- 7.6. Installation, maintenance, and repair of renewable energy technologies

Taxonomy-eligible activities include on-site installation, maintenance, and repair of renewable energy technologies. For SBO, this activity is significant primarily in connection with the installation of photovoltaic systems on its own buildings.

- 7.7. Acquisition and ownership of buildings

The buying of real estate and exercise of ownership of such real estate is a Taxonomy-eligible activity. Beyond ownership, capitalized rights of use of rented buildings may also constitute Taxonomy-eligible CapEx. For SBO, the activity is material mainly with regard to administrative and operations buildings.

TAXONOMY-ALIGNMENT FOR THE 2022 FINANCIAL YEAR

SBO has reviewed Taxonomy-eligible activities with regard to their Taxonomy-alignment. Regarding activity 3.9, specifically cold forming and treatment of high-alloy, non-magnetic stainless steels, the required evidence of alignment could be obtained. SBO assumes that, due to a better information situation in the following reporting years, it will also be able to increasingly report infrastructural and cross-sectional activities as Taxonomy-aligned.

In the following, the understanding and interpretation of the technical criteria for activity 3.9 will be explained in more detail. Due to the nature of these technical criteria, SBO has both analyzed its own activities and obtained confirmation from the main supplier to provide evidence. The specific procedure is outlined below.

SUBSTANTIAL CONTRIBUTION

Depending on the process, the technical screening criteria provide for different emission limits. The relevant figure in this case for high-alloy steel produced through the electric arc process is 0.266 t CO₂ e/t of product. This limit value refers exclusively to the emissions produced in the melting of crude steel. The criterion of substantial contribution is met due to compliance with the emission limits.

DO NO SIGNIFICANT HARM (“DNSH“)

The following explanations summarize the understanding and key interpretations of the Do No Significant Harm (DNSH) criteria. In the analysis of the DNSH criteria, SBO refers to the relevant production site for steel collar production in Ternitz.

2) Climate change adaptation

A climate risk and vulnerability assessment was conducted for the relevant production site. In addition, targeted inquiries were addressed to the main supplier to determine possible impairments due to physical climate risks.

3) Sustainable use and protection of water and marine resources

Under the existing environmental concept, SBO already pays high attention to economical, careful and efficient use. The focus of water management is on the reduction of water consumption, efficient use of water resources, and appropriate wastewater treatment. In the production process of SBO relevant in this respect, no water is used (for cooling, for example), which is why no environmental damage in connection with the preservation of water quality and the prevention of water scarcity is expected as a result of SBO's activity.

4) Transition to a circular economy

No technical criteria foreseen.

5) Pollution prevention and control

Some of the criteria under this environmental objective are not applicable to SBO's activity reviewed (such as those concerning persistent organic pollutants, mercury compounds, or electrical and electronic equipment). Compliance with the remaining criteria was reviewed and documented accordingly.

The criterion concerning BAT emission levels is not applicable to the activity of SBO either. Respective emissions do not occur in the production process of SBO.

6) Protection and restoration of biodiversity and ecosystems

For the relevant production site, compliance with environmental regulations was reviewed.

SOCIAL MINIMUM SAFEGUARDS

In order to achieve Taxonomy-alignment, SBO must ensure that, in addition to the two criteria "Substantial Contribution" and "Do No Significant Harm", the economic activities considered are carried out in compliance with Section 18 Taxonomy Regulation. Taking into account the FAQ of the EU Commission published in December 2022, SBO focuses on the topics of human rights, bribery / corruption, taxes and fair competition. The following aspects were considered in detail:

- **HUMAN RIGHTS**
Business is conducted in compliance with the catalog of internationally recognized human rights. A Code of Conduct is in place which obliges managers and employees to take appropriate measures to detect, prevent and mitigate potential and actual human rights violations. There have not yet been any convictions related to the disregard of human rights.
- **BRIBERY / CORRUPTION**
The SBO Group has set up a whistleblowing service which guarantees anonymous communication channels to be used for reporting bribery / corruption on a dedicated online platform. In addition, Group-wide guidelines and a zero tolerance policy regarding bribery, fraud and all forms of corruption are in place.

- TAXES

In the context of the Group's business activities, tax expenses are incurred worldwide in various forms. As sales taxes, corporate income taxes, taxes related to wages and salaries, etc. are paid, SBO's business activities deliver economic contributions in individual countries. SBO pursues no aggressive tax policy. The domicile of the individual companies follows exclusively the local economic activities in the respective centers of industry. The notes to the consolidated financial statements transparently list the reconciliation to the Group income tax rate.

- FAIR COMPETITION

By applying a Group-wide Code of Conduct, the SBO Group ensures compliance with appropriate competition rules. Accordingly, for SBO, fair competition means that no cartels, anti-competitive business practices or agreements that exploit or expand market dominance or market power, or anti-competitive mergers and acquisitions are entered into or carried out. This applies in particular if they involve fixed prices, rigged bids (collusive tendering), production restrictions or quotas, or the dividing of markets through the allocation of customers, suppliers, territories or lines of business.

KEY PERFORMANCE INDICATORS (KPI)

The following KPIs were identified on this basis:

FIGURES IN %	TURNOVER	CAPEX	OPEX
Taxonomy-eligible in total	12.5	34.8	5.9
Taxonomy-non-eligible in total	87.5	65.2	94.1
Taxonomy-aligned in total	12.5	21.1	3.3
Taxonomy-non-aligned in total	87.5	78.9	96.7

TURNOVER KPI

Economic activities (01)	Codes (02)	Absolute turnover (03)	Turnover share (04)	Substantial contribution criteria		DNSH criteria						Taxonomy- aligned turnover share. Year 2022 (18)		
				Climate change mitigation (05)	Climate change adap- tation (06)	Climate change miti- gation (11)	Climate change adap- tation (12)	Water and marine resources (13)	Circular eco- nomy (14)	Environ- mental pollution (15)	Biological diversity and eco- systems (16)		Minimum safe- guards (17)	
A. TAXONOMY-ELIGIBLE ACTIVITIES		EUR	%	%									J / N	%
A.1 Ecologically sustainable activities (Taxonomy-aligned)														
Manufacture of iron and steel	3.9	62,629	12.5 %	12.5 %			J	J	J	J	J	J	J	12.5 %
Turnover from ecologically sustainable activities (Taxonomy- aligned) (A.1)		62,629	12.5 %	12.5 %										12.5 %
A.2 Taxonomy-eligible, but not ecologically sustainable activities (Taxonomy-non- aligned activities)														
Manufacture of iron and steel	3.9	0	0.0 %											
Turnover from Taxonomy- eligible, but not ecologically sustainable activities (Taxonomy- non-aligned activities) (A.2)		0	0 %											
TOTAL (A.1 + A.2)		62,629	12.5 %											12.5 %
B. TAXONOMY-NON- ELIGIBLE ACTIVITIES														
Share of turnover from Taxonomy-non-eligible activities (B)		438,610	87.5 %											
Total (A+B)		501,239												

CAPEX KPI

Economic activities (01)	Substantial contribution criteria			DNSH criteria								Taxonomy- aligned CapEx share. Year 2022 (18)
	Absolute CapEx (03)	CapEx share (04)	Climate change mitigation (05)	Climate change adapta- tion (06)	Climate change miti- gation (11)	Climate change adapta- tion (12)	Water and marine resources (13)	Circular eco- nomy (14)	Environ- mental pollution (15)	Biological diversity and eco- systems (16)	Minimum safe- guards (17)	
A. TAXONOMY-ELIGIBLE ACTIVITIES	EUR	%	%					J / N				%
A.1 Ecologically sustainable activities (Taxonomy-aligned)												
Manufacture of iron and steel	3.9	7,594	21.1 %	21.1 %	J	J	J	J	J	J	J	21.1 %
CapEx of ecologically sustainable activities (Taxonomy-aligned) (A.1)		7,594	21.1 %	21.1 %								21.1 %
A.2 Taxonomy-eligible, but not ecologically sustainable activities (Taxonomy-non- aligned activities)												
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	348	1.0 %									
Installation, maintenance and repair of energy efficient equipment	7.3	137	0.4 %									
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	40	0.1 %									
Installation, maintenance, and repair of renewable energy technologies	7.6	21	0.1 %									
Acquisition and ownership of buildings	7.7	4,370	12.1 %									
CapEx of Taxonomy- eligible, but not ecologically sustainable activities (Taxonomy- non-aligned activities) (A.2)		4,915	13.7 %									
TOTAL (A.1 + A.2)		12,509	34.8 %									21.1 %
B. TAXONOMY-NON- ELIGIBLE ACTIVITIES												
CapEx of Taxonomy-non- eligible activities (B)		23,461	65.2 %									
Total (A+B)		35,970										

OPEX KPI

Economic activities (01)	Absolute OpEx (03)		CapEx share (04)		Substantial contribution criteria		DNSH criteria						Taxonomy- aligned OpEx share, Year 2022 (18)
					Climate change mitigation (05)	Climate change adapta- tion (06)	Climate change miti- gation (11)	Climate change adapta- tion (12)	Water and marine resources (13)	Circular eco- nomy (14)	Environ- mental pollution (15)	Biological diversity and eco- systems (16)	
A. TAXONOMY-ELIGIBLE ACTIVITIES	EUR	%	%					J / N					%
A.1 Ecologically sustainable activities (Taxonomy-aligned)													
Manufacture of iron and steel	3.9	481	3.3 %	3.3 %			J	J	J	J	J	J	3.3 %
OpEx of ecologically sustainable activities (Taxonomy-aligned) (A.1)		481	3.3 %	3.3 %									3.3 %
A.2 Taxonomy-eligible, but not ecologically sustainable activities (Taxonomy-non- aligned activities)													
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	72	0.5 %										
Installation, maintenance and repair of energy efficient equipment	7.3	207	1.4 %										
Installation, maintenance, and repair of renewable energy technologies	7.6	52	0.4 %										
Acquisition and ownership of buildings	7.7	40	0.3 %										
OpEx of Taxonomy- eligible, but not ecologically sustainable activities (Taxonomy- non-aligned activities) (A.2)		370	2.6 %										
TOTAL (A.1 + A.2)		851	5.9 %										3.3 %
B. TAXONOMY-NON- ELIGIBLE ACTIVITIES													
OpEx of Taxonomy-non- eligible activities (B)		13,603	94.1 %										
Total (A+B)		14,454											

DETAILED EXPLANATIONS

Calculations of the following Key Performance Indicators (KPIs) are made in accordance with Annex 1 of Commission Delegated Regulation (EU) 2021/2178.

Explanation of changes in calculations from the previous reporting period

Identification of turnover, CapEx (capital expenditure) and OpEx (operating expenses) related to activity 3.9 (Taxonomy-eligibility) has been adjusted in accordance with publication pursuant to Section 5(2) first sentence of the Austrian Rechnungslegungs-Kontrollgesetz (Accounting Control Act):⁴ Compared to the 2021 reporting year, the activity of the SBO Group is defined more narrowly now because the manufacture of drill collars and high-precision components no longer shows as taxonomy-eligible transitional activity in accordance with Article 10 (2) of Regulation (EU) 2020/852. For 2021 this leads to lower ratios of taxonomy-eligible activities, specifically the turnover-KPI came down to 14.9 % (previously: 44.0 %), the CapEx-KPI to 17.6 % (previously: 37.6 %) and the OpEx-KPI to 8.4 % (previously: 23.9 %). This in turn now leads to a more precise differentiation between Taxonomy-eligible manufacturing steps and the processing of iron and steel.

Information on the consolidated financial statements, the avoidance of double counting and general procedure

SBO's consolidated financial statements as of 31 December 2022 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. Details of the accounting methods applied are disclosed in the notes to SBO's consolidated financial statements. The principles of the IFRS consolidated financial statements for determining turnover, CapEx and OpEx serve as the basis for deriving Taxonomy-relevant KPIs. In order to avoid double counting, only turnover generated with external customers was reviewed for Taxonomy-alignment for enabling simple and transparent reconciliation to the consolidated Group turnover. When recording Taxonomy-aligned CapEx, a screening for Taxonomy-alignment was carried out at individual company level, followed by reconciliation to the consolidated CapEx of the SBO Group. In order to capture the Taxonomy-aligned OpEx, screening for Taxonomy-alignment was carried out at individual company level with subsequent aggregation, where intragroup offsetting was excluded in advance in order to avoid inflation of the OpEx KPIs. In general, it should be noted that when deriving Taxonomy-aligned turnover, CapEx and

⁴ Statement by the Austrian Financial Reporting Enforcement Panel (OePR).

OpEx, clear allocation to individual Taxonomy-aligned economic activities was possible and no allocation key was applied. This also eliminated potential double counting of Taxonomy-aligned turnover, CapEx and OpEx in different economic activities.

Calculation of KPI related to turnover

The proportion of turnover is calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator) divided by net turnover (denominator). The denominator corresponds to the consolidated revenues from 1 January to 31 December 2022, as reported in the SBO consolidated financial statements 2022. To determine the numerator, screening is performed at product group level with subsequent allocation to the Taxonomy-aligned economic activities.

Calculation of KPI related to CapEx

This key performance indicator is defined as Taxonomy-aligned CapEx (numerator) divided by consolidated capital expenditure according to the basis of calculation. The denominator comprises the consolidated additions to property, plant and equipment and intangible assets during the financial year under review before depreciation, amortization and revaluations, including those resulting from revaluations and impairment losses for the financial year in question and excluding changes in fair value. The denominator also includes additions to property, plant and equipment and intangible assets resulting from business combinations as well as rights of use in accordance with IFRS 16. Across the Group, all CapEx transacted have been reviewed to determine whether they are attributable to a Taxonomy-aligned economic activity. This includes in particular CapEx in connection with assets or processes relating to the Taxonomy-aligned economic activity 3.9 Manufacture of iron and steel as well as the other economic activities reported. Since Taxonomy-aligned CapEx could be clearly identified and allocated no allocation key had to be applied.

Calculation of KPI related to OpEx

This key performance indicator is defined as Taxonomy-aligned operating expenses in the numerator divided by total operating expenses as defined by the EU Taxonomy in the

denominator. The denominator includes direct, non-capitalized operating expenses relating to research and development, building refurbishment, short-term leasing, maintenance and repair, and all other direct expenses related to the day-to-day maintenance of property, plant and equipment assets by the company or third parties to which necessary activities are outsourced to ensure the continuous and effective functioning of these assets. Across the Group, the above-mentioned operating expenses were screened in terms of the EU Taxonomy to determine whether they are attributable to a Taxonomy-aligned economic activity, with the uniform Group-wide reporting scheme of non-capitalized operating expenses (which are also included in the consolidated group income statement) representing the starting point for screening. In particular, OpEx relating to the Taxonomy-aligned economic activities 3.9 Manufacture of iron and steel, as well as the other reported economic activities were identified. Since Taxonomy-aligned OpEx could be allocated clearly, no allocation key had to be applied.

TAXONOMY OUTLOOK

The legal acts specifying more details on further environmental goals

- transition to a circular economy
- sustainable use and protection of water and marine resources
- pollution prevention and control, and
- protection and restoration of biodiversity and ecosystems

are expected to be available in 2023. With regard to the business activities of the SBO Group, application is to be expected (subject to the final wording of the legal acts) above all in the area of circular economy. According to current drafts of the Platform on Sustainable Finance⁵, there may be conformity with the activities mentioned, primarily in the area of “product as a service” and the sale of spare parts and repair services. Also from a strategic perspective, transition to a circular economy plays a central role against the background of the development of a company-wide circular economy strategy.

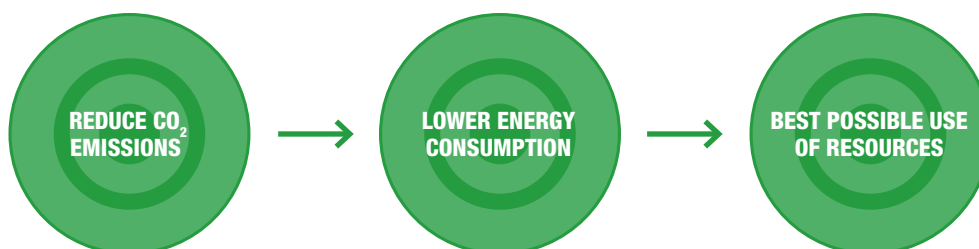
⁵ Part B - Annex: Technical Screening Criteria from March 2022.



ENVIRONMENT: ENVIRONMENTAL CONCEPT

As a provider of advanced manufacturing processes, our group of companies places high value on the lowest possible environmental impact. We regularly analyze our processes and their impact on the environment, focusing on identifying potential optimization and implementing them in the next step as soon as possible. We report on the progress achieved in our regular publications on ESG. Measures to protect the environment are adapted to site-specific conditions. Constant reduction of waste, water and energy consumption are important cornerstones for the group of companies, in addition to ensuring the highest quality standards. In 2022, the SBO Group's production output went up significantly, with sales growing by more than 70 %. In relation to this, water consumption increased only disproportionately, and the increase in energy consumption totaling around 32 % was also kept significantly lower.

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. Apart from reducing energy consumption gradually, ongoing efficiency enhancement regarding the resources used is a key target of the sustainability approach pursued by the SBO Group. Major production locations could switch to green power tariffs in 2022.

In Temitz, our largest production site, we took another step in our crisis-proof energy concept in 2022 by supplying our plant's production with solar power from our own company premises. In 2022, two new photovoltaic plants covering a generator area of 7,000 sqm were built, which will generate around 1,450 MWh of renewable energy annually from 2023. This will avoid CO₂ emissions of 434,000 kg per year. An existing rooftop system previously supplied 180 MWh annually, saving 54,000 kg of CO₂. The modules are installed in an east-west orientation (PEG system) so that rainwater can seep away unhindered and there is no sealing of the open spaces. We launch similar projects at our sites in Texas to further reduce the Group's greenhouse gas emissions.

Energy consumption increased by around 32 % in 2022, but remained well below the sales growth of more than 70 %.

The increase in Scope 1 emissions is due to increasing activities. Energy consumption climbed to 51,753.0 megawatt hours (MWh) in 2022, up 31.5 % year-on-year (2021: 39,369.6). Calculated carbon dioxide emissions (location based) were 15,827.0 tonnes (2021: 12,710.4 tonnes, up 24.5 %). This corresponds to an intensity of 31.6 tonnes of CO₂ equivalent per EUR 1 million in sales, down by about one third from the previous year.

ENERGY CONSUMPTION OF THE SBO GROUP

	UNIT	2022	2021
Energy consumption	MWh	51,753.0	39,369.6
Production-related CO ₂ emissions (location based)	tonnes	15,827.0	12,710.4
thereof direct, Scope 1	tonnes	4,180.2	2,797.9
thereof indirect, Scope 2	tonnes	11,646.9	9,912.5
Production-related CO ₂ emissions (market based)	tonnes	13,642.7	12,205.5
thereof direct, Scope 1	tonnes	4,180.2	2,797.9
thereof indirect, Scope 2	tonnes	9,462.5	9,407.7
Production-related CO ₂ intensity (location based)	tCO ₂ / sales in MEUR	31.6	43.4
Production-related CO ₂ intensity (market based)	tCO ₂ / sales in MEUR	27.2	41.7

Determination of CO₂ emissions for the year 2021 was adjusted in accordance with the requirements of the GHG Protocol in order to establish comparability with the current period.

WATER CONSUMPTION



Since water is one of the most valuable resources worldwide, our group of companies pays great attention to its economical, efficient and careful use at all locations. The targets of our water management are reduction of water consumption, appropriate wastewater treatment and efficient use of water resources. The SBO Group has already implemented a number of measures to reduce water consumption structurally. As water-based emulsions are an essential coolant in the machining of stainless steels, we use circulation water instead of industrial water at some production sites. Further improvements are evaluated.

In 2022, the SBO Group's worldwide water consumption totaled 92,132.6 cbm (2021: 59,114.8 cbm), which is disproportionately below the growth in sales in 2022. 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	2022	2021
Water withdrawal	cbm	92,132.6	59,114.8
thereof industrial water	cbm	70,340.0	44,740.7
thereof water from public systems	cbm	21,792.6	14,374.1

Water withdrawal at the respective operating site, if identified reliably.

WASTE MANAGEMENT



As early as when developing and selecting materials, in particular stainless steels, the SBO Group pays great attention to the reduction of pollutant-containing raw materials. As a result, production rejects are largely free from pollutants and subsequently their disposal is environmentally safe. We order materials close to limit specifications such as shape and size to avoid unnecessary production waste and reduce our ecological footprint as transport volumes are kept low, so that less material is needed in general.

To safeguard a sound input-output ratio within the entire SBO Group, we sell a large portion of the steel chips from the production process as valuable raw material for steel production, thus reducing production waste to a minimum. Waste that cannot be reused is disposed of in accordance with the site-specific and state-of-the-art 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 another target of our environmental management.

In 2022, the amount of waste including production waste and packaging material totaled 7,662.5 tonnes (2021: 5,677.9 tonnes), including 689.7 tonnes 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 35 % due to higher production activity.

WASTE MANAGEMENT OF THE SBO GROUP

	UNIT	2022	2021
Total waste	tonnes	7,662.5	5,677.9
thereof non-hazardous waste	tonnes	6,972.8	4,988.2
thereof hazardous waste	tonnes	689.7	689.6
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.



SOCIAL AND HUMAN RESOURCES CONCEPT

The SBO Group's highly qualified employees make a key contribution to the sustainable success of the company. We take numerous measures to ensure an attractive, safe working environment that offers employees optimum opportunities for development and helps retain them in the company for as long as possible.

Particularly in times of severe shortage of qualified workers, we want to retain our well-trained core team on the one hand and create clear incentives for new employees on the other hand. Our shared values of mutual respect, trust and professionalism also make an important contribution to this effort.

We also worked actively on ensuring equal opportunities and diversity in 2022 and implemented further measures such as to attract more female employees. As a matter of principle, we hire our employees regardless of nationality, origin, ethnicity, political affiliation or ideology, and our decision is based solely on their qualifications. We have an employee representative committee at all locations if requested by our employees. At our sites around the world, we respect the fundamental right to freedom of association and, where established, maintain a good working relationship with the works council and trade unions.

HEALTH AND SAFETY AT WORK

It was the environment surrounding the COVID-19 pandemic in particular when we introduced a number of precautionary measures in our global network to keep potential disease risks low and prevent infections. In 2022, we could take back these measures step by step.

We follow the standards of the Occupational Health and Safety Assessment Series (OHSAS). For healthy and fit employees, for instance, we offer access to fitness centers at some sites, and in some cases we have set up separate fitness rooms. Safety at the workplace is a top priority within our Group. Strict internal safety guidelines ensure clearly regulated work processes as well as responsibilities. Route markings and stringent instructions regarding the use of facilities and machinery have been established. We regularly check compliance with these guidelines and optimize processes where necessary and possible. We provide our employees with ongoing training, such as in first-aid courses for emergency medical care. Moreover, we provide ongoing information on the applicable safety guidelines and local statutory provisions relating to occupational safety aimed to prevent accidents and eliminate sources of accidents wherever possible. Depending on local conditions, we have appropriate checklists and emergency plans in place for this purpose.

We encourage our employees to play an active role and take action against potentially unsafe work practices. Due to the consistent implementation of these measures, the number of work-related accidents is low throughout the Group. The lost time injury rate

(LTIR) in 2022 fell to 8 accidents per one million working hours (2021: 9 per one million working hours). The severity of accidents (SA) was low at 6 lost workdays per incident (2021: 24 lost workdays per incident). We actively strive to keep the number of incidents low and document and review all incidents for potential for improvement.

SAFETY AT WORK

	UNIT	2022	2021
Lost-time incident	Number of accidents with lost time (1 day and more)	25	19
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	8	9
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)	6	24

Accidents included from lost time of 8 working hours.

HUMAN RESOURCES DEVELOPMENT AND FLEXIBLE WORK-TIME MODELS

The COVID-19 pandemic has initiated a radical change of the labor market. Many regions of the world are searching for skilled workers, and the competition for talent is in full swing. Employers are required to offer the best possible, attractive working conditions and opportunities. As SBO Group, we have made consistent provisions for this purpose in our human resources development for years, implementing attractive remuneration alongside sound training and upskilling concepts. This helps us to counteract a potential shortage of employees and strengthen our position as an attractive employer.

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. In 2022, we were able to recruit new young team members for our award-winning apprentice training program: 8 apprentices, 6 boys and 2 girls are working in our team. In total, 28 apprentices are undergoing education at SBO.

Fair pay is particularly important to us. Performance-related remuneration attracts and retains the best specialists in our company. Depending on the success of the company, they receive performance-based variable remuneration in addition to their regular pay.

TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT AND REGION 2022

TYPE OF CONTRACT	AUSTRIA	NORTH AMERICA (INCLUDING MEXICO)	REST OF WORLD	TOTAL
Total	399	726	359	1,484
Full-time	384	724	342	1,450
Part-time	15	2	17	34

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

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 each as at 31 December, countries defined by registered seat of the employing company.

We invest continuously and structurally in training and upskilling our employees. In a productive and innovative work environment we actively encourage them to contribute to further product development.

In 2022, the focus was on training and qualification as well as health and safety. The hours spent for training and upskilling measures totaled 24,845 training hours, equating to 18 hours on average per employee. Due to the clear reduction of COVID-related training, the number of hours spent on education and training went down year-on-year.

EDUCATION AND TRAINING BY EMPLOYEE CATEGORY AND TRAINING FOCUS

2022

TOTAL HOURS	HEALTH & SAFETY	INFORMATION TECHNOLOGY	LEGAL & COMPLIANCE	TRAINING & QUALIFICATION	MANAGEMENT ADMINISTRATION	PRODUCTION
24,845	30 %	6 %	8 %	56 %	7 %	79 %

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

EDUCATION AND 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 %	53 %

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

COMMUNITY ENGAGEMENT

For our Group, partnership-based relations with local communities are crucial. Our goal is to build strong communities and support the social environment at our sites. Therefore, it is essential for us to create 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

Within the SBO Group, the coming together of different generations, genders and cultures is important for the further development of the company. When refilling positions, special attention is paid to diversity in addition to professional qualifications. Broadening diversity within the SBO Group is also a component of the Strategy 2030. Among other things, we implement special promotion programs for women, focusing in particular on recruiting skilled workers and other qualified positions. A detailed description of the diversity concept can be found in the Corporate Governance Report.

DIVERSITY BY GENDER AND FUNCTION

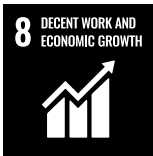
2022

EMPLOYEES	TOTAL	THEREOF MID MANAGEMENT	THEREOF TOP MANAGEMENT	THEREOF NON MANAGEMENT
	1,484	145	23	1,316
GENDER				
Men	1,302	115	22	1,165
Women	182	30	1	151
Diverse	0	0	0	0
QUOTA OF WOMEN	12 %	21 %	4 %	11 %

DIVERSITY BY GENDER AND FUNCTION

2021

EMPLOYEES	TOTAL	THEREOF MID MANAGEMENT	THEREOF TOP MANAGEMENT	THEREOF NON MANAGEMENT
	1,267	126	25	1,116
GENDER				
Men	1,116	99	24	993
Women	151	27	1	123
Diverse	0	0	0	0
QUOTA OF WOMEN	12 %	21 %	4 %	11 %



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

RESPECT FOR HUMAN RIGHTS

The SBO Group conducts all 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 and physical or psychological impairments. We regard diversity as an important factor of success which we promote in our industry.

All of our employees and managers are obliged to take appropriate action to detect, prevent and mitigate potential or actual violations of human rights. In our Code of Conduct, the SBO Group commits itself to inclusive and ethical conduct and consistently implements such conduct worldwide at any site. 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, transparency, an open communication policy and predictability are integral parts of corporate governance within the SBO Group. Ethical and legally compliant behavior is firmly rooted in our Group and is considered indispensable both for our reputation and for our successful business development. Uniform implementation, early identification and avoidance of risks are the responsibility of SBO's Group Compliance.

Consistent compliance and intensified training in this area and in the field of information security prevented attempted fraud via e-mails. All such attacks were averted. In the past years, no major violations of information security were recorded. In 2022, we conducted an external IT security audit. More information is available in the chapter IT Security.

We provide a whistleblowing service to actively encourage our employees to openly report misconduct and incidents or situations that do not comply with rules and regulations. The service is available to our employees for anonymous reporting on a dedicated online platform. The reports are processed centrally in the holding company. There were two reports placed on the whistleblowing service in the 2022 financial year. Both reports concerned internal management behavior, were reviewed in accordance with the clear guidelines of SBO and processed in conformity with the EU Whistleblower Directive. The EU Whistleblower Directive (EU) 2019/1937 was to be implemented in Austria by national law in December 2021, but was not voted on by the Austrian National Council until February 2023. Despite this local delay, SBO acted proactively in compliance with EU legislation.

Group Management is actively committed to combating corruption and bribery and to complying with relevant laws and regulations. A strict zero tolerance policy with regard to fraud, bribery and corruption of any kind is in place. Any behavior that contradicts the principles of business ethics as well as valid business conduct is severely sanctioned. These requirements apply at all locations worldwide and to all employees and business partners.

Compliance with all these regulations is monitored in day-to-day business. Appropriate training and professional contacts ensure that our employees follow Group-wide guidelines. In the period under review, no cases relating to corruption and bribery were identified at SBO. Furthermore, no official measures were taken with regard to potential corruption offenses nor were legal claims asserted for the violation of regulations.

IT SECURITY

As digitalization is increasing, so are requirements for secure systems. The SBO Group has also taken up this challenge and is working proactively to strengthen its digital capabilities. To this end, SBO took a strategic approach also in 2022 by separating IT security from IT organizationally, upgrading the function and transferring it to the SBO holding company.

Although SBO's IT environment is fundamentally decentralized at the individual subsidiaries, the need for a centrally organized, supporting unit with decision-making authority became obvious. The decentralized environment provides clear advantages regarding possible flexibility and also productivity of the individual parts. Encapsulation creates higher resilience to cyber security hazards that would be associated with global IT connectivity within the Group. However, central coordination makes it easier to identify any gaps, implement measures strategically, set up Group-wide alert systems, and strengthen competencies. IT Security and Compliance work closely together in this respect.

In 2022, an international IT audit of all subsidiaries of the SBO Group was conducted externally. The findings were incorporated into the 2023 / 2024 roadmap and will be directly included in the revision of the Group-wide IT policy.

"Since 2005 we have been committed to the Austrian Corporate Governance Code and consistently implemented its rules. This is how we contribute to strengthening trust 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 Corporate 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 2023 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 remuneration of members of the Management Board and Supervisory Board is complied with in the remuneration report.

Regarding the 2022 financial year, SBO had to prepare both a consolidated and a non-consolidated Corporate Governance Report. Pursuant to Section 267b in conjunction with Section 251(3) UGB (Austrian Business Code), these reports may be merged into one report. Therefore, this report contains the data requi-

red pursuant to Section 243c UGB as regards both the parent company (SBO) and the subsidiaries of SBO included in consolidation. The diversity concept according to Section 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 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 39 ACGC has been amended in January 2023 so that a committee for decisions in urgent cases will not be required and thus the above explanation becomes obsolete going forward.

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 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. When developing and implementing the corporate strategy, the Executive Board takes into account aspects of sustainability and associated opportunities and risks relating to the environment, social issues and corporate governance (see also: "Strategy 2030").

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 2022 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 stoba Technologie 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 ordinarily take 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 2022 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 OF OFFICE
Norbert Zimmermann Chairman	1947	10 April 1995	2027
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 Supervisory Board as Non-Executive Director
Brigitte Ederer	ams-OSRAM AG	Member of the Supervisory Board as Non-Executive Director
Helmut Langanger	-	-
Wolfram Littich	-	-
Sonja Zimmermann	Bank für Tirol und Vorarlberg Aktiengesellschaft	Deputy Chairwoman of the Supervisory Board as Non-Executive Director

No member of the Supervisory Board holds a management or supervisory function in one of the subsidiaries of SBO 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, Sustainability 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 realignment of the company 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 almost all meetings of the Supervisory Board

in the period under review. Therefore, all members of the Supervisory Board attended more than 75 % of the meetings of the Supervisory Board.

Committees

The Supervisory Board appoints the members of the Audit Committee and the Nomination and Remuneration Committee from among its members. A separate Sustainability Committee, whose duties are currently performed by the entire Supervisory Board, has been set up.

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

Sustainability committee

The Sustainability Committee deals with Environmental, Social and Governance (ESG) matters and supports the Supervisory Board (e.g. by discussing and contributing expertise) in reviewing and monitoring the ESG strategy as well as ESG-related standards, processes and performance, also in connection with the implementation of the European Union's climate targets. As long as such a committee is not appointed, its duties are performed by the Supervisory Board as a whole.

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 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 conducts the procedure for selecting the auditor (group auditor), taking into account the appropriateness of the fee, and makes a recommendation for the auditor's appointment to the Supervisory Board.

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

Chairman Wolfram Littich also serves as financial expert for the Audit Committee.

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 Audit Committee conducted a selection procedure in the financial year 2022 in accordance with Article 16 of Regulation (EU) No. 537/2014 (statutory audit regulation).

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 questions 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 corporate law
- b. establishment of the principles for the remuneration of members of the Executive Board (remuneration policy) as well as 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 2022 financial year, the share of men, women and diverse on the Executive Board and Supervisory Board was as follows:

EXECUTIVE BOARD AND SUPERVISORY BOARD	2022						2021					
	GENDER						GENDER					
	WOMEN		MEN		DIVERSE		WOMEN		MEN		DIVERSE	
	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%
Supervisory Board	2	40 %	3	60 %	0	0 %	2	40 %	3	60 %	0	0 %
Executive Board	0	0 %	2	100 %	0	0 %	0	0 %	2	100 %	0	0 %

Total number each as at 31 December.

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 male, female and diverse employees. As Brigitte Ederer was reappointed 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 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 volatilities 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 its Executive Board and Supervisory Board, 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 Strategy 2030. There is a special focus on diversity in the workforce. The aim is to achieve a gender quota of 25 % among the company's executives.

In the 2022 financial year, the diversity concept was reflected across the entire SBO Group as follows: when hiring new employees, attention was paid to maintaining a diversified and high-performing team. The share of newly hired staff above 50 years of age was 11 %.

NEW HIRES BY GENDER AND AGE**2022**

	AGE						TOTAL	
	< 30		30 - 50		> 50			
	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%
Men	214	35 %	331	54 %	67	11 %	612	89 %
Women	26	34 %	40	52 %	11	14 %	77	11 %
Diverse	0	0 %	0	0 %	0	0 %	0	0 %
Total	240	35 %	371	54 %	78	11 %	689	

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

NEW HIRES BY GENDER AND AGE**2021**

	AGE						TOTAL	
	< 30		30 - 50		> 50			
	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.

TOTAL NUMBER OF EMPLOYEES BY GENDER AND AGE**2022**

	AGE						TOTAL	
	< 30		30 - 50		> 50			
	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%
Men	229	18 %	784	60 %	289	22 %	1,302	88 %
Women	27	15 %	107	59 %	48	26 %	182	12 %
Diverse	0	0 %	0	0 %	0	0 %	0	0 %
Total	256	17 %	891	60 %	337	23 %	1,484	

Total number each as at 31 December.

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

	AGE						TOTAL	
	< 30		30 - 50		> 50			
	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 31 December.

The low attractiveness of the industry to women is clearly reflected in terms of the respective activity. Women accounted for 29 % of white-collar workers and

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

TOTAL NUMBER OF EMPLOYEES BY GENDER AND TYPE OF EMPLOYMENT**2022**

	TYPE OF EMPLOYMENT							
	WHITE-COLLAR		BLUE-COLLAR		APPRENTICE		TOTAL	
	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%	ABSOLUT	%
Men	295	71 %	982	94 %	25	89 %	1,302	88 %
Women	120	29 %	59	6 %	3	11 %	182	12 %
Diverse	0	0 %	0	0 %	0	0 %	0	0 %
Total	415	28 %	1,041	70 %	28	2 %	1,484	

Total number each as at 31 December.

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 31 December.

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 2022

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.



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CONSOLIDATED PROFIT AND LOSS STATEMENT

IN TEUR	NOTE	2022	2021
Sales	23	501,239	292,811
Cost of goods sold	24	-332,384	-216,847
Gross profit		168,855	75,964
Selling expenses	24	-31,339	-21,368
General and administrative expenses	24	-42,544	-31,306
Other operating expenses	25	-15,357	-10,284
Other operating income	25	16,565	15,204
Profit from operations		96,180	28,210
Interest income	26	2,854	441
Interest expenses	26	-5,692	-5,374
Other financial income		0	113
Financial result		-2,838	-4,820
Profit before tax		93,342	23,390
Income taxes	27	-18,144	-2,412
Profit after tax		75,198	20,978
Average number of shares outstanding		15,729,465	15,728,035
Earnings per share in EUR (basic = diluted)		4.78	1.33

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN TEUR	NOTE	2022	2021
Profit after tax		75,198	20,978
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Currency translation adjustment - subsidiaries	22	17,918	28,998
Currency translation adjustment - other items ¹	22	3,551	4,419
Income tax effect	27	-834	-1,105
Total Other comprehensive income to be reclassified to profit or loss in subsequent periods		20,635	32,312
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurement gains on defined benefit plans	17	12	270
Income tax effect	27	-3	-67
Total Other comprehensive income not to be reclassified to profit or loss in subsequent periods		9	203
Other comprehensive income, net of tax		20,644	32,515
TOTAL COMPREHENSIVE INCOME, NET OF TAX		95,842	53,493

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

CONSOLIDATED BALANCE SHEET

ASSETS

IN TEUR

	NOTE	31.12.2022	31.12.2021
Current assets			
Cash and cash equivalents		287,764	291,754
Trade receivables	5	124,514	86,300
Income tax receivables		995	4,615
Other receivables and other assets	6	10,647	6,350
Inventories	7	175,873	121,093
Total current assets		599,793	510,112
Non-current assets			
Property, plant and equipment	8	123,801	120,921
Goodwill	9	134,509	127,036
Other intangible assets	9	11,990	11,638
Long-term receivables and assets	10	3,175	3,655
Deferred tax assets	11	29,829	32,246
Total non-current assets		303,304	295,496
TOTAL ASSETS		903,097	805,608

CONSOLIDATED BALANCE SHEET

LIABILITIES AND EQUITY

IN TEUR

	NOTE	31.12.2022	31.12.2021
Current liabilities			
Liabilities to banks	12	30,765	37,321
Current portion of long-term loans	16	58,552	21,987
Lease liabilities	21	2,530	2,047
Trade payables		33,075	18,009
Government grants	13	0	89
Income tax payable		11,027	5,198
Other liabilities	14, 19	153,772	131,290
Other provisions	15	3,832	7,757
Total current liabilities		293,553	223,698
Non-current liabilities			
Long-term loans	16	163,977	222,529
Lease liabilities	20	6,825	4,640
Provisions for employee benefits	17	6,616	6,858
Other liabilities	18	6,980	7,004
Deferred tax liabilities	11	130	0
Total non-current liabilities		184,528	241,031
Equity			
Share capital	21	15,729	15,729
Capital reserve		61,956	63,122
Legal reserve	22	785	785
Other reserves		19	19
Currency translation reserve	22	49,201	28,566
Retained earnings	22	297,326	232,658
Total equity		425,016	340,879
TOTAL LIABILITIES AND EQUITY		903,097	805,608

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2022

IN TEUR	SHARE CAPITAL	CAPITAL RESERVE	LEGAL RESERVE	OTHER RESERVES	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
NOTE	21		22		22	22	
1 January 2022	15,729	63,122	785	19	28,566	232,658	340,879
Profit after tax						75,198	75,198
Other comprehensive income, net of tax					20,635	9	20,644
Total comprehensive income, net of tax	0	0	0	0	20,635	75,207	95,842
Dividend payment ¹						-11,797	-11,797
Share-based payment		-1,166				1,258	92
31 December 2022	15,729	61,956	785	19	49,201	297,326	425,016

¹ The dividend per share amounted to EUR 0.75.

2021

IN TEUR	SHARE CAPITAL	CAPITAL RESERVE	LEGAL RESERVE	OTHER RESERVES	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
NOTE	21		22		22	22	
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

CONSOLIDATED CASHFLOW STATEMENT

IN TEUR	NOTE	2022	2021
Profit after tax		75,198	20,978
Depreciation, amortization and impairments	8, 9	32,927	31,796
Change in provisions for employee benefits	17	-242	-1
Gain / loss from sale of property, plant and equipment		-890	-228
Income from release of government grants		-89	-215
Other non-cash expenses and revenues		-5,808	-9,498
Change in deferred taxes		3,613	-2,441
Cashflow from profit		104,709	40,391
Change in trade receivables		-34,700	-27,113
Change in other receivables and other assets		39	401
Change in inventories		-50,429	1,250
Change in trade payables		14,430	-285
Change in other liabilities and provisions		18,330	8,269
Cashflow from operating activities	36	52,379	22,913
Expenditures for property, plant and equipment	8	-29,189	-19,225
Expenditures for intangible assets	9	-1,780	-208
Change in payables for capital expenditure		-33	-56
Expenditures for the acquisition of non-controlling interests	19	0	-21,124
Proceeds from sale of property, plant and equipment		5,686	715
Cashflow from investing activities	36	-25,316	-39,898
FREE CASHFLOW		27,063	-16,985
Dividend payment		-11,797	0
Repayment of lease liabilities		-2,317	-2,103
Change in liabilities to banks	12	-6,642	2,530
Proceeds from long-term loans	16	0	1,215
Repayments of long-term loans	16	-21,987	-24,667
Repayments of other long-term liabilities		-1,739	-1,382
Cashflow from financing activities	36	-44,482	-24,407
Change in cash and cash equivalents		-17,419	-41,392
Cash and cash equivalents at the beginning of the year		291,754	313,950
Effects of exchange rate changes on cash and cash equivalents		13,429	19,196
Cash and cash equivalents at the end of the year	36	287,764	291,754
Supplementary information on operating cashflow			
Interest received		2,595	435
Interest paid		-5,047	-5,109
Income tax paid		-5,022	-3,212

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 2022 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 2022 financial year (reporting date: 31 December 2022) were released for publication by the Executive Board on 28 February 2023.

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: 31) subsidiaries are included in the consolidated financial statements as at 31 December 2022:

COMPANY	LOCATION	INTEREST HELD DIRECTLY OR INDIRECTLY IN %	INTEREST HELD DIRECTLY OR INDIRECTLY IN %
		31.12.2022	31.12.2021
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
Bafco Investment Co.	Houston, 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	98.00
Schoeller-Bleckmann Sales Co. L.L.C.	Houston, US	100.00	100.00
The WellBoss Company, LLC**	Houston, US	100.00	100.00
BICO Drilling Tools Inc.	Houston, US	100.00	100.00
BICO DRILLING TOOLS FZE	Dubai, UAE	100.00	100.00
BICO Faster Drilling Tools Inc.*	Nisku, CA	100.00	92.00
Foxano AG	Luzern, CHE	100.00	100.00
D-TECH (UK) Limited	Bristol, UK	100.00	100.00
D-TECH Inc.	Houston, US	100.00	100.00
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	100.00
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	100.00	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	100.00	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 18 for details on shares held by the management of these companies.

** Refer to Note 19 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 2022.

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 2022 financial year. These do not have a material impact on the consolidated financial statements as at 31 December 2022.

STANDARDS / INTERPRETATIONS		EFFECTIVE DATE ¹	MATERIAL IMPACT ON SBO GROUP'S FINANCIAL STATEMENTS
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

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

The following new or revised standards and interpretations which have been published but not yet adopted by the EU, or which are not yet mandatory, were not applied early in the 2022 financial year. They will be applied in the future reporting period for which application is mandatory.

STANDARDS / INTERPRETATIONS		EFFECTIVE DATE ¹	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 ¹	no
IAS 8 Amendments	Accounting policies - Changes in Accounting Estimates and Errors	1.1.2023 ¹	no
IAS 12 Amendments	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1.1.2023 ¹	no
IFRS 16 Amendments	Lease liability in a sale-and-leaseback transaction	1.1.2024 ²	no
IFRS 17 incl. Amendments	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 2022 financial year, refer to Note 19.

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	
	31.12.2022	31.12.2021	2022	2021
USD	1.0666	1.1326	1.0539	1.1835
GBP	0.8869	0.8403	0.8526	0.8600
CAD	1.4440	1.4393	1.3703	1.4835
BRL	5.6386	6.3101	5.4432	6.3814
VND	25,279.9	25,968.8	24,798.2	27,155.0

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 RECEIVABLES**. 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 and other lenders 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 **INTEREST 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 2022 and 31 December 2021, see Note 32.

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

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. Depending on their extent impairment losses on continuing operations are recognized in profit or loss either under **COST OF GOODS SOLD** or within the separate line items **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 20).

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 cannot 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 nine 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 17 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 payments 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 and subsequently extended several times. This agreement was terminated in the financial year 2022 and replaced by an adjustment of the fixed and variable remuneration components. The annual granting until the year 2021 required 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. As the compensation was settled using SBO shares until the plan was terminated and will be settled for the severance benefit using SBO shares, the current expense from these agreements was recognized in personnel expense and within equity (see Note 30).

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 (see Note 20).

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 14) 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 15).

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 17).

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 2022 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 19).

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

The SBO Group has been monitoring climate change and its potential impact on the Group's business activities for years. Climate change as such is not classified as a material risk for the company. Climate-related risks must be assessed in the context of the European Green Deal and relevant European Union regulations such as the EU Taxonomy Regulation.

The European Green Deal requires companies to have, among other things, a plan to ensure that the company's business model and strategy are compatible with the transition to a sustainable economy and with limiting global warming to 1.5°C in line with the Paris Agreement. SBO refers to the "Strategy 2030" in this regard (see Management Report, Section Outlook). At the same time, investments are to be shifted primarily to sustainable economic activities. The energy sector is also to be transformed in the long term with the aim of gradually replacing fossil fuels with renewable energies or neutralizing their emissions to ensure that the net zero target for 2050 can be achieved. However, this target lost priority over the aim of providing affordable energy to the economy and population as a result of the Russia-Ukraine war.

Tighter climate policies could trigger a decline in oil demand within the EU and affect the SBO Group's core business due to lower demand for tools used in drilling for oil. However, long-term market expectations are that global demand for this resource will continue to increase for a long time to come. In addition, the European Union has recognized natural gas as an essential transitional resource for achieving climate targets and has, for instance, classified electricity generation from fossil gaseous fuels as a Taxonomy-aligned economic activity. SBO's products and solutions are used in drilling for both oil and natural gas.

The goods and services produced by the SBO Group are mainly demanded outside the European Union, meaning that European climate policy only partially influences the SBO Group's economic activities and (production) sites. Nevertheless, assumptions regarding individual non-current assets (mainly goodwill) recognized in the consolidated financial statements involve estimates and judgments about future developments with regard to climate change and the related climate policy framework.

(Production) sites of the SBO Group have a relatively low energy consumption, which will be reduced even further through appropriate measures in the coming years. The switch to renewable energy sources is a relatively low cost factor. The economic activities as well as the locations of the SBO Group are subject to physical climate risks to only a minor extent in terms of temperature changes, wind, precipitation or erosion, therefore classifying overall climate-related risks currently as low. Climate scenario analyses were prepared for a key (production) site, which also did not reveal any significant future risks.

NOTE 5

TRADE RECEIVABLES

An analysis of trade receivables is presented below:

31.12.2022				IN TEUR
MATURITY	GROSS VALUE	LUMP SUM ALLOWANCE (ECL)	INDIVIDUAL ALLOWANCE	NET VALUE
Not or < 30 days past due	100,694	-325	-812	99,557
30 - 90 days past due	18,624	-281	-415	17,928
90 - 180 days past due	6,154	-190	-827	5,137
> 180 days past due	5,708	-160	-3,656	1,892
Total	131,180	-956	-5,710	124,514

31.12.2021				IN TEUR
MATURITY	GROSS VALUE	LUMP SUM 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

Trade receivables typically have payment terms of up to 90 days. As of 31 December 2022 and as of 31 December 2021 no trade receivables had a term of more than 12 months.

The carrying amount of impaired receivables amounted to TEUR 108 (previous year: TEUR 252). 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 2022 allowances measured for lifetime expected credit losses according to the simplified approach amounted to TEUR 956 (previous year: TEUR 951).

Allowances developed as follows:

IN TEUR	2022	2021
As at 1 January	3,703	5,566
Currency translation adjustments	170	367
Utilization	-632	-3,172
Reversal	-322	-427
Additions	3,747	1,369
As at 31 December	6,666	3,703

The increase in valuation allowances compared with the previous year is due to the higher level of receivables as a result of the increased volume of business and to individual provisions for expected credit losses.

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 652 (previous year: TEUR 476).

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	31.12.2022	31.12.2021
Raw materials and supplies	28,396	18,397
Work in progress	85,788	54,866
Finished goods	61,689	47,830
Total	175,873	121,093

The high demand for SBO products and high bookings in 2022 have led to a corresponding increase in inventories in 2022.

Valuation allowances expensed in 2022 were TEUR 2,564 and are included within **COST OF GOODS SOLD** (previous year: TEUR 2,761).

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:

2022

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 2022	102,457	341,468	13,596	8,901	13,548	479,970
Currency translation adjustments	3,719	12,644	329	351	244	17,287
Additions	1,165	23,353	2,113	2,558	5,001	34,190
Reclassifications to assets held for sale	-1,995	0	0	0	0	-1,995
Transfers	51	7,008	20	-8,278	0	-1,199
Disposals	-258	-23,466	-1,441	-19	-1,130	-26,314
31 December 2022	105,139	361,007	14,617	3,513	17,663	501,939
Accumulated depreciation and impairment						
1 January 2022	38,854	297,566	11,536	4,914	6,179	359,049
Currency translation adjustments	1,152	10,501	285	232	174	12,344
Additions from depreciation	3,226	21,617	1,121	0	2,487	28,451
Additions from impairment	1,282	0	0	0	0	1,282
Reclassifications to assets held for sale	-425	0	0	0	0	-425
Transfers	0	5,146	0	-5,146	0	0
Disposals	-224	-20,508	-725	0	-1,106	-22,563
31 December 2022	43,865	314,322	12,217	0	7,734	378,138
Carrying amount						
31 December 2022	61,274	46,685	2,400	3,513	9,929	123,801
31 December 2021	63,603	43,902	2,060	3,987	7,369	120,921

The impairment losses of TEUR 1,282 in the “Advanced Manufacturing & Services” (AMS) segment relate to a building of Schoeller-Bleckmann Darron Limited located in Russia and were recognized in **COST OF GOODS SOLD**. These resulted from an impairment test performed as of 31 December 2022 and are due to lower cashflow forecasts in Russia following sanction-related changes in the supply chain.

As of 30 June 2022, a property in the USA, that was no longer required, was reclassified to **ASSETS HELD FOR SALE** in the “Oilfield Equipment” (OE) segment and subsequently sold in the third quarter of 2022. This resulted in a gain on disposal of TEUR 1,182 which is included within **OTHER OPERATING INCOME**.

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

The Company has production facilities in the following countries: Austria, the USA, Vietnam, and Singapore. Service and repair 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 2022, purchase commitments for investments in property, plant and equipment amounted to TEUR 5,637 (previous year: TEUR 3,228).

For details on capitalized right-of-use assets see Note 20.

NOTE 9

INTANGIBLE ASSETS

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

2022

IN TEUR	GOODWILL	TECHNOLOGY	NON-COMPETE AGREEMENTS	CUSTOMER BASE	OTHER INTANGIBLE ASSETS	TOTAL
Cost						
1 January 2022	234,062	68,514	9,301	36,276	12,800	360,953
Currency translation adjustments	9,512	1,550	347	924	351	12,684
Additions	0	0	0	0	1,780	1,780
Transfers	0	0	0	0	1,199	1,199
Disposals	0	0	0	0	-415	-415
31 December 2022	243,574	70,064	9,648	37,200	15,715	376,201
Accumulated amortization and impairments						
1 January 2022	107,026	58,704	9,060	36,276	11,213	222,279
Currency translation adjustments	2,039	914	329	924	320	4,526
Additions from amortization	0	2,458	259	0	477	3,194
Disposals	0	0	0	0	-297	-297
31 December 2022	109,065	62,076	9,648	37,200	11,713	229,702
Carrying amount						
31 December 2022	134,509	7,988	0	0	4,002	146,499
31 December 2021	127,036	9,810	241	0	1,587	138,674

2021

IN TEUR	GOODWILL	TECHNOLOGY	NON-COMPETE AGREEMENTS	CUSTOMER BASE	OTHER INTANGIBLE ASSETS	TOTAL
Cost						
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
Accumulated amortization and impairments						
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
Carrying amount						
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

As at 31 December 2022, 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	31.12.2022	31.12.2021
Segment "Advanced Manufacturing & Services" (AMS)		
Knust-Godwin LLC	12,609	11,874
SCHOELLER-BLECKMANN Oilfield Technology GmbH	4,655	4,655
Schoeller-Bleckmann Darron (Aberdeen) Limited	798	798
Segment "Oilfield Equipment" (OE)		
The WellBoss Company, LLC	93,043	87,642
DSI FZE	23,404	22,067
Total	134,509	127,036

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. As stated in Note 4.18, long-term studies of global energy demand (International Energy Agency's World Energy Outlook 2022) anticipate a worldwide increase in demand for oil and gas well beyond the detailed forecast period of the impairment tests. The long-term growth expectations were derived by taking into account such 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 2022 and 31 December 2021:

WACC (BEFORE TAX)

IN %	31.12.2022	31.12.2021
Segment "Advanced Manufacturing & Services" (AMS)		
Knust-Godwin LLC	14.2 %	12.1 %
SCHOELLER-BLECKMANN Oilfield Technology GmbH	14.7 %	16.6 %
Schoeller-Bleckmann Darron (Aberdeen) Limited	15.0 %	16.9 %
Segment "Oilfield Equipment" (OE)		
The WellBoss Company, LLC	14.6 %	12.4 %
DSI FZE	15.3 %	11.6 %

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 cyclical nature 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. 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.

Growth in the oilfield service industry has continued steadily throughout 2022, with a corresponding positive impact on the SBO Group. Despite ongoing concerns about slowing growth rates in the global economy and a potential recession in Europe and North America, as well as despite increased uncertainties related to the Russia-Ukraine war, the energy situation in Europe, high inflation, and China's COVID-19 policy, the environment for energy as a critical resource and thus for the oilfield service industry remains positive. After years of underinvestment, spending in exploration and production of oil and gas picked up significantly in 2022, especially in regions outside Russia, and is expected to follow this trend in subsequent years. In addition to global underinvestment in recent years, security of supply with oil and gas, low OPEC reserve capacity, low oil inventories, rising demand and a desired energy independence from Russia are key drivers of this development. The Russian war of aggression against the Ukraine is not expected to have any material effect on cashflow plans, as the individual cash generating units carrying goodwill did not have any material business activities in these regions up to now.

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 general conditions described above. 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 the high level of inflation and increased energy prices in several regions. 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 2022 are considered to be low as stated in Note 4.18. Physical climate risks such as heat, wind, precipitation, flood, sea level rise, or erosion are considered low for significant SBO (production) sites. Accordingly, it is not necessary to adapt the (production) sites to changes in conditions caused by climate change beyond the usual extent in order to maintain business operations. 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). This was confirmed for one key (production) site for which climate scenario analyses were made. SBO therefore considers the assumed medium- and long-term growth expectations to be appropriate, also taking into account climate change.

The annual impairment tests carried out as at December 31 2021 did not result in any impairment needs. The change in the carrying amount of goodwill of all cash-generating units resulted from foreign currency translation.

As at 31 December 2022 a sensitivity analysis was performed for all cash generating units carrying goodwill. 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 1 percentage point as well as a reduction of cashflows by 10 % (31 December 2021: 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 2022 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, other intangible assets include technologies, customer relationships, trademark rights and rights from non-compete agreements from business combinations in previous years, which were already fully amortized in previous years.

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 18). 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	31.12.2022	31.12.2021
Loans	2,535	2,855
Other receivables and assets	640	800
Total	3,175	3,655

As of 31 December 2022 and 2021 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	31.12.2022		31.12.2021	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Property, plant and equipment	1,300	-4,211	1,715	-2,499
Other intangible assets (differences in useful lives)	3,826	-360	3,336	-258
Goodwill and other intangible assets (measurement differences)	11,827	-8,793	11,175	-7,447
Inventories (measurement differences)	5,947	-64	4,515	0
Valuation of shares in subsidiaries	1,470	0	1,918	0
Option liability from cancellable non-controlling interests	12,737	0	12,315	0
Other items (measurement differences)	2,565	-1,428	2,984	-315
Provisions	2,228	0	2,607	0
Foreign currency effects from elimination of intercompany balances	52	0	-115	0
Tax loss carryforwards	2,603	0	2,315	0
Subtotal	44,555	-14,856	42,765	-10,519
Offset within legal tax units and jurisdictions	-14,726	14,726	-10,519	10,519
Total	29,829	-130	32,246	0

Deferred taxes amounting to TEUR 6,052 (previous year: TEUR 8,061) relating to tax loss carryforwards of TEUR 27,977 (previous year: TEUR 37,531) were not recognized or adjusted, as their future use is uncertain based on the current mid-term planning. Thereof, TEUR 9,189 will expire after 2027 (previous year: TEUR 15,537 will expire after 2026) while TEUR 18,788 (previous year: TEUR 21,994) can be carried forward indefinitely.

The gross deferred tax assets as of 31 December 2021 included tax claims of two companies in North America and Great Britain, that generated a loss in the previous year and whose deferred tax assets exceeded the deferred tax liabilities by TEUR 3,198 and TEUR 304, respectively. The recognition of these deferred tax assets as of 31 December 2021 was 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. As planned, both companies could generate positive income again in 2022.

Deferred tax assets in the amount of TEUR 1,470 (previous year: TEUR 1,918) include tax claims from impairments of financial investments in the amount of TEUR 6,393 (previous year: TEUR 7,671) to be distributed over seven years according to the Austrian tax law.

Concerning the option liability from cancellable non-controlling interests see Note 19.

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 2022, timing differences amounted to TEUR 112,380 (previous year: TEUR 100,257), 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 2022 due to the lack of planned distributions (previous year: TEUR 0).

NOTE 12

LIABILITIES TO BANKS

As at 31 December 2022, the current liabilities to banks were as follows:

CURRENCY	AMOUNT IN TEUR	INTEREST RATE IN %
GBP loans	6,765	3.72 % variable
Export promotion loans (EUR)	24,000	1.73 – 2.00 % variable
Total	30,765	

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	

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 13

GOVERNMENT GRANTS

As at 31 December 2022, government grants amounted to TEUR 0 (previous year: TEUR 89). The grants included 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). Until the expiry in 2022 as well as in the previous year the Company complied with all requirements for the government grants recorded in this line item.

NOTE 14

OTHER LIABILITIES (CURRENT)

Other current liabilities break down as follows:

IN TEUR	31.12.2022	31.12.2021
Unused vacation	2,372	1,924
Other personnel expenses	14,452	8,153
Legal and professional fees	1,320	945
Tax liabilities	4,549	1,971
Social security and other employee benefits	2,367	2,518
Refund liabilities according to IFRS 15	1,279	915
Contract liabilities according to IFRS 15	6,612	1,575
Option liability from cancellable non-controlling interests	99,600	93,796
Miscellaneous other liabilities	21,221	19,493
Total	153,772	131,290

Refer to Note 19 for details on the option liability from cancellable non-controlling interests.

Miscellaneous other liabilities include liabilities of TEUR 12,381 (previous year: TEUR 11,659) relating to shares in companies within the SBO Group for which put / call option agreements had existed (see Note 19). 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 2022 and 2021 are as follows:

IN TEUR	2022	2021
Contract liabilities as of 1 January	1,575	1,878
Prepayments received	6,023	184
Recognized as revenues	-1,067	-682
Currency translation adjustments	81	195
Contract liabilities as of 31 December	6,612	1,575

NOTE 15

OTHER PROVISIONS

The other provisions developed as follows:

IN TEUR	31.12.2021	UTILIZATION	REVERSAL	ADDITIONS	CURRENCY TRANSLATION ADJUSTMENTS	31.12.2022
Warranties and guarantees	2,643	-91	0	244	0	2,796
Other	5,114	-3,765	-1,649	972	364	1,036
Total	7,757	-3,856	-1,649	1,216	364	3,832

In connection with lawsuits filed by former employees of SBO in the 2020 financial year, settlements were reached in the financial year 2022. Of the provisions of TEUR 5,032 recognized in other provisions in previous years, an amount of TEUR 3,765 was used for claims and litigation costs in the financial year 2022 and TEUR 1,643 were reversed within administrative expenses.

NOTE 16

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

As at 31 December 2022, long-term loans amount to TEUR 222,529. Thereof, an amount of TEUR 58,552 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	7,143	1.832 % fixed	2018 – 2027	annually from 2021
EUR	13,928	1.732 % fixed	2018 – 2027	annually from 2021
EUR	4,286	3.792 % 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	2.829 % variable	2020 – 2026	bullet loan
EUR	3,000	2.653 % 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	7,500	1.707 % fixed	2018 – 2025	annually from 2022
EUR	30,000	1.782 % fixed	2018 – 2024	bullet loan
EUR	331	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	9,091	0.489 % fixed	2016 – 2023	semi-annually from 2018
	222,529			

In total, loans in the amount of TEUR 331 (previous year: TEUR 655) were backed by collateral. They relate to lien on machinery with a carrying amount of TEUR 0 (previous year: lien on land, buildings, and machinery with a carrying amount of TEUR 9,676).

See Note 32 for fair values; see Note 33 for interest rate risks.

NOTE 17

PROVISIONS FOR EMPLOYEE BENEFITS

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

IN TEUR	31.12.2022	31.12.2021
Severance payments	4,517	4,389
Jubilee payments	2,099	2,469
Total	6,616	6,858

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

	2022	2021
Discount rate	3.80 %	0.90 %
Salary increases	4.50 %	3.75 %
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	2022	2021
Present value of severance benefit obligation as at 1 January	4,389	4,589
Current service cost	384	186
Interest cost	38	41
Total expenses for severance payments	422	227
Remeasurements	-12	-270
Current severance payments	-282	-157
Present value of severance benefit obligation as at 31 December	4,517	4,389

The expenses shown in the table are included in the consolidated profit and loss statement within personnel expenses of each functional area (see Note 24).

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

IN TEUR	2022	2021
Remeasurement of obligations		
from changes to financial assumptions	-1,045	104
from historical experience	1,033	-374
Total	-12	-270

The average term of the severance obligations as at 31 December 2022 was 9.0 years (previous year: 10.5 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 (PUC-method) in accordance with IAS 19.

SEVERANCE PAYMENTS	CHANGE IN ASSUMPTION	PRESENT VALUE OF OBLIGATION (DBO) 31.12.2022	
		CHANGE IN PROVISION GIVEN AN INCREASE IN ASSUMPTION	CHANGE IN PROVISION GIVEN A DECREASE IN ASSUMPTION
Discount rate	+/- 1.0 percentage point	-347	409
Increase in salaries	+/- 1.0 percentage point	385	-334

Provision for jubilee payments

The provision for jubilee payments developed as follows:

IN TEUR	2022	2021
Present value of jubilee payment obligation as at 1 January	2,469	2,270
Current service cost	210	189
Interest cost	22	21
Total expenses for jubilee payments	232	210
Remeasurements	-546	27
Current jubilee payments	-56	-38
Present value of jubilee payment obligation as at 31 December	2,099	2,469

Defined contribution pension plans

Payments made in connection with defined contribution pension and employee benefit plans were expensed and amounted to TEUR 1,521 in the 2022 financial year (previous year: TEUR 759). Contributions of approximately TEUR 1,000 are expected for the following year.

NOTE 18

OTHER LIABILITIES (NON-CURRENT)

Other non-current liabilities break down as follows:

IN TEUR	31.12.2022	31.12.2021
Management interests	936	1,519
Participation rights	4,406	3,883
Other liabilities	1,638	1,602
Total	6,980	7,004

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

	31.12.2022	31.12.2021
Company		
BICO Faster Drilling Tools Inc.	0.00 %	8.00 %
Schoeller-Bleckmann Energy Services L.L.C.	2.00 %	2.00 %
Schoeller-Bleckmann Darron (Aberdeen) Limited	6.00 %	6.00 %
ADRIANA HOLDING COMPANY LIMITED	0.00 %	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:

	31.12.2022	31.12.2021
Company		
DSI FZE	0.40 %	0.40 %
SCHOELLER-BLECKMANN Oilfield Technology GmbH	0.85 %	0.85 %
The WellBoss Company, LLC	1.30 %	1.30 %

The effective interest expense recognized for management interests and participation rights is reported under **INTEREST EXPENSES** and **INTEREST INCOME**.

NOTE 19

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 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 33,840 (TEUR 30,224) was paid for 6.6 % of the shares 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 31 December 2022 as well as 31 December 2021, the purchase price was provided for on the basis of the contractually agreed mechanism to be applied under normal circumstances (see Note 4.17). In the third quarter of 2021 SBO has filed an appeal against the final first instance judgment issued in the second quarter of 2021 against the Company. In this connection, a surety deposit of TUSD 25,000 (TEUR 21,124) was made in the third quarter 2021 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	2022	2021
As at 1 January	93,796	106,946
Surety deposit	0	-21,124
Currency translation adjustments	5,804	7,974
As at 31 December	99,600	93,796

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

NOTE 20

LEASING

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

IN TEUR	31.12.2022	31.12.2021
Land and buildings	9,134	6,840
Other equipment, operating and office equipment	795	529
Total	9,929	7,369

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	31.12.2022	31.12.2021
Land and buildings	2,163	1,928
Other equipment, operating and office equipment	324	325
Total	2,487	2,253

The maturity analysis of undiscounted lease payments included in the present value of lease liabilities as of 31 December 2022 breaks down as follows:

IN TEUR	31.12.2022	31.12.2021
due < 1 year	2,610	2,060
due 2-5 years	4,419	3,506
due > 5 years	7,306	1,940
Total of undiscounted lease payments	14,335	7,506

Amounts recognized in profit and loss in 2022 break down as follows:

IN TEUR	2022	2021
Interest expenses for lease liabilities	328	254
Expenses for short-term leases	496	551
Expenses for low value leases	56	6

NOTE 21

SHARE CAPITAL

The Company's share capital as at 31 December 2022 as well as at 31 December 2021 was EUR 16 million and is divided into 16 million shares with a par value of EUR 1.00 each.

The Annual General Meetings from 23 April 2020 and 28 April 2022 each 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 financial years 2021 and 2022 the company did not make use of the authorization to acquire treasury shares.

As at the 2022 reporting date, the Company held 270,535 treasury shares (previous year: 270,535 shares), which corresponds to 1.69 % (previous year: 1.69 %) of the share capital with a cost of TEUR 8,771 (previous year: TEUR 8,771). The number of shares outstanding as of 31 December 2022 is thus 15,729,465 shares (previous year: 15,729,465 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 2022, there is no dilution effect on the number of shares outstanding as at 31 December 2022.

As at 31 December 2022, Berndorf Industrieholding AG, Vienna held approximately 33.4 % of the share capital (previous year: approximately 33.4 %).

NOTE 22

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 2022 amounting to TEUR 2,717 (previous year: TEUR 3,314) 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. Furthermore, in the financial year 2022 an amount of TEUR 1.258 was reclassified from **CAPITAL RESERVE** to **RETAINED EARNINGS** in connection with the termination of the share based compensation program (see note 30).

In the financial year 2022 a dividend amounting to TEUR 11,797 was distributed relating to a share capital eligible for dividends of TEUR 15,729. Accordingly, the dividend per share amounted to EUR 0.75. In the financial year 2021 no dividend was distributed from **RETAINED EARNINGS**.

NOTE 23

SALES REVENUES

Sales break down as follows:

IN TEUR	ADVANCED MANUFACTURING & SERVICES		OILFIELD EQUIPMENT		TOTAL	
	2022	2021	2022	2021	2022	2021
Product sales	225,932	126,484	114,839	72,630	340,771	199,114
Services and repairs	16,362	10,789	7,190	3,290	23,552	14,079
Rental revenue	6,378	4,144	130,538	75,474	136,916	79,618
Total	248,672	141,417	252,567	151,394	501,239	292,811
North America	112,724	65,667	189,007	111,855	301,731	177,522
Europe	51,698	20,747	8,732	3,875	60,430	24,622
Middle East	9,790	4,297	23,557	12,785	33,347	17,082
Other	74,460	50,706	31,271	22,879	105,731	73,585
Total	248,672	141,417	252,567	151,394	501,239	292,811

The revenues are classified based on the customer's location. In 2022 sales revenues of TEUR 366,761 relate to performance obligations which were satisfied at a point of time (previous year: TEUR 212,614) and TEUR 134,478 to performance obligations which were satisfied over time (previous year: TEUR 80,197).

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 24

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	2022	2021
Cost of materials	211,792	116,291
Personnel expenses	140,930	92,804
Depreciation of property, plant and equipment including impairments	29,733	27,736
Amortization of other intangible assets including impairments	3,194	4,060

As a result of payroll related COVID-19 subsidies received by individual domestic and foreign subsidiaries, personnel expenses for the previous financial year were reduced by TEUR 1,017. There were no related COVID-19 subsidies in the financial year 2022. For income related to COVID-19 subsidies in 2021, see Note 25.

NOTE 25

OTHER OPERATING INCOME AND EXPENSES

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

IN TEUR	2022	2021
Research and development expenses	6,887	7,549
Exchange losses	8,042	2,600

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	2022	2021
Exchange gains	13,310	8,076
Income from COVID-19 subsidies	0	4,805
Income from the disposal of fixed assets and assets held for sale	1,296	1,220

Within income from COVID-19 subsidies in 2021 an amount of TEUR 2,630 relates to forgiven loans from 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 24.

NOTE 26

INTEREST INCOME AND EXPENSES

INTEREST INCOME breaks down as follows:

IN TEUR	2022	2021
Bank deposits and other loans	2,854	432
Effective interest on management interests and participation rights	0	9
Interest income	2,854	441

INTEREST EXPENSES break down as follows:

IN TEUR	2022	2021
Loans	4,659	4,742
Effective interest on management interests and participation rights	705	378
Interest expense relating to lease liabilities according to IFRS 16	328	254
Interest expenses	5,692	5,374

NOTE 27

INCOME TAXES

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

IN TEUR	2022	2021
Consolidated tax expense at a presumed tax rate of 25 % (income + / expense -)	-23,336	-5,847
Foreign tax rate differentials	6,332	2,338
Change in domestic and foreign tax rates	-30	101
Withholding and foreign taxes	-2,150	-523
Valuation of investments	-134	2,237
Non-deductible expenses	-2,072	-677
Non-taxable income and tax allowances	628	833
Prior year adjustments	642	117
Unrecognized tax loss carryforwards	0	-1,103
Utilization of tax loss carryforwards not recognized in the previous year	1,366	92
Capitalization of tax loss carryforwards not recognized in the previous year	900	0
Profit share of management interests and non-controlling interests	-34	-24
Other differences	-256	44
Consolidated tax expense	-18,144	-2,412
Profit before tax	93,342	23,390
Consolidated tax rate	19.4 %	10.3 %

In fiscal year 2022, an amendment to the Austrian Corporate Income Tax Act was adopted, resulting in a decrease of the tax rate from the previous 25 % to 24 % in 2023 and to 23 % as of 2024. In measuring the deferred tax balances

recognized in the consolidated financial statements as of 31 December 2022, a tax rate of 23 % was applied for the Austrian companies, taking into account when timing differences will reverse.

INCOME TAXES break down as follows:

IN TEUR	2022	2021
Current taxes	-14,533	-4,853
Deferred taxes	-3,611	2,441
Total	-18,144	-2,412

The following income taxes were recognized under **OTHER COMPREHENSIVE INCOME**:

IN TEUR	2022	2021
Current taxes		
Currency translation adjustments	-214	-1,105
Remeasurements IAS 19	-3	-67
Deferred taxes		
Currency translation adjustments	-620	0
Total	-837	-1,172

Due to currency translation adjustments the net deferred tax asset presented in the balance sheet was increased by TEUR 1,675 in the 2022 financial year (previous year: increased by TEUR 2,030).

The Company's dividend distribution to shareholders did not result in any income tax consequences for the Company for the 2022 financial year or the 2021 comparison period.

NOTE 28

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 the production of high-alloy, non-magnetic stainless steels and high-precision manufacture of stainless steels as special components for the oil, gas and other industries by using innovative and additive technologies such as Direct Metal Laser Sintering (DMLS), a 3D metal printing technology.

The "Oilfield Equipment" (OE) segment offers high-efficiency tools for drilling and completion in the oil and gas industry and in the field of geothermal energy.

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.

2022

IN TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO-HOLDING & CONSOLIDATION	GROUP
External sales	248,672	252,567	0	501,239
Intercompany sales	90,228	27,184	-117,412	0
Total sales	338,900	279,751	-117,412	501,239
Profit / loss from operations	48,318	50,144	-2,282	96,180
Profit / loss before tax	49,290	50,148	-6,096	93,342
Capital expenditures including right-of-use assets	14,541	21,380	49	35,970
Depreciation and amortization	12,028	20,395	504	32,927
thereof impairments	1,282	0	0	1,282
Head count (average)	876	521	27	1,424

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	16,073	10,402	1,735	28,210
Profit / loss before tax	17,052	9,622	-3,284	23,390
Capital expenditures including right-of-use assets	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

Referring to the results reported in column SBO-Holding & Consolidation for profit / loss from operations an amount of TEUR -653 (previous year: TEUR -975) and for profit / loss before tax an amount of TEUR -850 (previous: year TEUR -1,008) is attributable to consolidation effects.

Geographic information:

Sales break down as follows:

IN TEUR	2022	2021
Austria	3,896	1,370
USA	271,498	160,535
Rest of World	225,845	130,906
Total	501,239	292,811

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

See Note 33 for information regarding the most important customers.

Non-current assets break down as follows:

IN TEUR	2022	2021
Austria	33,061	34,665
USA	183,939	172,447
United Arab Emirates	29,125	27,257
Rest of World	24,175	25,226
Total	270,300	259,595

Assets are allocated to the location of the respective company.

NOTE 29

REMUNERATION OF THE EXECUTIVE AND SUPERVISORY BOARD

The Executive Board's remuneration is composed as follows:

2022

IN TEUR	BASE SALARY	CONTRIBUTIONS TO PENSION PLANS	SUBTOTAL	PERFORMANCE BASED REMUNERATION	TOTAL
Gerald Grohmann	763	446	1,209	429	1,638
Klaus Mader	479	268	747	201	948
Total	1,242	714	1,956	630	2,586

2021

IN TEUR	BASE SALARY	CONTRIBUTIONS TO PENSION PLANS	SUBTOTAL	PERFORMANCE BASED REMUNERATION	TOTAL
Gerald Grohmann	627	61	688	254	942
Klaus Mader	383	87	470	131	601
Total	1,010	148	1,158	385	1,543

The base salary also includes non-cash benefits. The performance based remuneration components relate 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 1,597 (previous year: TEUR 26), which relates to expenses for defined contribution pension agreements of TEUR 725 (previous year: TEUR 157) and to expenses for defined benefit agreements amounting to TEUR 871 (previous year: gain of TEUR 131). The share-based compensation program was terminated in 2022. Expenses for share-based payments incurred in the financial year 2021 are not included in the remuneration amounts presented above. See Note 30 for information on the voluntary severance and share-based payments.

Remuneration for the Supervisory Board of the 2022 financial year relating to the 2021 financial year amounted to TEUR 170 and was a flat reimbursement (previous year: TEUR 180).

No loans were granted to the members of the Executive or Supervisory Board in the 2022 or 2021 financial years.

NOTE 30

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. This agreement, which has been extended several times in the meantime as part of the extension of the employment agreement, was terminated in 2022 and replaced by an adjustment of the fixed and variable remuneration in a comparable amount in terms of value at the time of termination. The amounts already paid out in 2022 in this respect are included in the remuneration presented in Note 29. The shares transferred in the past were subject to a restriction on disposal and encumbrance by Ing. Grohmann for a period of 2 years from the respective transfer. These restrictions were lifted upon termination of the program in 2022. The market value of 6,000 shares at the last transfer date in 2021 was TEUR 228. The market value of the 6,000 shares already transferred and still subject to disposal restrictions was TEUR 371 as at 31 December 2021. In connection with the termination of the program in 2022, an amount of TEUR 1,258 was reclassified from **CAPITAL RESERVE** to **RETAINED EARNINGS** (see Note 22). This amount was provided for in previous years based on a valuation as of the start of the program and the respective extensions and relates to the transfers of shares originally planned and no longer to be 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 2022 as well as 2021.

NOTE 31

TRANSACTIONS WITH RELATED PARTIES

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

NOTE 32

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 (3–9 months).

FORWARD EXCHANGE CONTRACTS AS AT 31 DECEMBER 2022

IN TEUR	RECEIVABLES AT HEDGED RATE	RECEIVABLES AT REPORTING DATE RATE	FAIR VALUE
USD	25,203	24,275	928
CAD	5,134	4,725	409

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

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 19).

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

31.12.2022

IN TEUR	Carrying amount	VALUATION METHOD ACC. TO IFRS 9				Carrying amount financial instrument
		No financial instrument	Financial asset at amortized cost	Financial liability at amortized cost	At fair value through profit & loss	
Current assets						
Cash and cash equivalents	287,764	0	287,764			287,764
Trade receivables	124,514	0	124,514			124,514
Income tax receivable	995	995				0
Other receivables and other assets	10,647	9,310			1,337	1,337
Inventories	175,873	175,873				0
Total current assets	599,793	186,178	412,178	0	1,337	413,615
Non-current assets						
Property, plant and equipment	123,801	123,801				0
Goodwill	134,509	134,509				0
Other intangible assets	11,990	11,990				0
Long-term receivables and assets	3,175	640	2,535			2,535
Deferred tax assets	29,829	29,829				0
Total non-current assets	303,304	300,769	2,535	0	0	2,535
TOTAL ASSETS	903,097	486,947	414,813	0	1,337	416,150
Current liabilities						
Liabilities to banks	30,765	0		30,765		30,765
Current portion of long-term loans	58,552	0		58,552		58,552
Lease liabilities	2,530	0		2,530		2,530*
Trade payables	33,075	0		33,075		33,075
Income tax payable	11,027	11,027				0
Other liabilities	153,772	34,211		19,961	99,600	119,561
Other provisions	3,832	3,832				0
Total current liabilities	293,553	49,070	0	144,883	99,600	244,483
Non-current liabilities						
Long-term loans	163,977	0		163,977		163,977
Lease liabilities	6,825	0		6,825		6,825*
Provisions for employee benefits	6,616	6,616		0		0
Other liabilities	6,980	0		6,980		6,980
Deferred tax liabilities	130	130		0		0
Total non-current liabilities	184,528	6,746	0	177,782	0	177,782
Equity						
Share capital	15,729	15,729				0
Capital reserve	61,956	61,956				0
Legal reserve	785	785				0
Other reserves	19	19				0
Currency translation reserve	49,201	49,201				0
Retained earnings	297,326	297,326				0
Total equity	425,016	425,016	0	0	0	0
TOTAL LIABILITIES AND EQUITY	903,097	480,832	0	322,665	99,600	422,265

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

CLASSIFICATION OF FINANCIAL INSTRUMENTS

31.12.2021

IN TEUR	Carrying amount	VALUATION METHOD ACC. TO IFRS 9				Carrying amount financial instrument
		No 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
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*
Provisions for employee benefits	6,858	6,858		0		0
Other liabilities	7,004	0		7,004		7,004
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.

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:

2022

IN TEUR	BALANCE SHEET ITEM	TOTAL	LEVEL 2	LEVEL 3
Assets				
Derivatives (FVTPL)	Other receivables and other assets	1,337	1,337	0
Liabilities				
Derivatives (FVTPL)	Other liabilities	-99,600	0	-99,600

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

There were no reclassifications between the individual measurement levels during the 2022 and 2021 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 19).

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	2022		2021	
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Liabilities					
Loans and bank liabilities	2	-253,294	-239,462	-281,837	-285,687

Net result from financial instruments

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

IN TEUR	2022			DERECOGNITION / DISPOSAL		NET RESULT
	IMPAIRMENTS	REMEASUREMENT PROFIT AND LOSS	OTHER COMPREHENSIVE INCOME	PROFIT AND LOSS	OTHER COMPREHENSIVE INCOME	
at amortized cost (loans and receivables)	-3,425	-	-	-48	-	-3,473
at fair value through profit or loss (derivatives)	-	1,616	-	-	-	1,616

2021

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

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 5,692 (previous year: TEUR 5,374).

NOTE 33**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

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.

The Group's business risks have not changed fundamentally in the 2022 financial year. Russia's war of aggression on Ukraine has had a strong impact globally, but particularly on the energy markets, and increased activities in other regions, such as the United States, North Africa, and the Middle East. Bottlenecks in the supply chains existed only to a limited extent, with no impact on overall production output. Negative effects of another wave of COVID-19 measures are not apparent. On the contrary, the easing of measures in China should support demand for products of SBO. Business activities with Russia are subject to increasing restrictions. Deliveries from the Group, were completely shut down in 2022 and will not be resumed in the foreseeable future. Our subsidiary operating as a "machine shop" in Russia continues its business self-contained. The market environment of the oilfield service industry in the Russian market has not changed fundamentally at the moment. Reorganization measures of individual customers in the region did not lead to a material reassessment of the market, as it is generally expected that existing activities will continue. Currently, 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.

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. A tightened climate policy could trigger a decline in the demand for oil within the EU and thereby affect the business of the SBO Group. 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 indispensable part in the energy mix and plays an essential role for the exit from coal. Nevertheless, SBO Group is also strategically preparing for a changing environment in terms of climate change in order to seize opportunities. SBO's operating activities and its production sites are currently only exposed to a low physical risk in connection with climate change in terms of temperature changes, wind, rainfall or erosion. Consequently, SBO rates climate-related risks for its business model as low.

Neither macroeconomic nor climate policy developments required the Group to make provisions in 2022. 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 2022, the three largest customers (which are globally operating service companies in the directional drilling market) accounted for a 38.5 % share of sales (previous year: 37.1 %). 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. For option liabilities see Note 19.

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	2022		2021	
Change in EUR/USD exchange rate	+10 cents	-10 cents	+10 cents	-10 cents
Change in profit / loss before tax	+2,443	-2,443	+1,159	-1,159

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 16. 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	2022		2021	
Change in basis points	+10	+20	+10	+20
Change in profit / loss before tax	+172	+344	+161	+322

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). Neither macroeconomic developments, from which the oilfield service industry decoupled during 2022, nor the Russian war of aggression on Ukraine led to significant observable or expected changes in estimated default risk in 2022.

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. Climate related risks are currently not a relevant factor in credit risk assessment and it is not fully foreseeable whether and to what extent such risks could become a risk in the future when taking out new credit lines.

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 DECEMBER 2022

IN TEUR	DUE ON DEMAND	2023	2024	2025	2026 or beyond
Liabilities to banks	31,446	-	-	-	-
Long-term loans	-	62,844	42,531	56,377	73,487
Lease liabilities	-	2,610	1,636	1,010	9,079
Management interests and participation rights	-	-	-	-	5,342
Trade payables	-	33,075	-	-	-
Derivatives	-	99,600	-	-	-
Other	-	54,172	230	-	1,408
Total	31,446	252,301	44,397	57,387	89,316

31 DECEMBER 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

Derivatives as of 31 December 2022 shown above as due in 2023 (as of 31 December 2021 as due in 2022) mainly refer to the option liability for cancellable non-controlling interests (see Note 19).

CAPITAL MANAGEMENT

In order to support our operations and maximize shareholder value, the Company's primary goal is to ensure maintaining a high credit rating and a solid equity ratio.

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 -8.1 % as at 31 December 2022 (previous year: -2.9 %).

IN TEUR	31.12.2022	31.12.2021
Liabilities to banks	30,765	37,321
Long-term loans	222,529	244,516
Less: cash and cash equivalents	-287,764	-291,754
Net liquidity (-) / net debt (+)	-34,470	-9,917
Total equity	425,016	340,879
Gearing	-8.1 %	-2.9 %

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 34

CONTINGENT LIABILITIES

The Company had no contingent liabilities as at 31 December 2022 or 31 December 2021.

NOTE 35

OTHER OBLIGATIONS

Other obligations exist solely from short-term leases or low value leases (see Note 20) and purchase commitments for investments in property, plant and equipment (see Note 8).

NOTE 36

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. Due to current foreign exchange regulations cash and cash equivalents of the subsidiary in Russia amounting to TEUR 6,509 are subject to restrictions on the general use of as of 31 December 2022.

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 19 for details on payments relating to the purchase of minority interests.

Financial liabilities were as follows during the 2022 and 2021 financial years:

2022

IN TEUR	1.1.2022	CASH CHANGES	NON-CASH CHANGES		31.12.2022
			FOREIGN CURRENCY EFFECTS	OTHER CHANGES	
Long-term loans including current portion	244,516	-21,987	0	0	222,529
Liabilities to banks	37,321	-6,642	86	0	30,765
Lease liabilities	6,687	-2,317	23	4,963	9,356
Other financial liabilities	5,402	-1,739	98	1,581	5,342
Total liabilities from financing activities	293,926	-32,685	207	6,544	267,992

2021

IN TEUR	1.1.2021	CASH CHANGES	NON-CASH CHANGES		31.12.2021
			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 25).

NOTE 37

EMPLOYEES

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

	ANNUAL AVERAGE		REPORTING DATE	
	2022	2021	31.12.2022	31.12.2021
Blue collar	998	781	1,076	843
White collar	426	407	408	424
	1,424	1,188	1,484	1,267

NOTE 38

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 2022.

NOTE 39

PROPOSED DIVIDEND

The Executive Board recommends distributing a dividend to shareholders of EUR 2.00 per share for 2022 (previous year: EUR 0.75). This results in a total distribution of MEUR 31.5 (previous year: MEUR 11.8).

NOTE 40

EXPENSES INCURRED FOR THE GROUP AUDITOR

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

IN TEUR	2022	2021
Audit fees	176	161
Other services	41	49

Audit fees for the years 2022 and 2021 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. Dr. Helmut Langanger
Mag. Sonja Zimmermann

AUDIT COMMITTEE:

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

SUPERVISORY BOARD:

Mag. Norbert Zimmermann
(Chairman)

Initial appointment: 1995
End of the current term: 2027

Mag. Brigitte Ederer
(Deputy Chairwoman)

Initial appointment: 2014
End of the current term: 2024

Mag. Dipl.-Ing. Dr. 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 2023

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, 2022 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, 2022 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 property, plant and equipment and intangible assets, including goodwill

DESCRIPTION

In its consolidated financial statements as of December 31 2022, SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft shows material book values for Goodwill (mEUR 134.5), intangible assets (mEUR 12.0) and property, plant and equipment (mEUR 123.8).

Under IFRS, as adopted by the EU, an entity is required to annually test the amount of goodwill and intangible assets with indefinite useful lives for impairment. For intangible assets with a definite life as well as property, plant and equipment, it is required to assess on each balance sheet date whether impairment indicators exist

and if they exist, an impairment test is required for these assets.

Recoverability of property, plant and equipment and intangible assets including goodwill depends on both external factors such as the impact of the Russia-Ukraine-conflict 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 2022 as well.

For intangible assets including goodwill 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". For property, plant and equipment we refer to "Note 4, pts 8" as well as "Note 8". General information on estimates, judgments and assumptions are described in "Note 4, pts 17".

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 2022, 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 28, 2022. We were appointed by the Supervisory Board on April 28, 2022. 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, 2023

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Markus Jandl

Wirtschaftsprüfer / Certified Public Accountant

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

Wirtschaftsprüfer / Certified Public Accountant

REPORT OF THE SUPERVISORY BOARD ON THE 2022 FINANCIAL YEAR

In the 2022 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, and 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 2022 Annual General Meeting was held virtually in conformity with the COVID-19 legislation. At the 2022 Annual General Meeting, Mag. Norbert Zimmermann was confirmed for a further term of office of five years and subsequently elected Chairman of the Supervisory Board and of the Nomination and Remuneration Committee. Supervisory Board Member Dr. Wolfram Littich was elected Chairman of the Audit Committee. Both the Supervisory Board and the Executive Board thus remained unchanged in the 2022 financial year.

The Supervisory Board has the following committees: the Audit Committee and the Remuneration Committee (Nomination and Remuneration Committee). A separate Sustainability Committee has been established. However, its duties are currently performed by the entire Supervisory Board.

In the 2022 financial year, the Remuneration Committee convened once to deal with matters of remuneration,

including, but not limited to, 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) and the principles of remuneration for the members of the Executive Board in accordance with Section 78e AktG. The remuneration report and remuneration policy were approved by the 2022 Annual General Meeting.

The Audit Committee held two meetings in the 2022 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 2021 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 consolidated and annual financial statements 2022 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 Audit Committee conducted a selection procedure in accordance with Article 16 of Regulation (EU) No. 537/2014 (statutory audit regulation) in the 2022 financial year and submitted a reasoned recommendation for the appointment of auditors to the Supervisory Board at its meeting on 23 November 2022. The Supervisory Board will propose to the Annual Meeting 2023 the auditors to be named for the annual and consolidated financial statements 2023 in accordance with this recommendation for appointment.

The annual financial statements as of 31 December 2022 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 2022 and of the earnings situation of the Company for the financial year from 1 January 2022 to 31 December 2022, 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 by analogy with the provisions of Section 251 (3) Austrian Commercial Code (UGB).

The consolidated financial statements as of 31 December 2022, 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 2022 and of the earnings situation and the cashflows of the Group for the 2022 financial year, and that the consolidated 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 consolidated financial statements, and that the consolidated non-financial statement required pursuant to Section 267a Austrian Commercial Code (UGB)

and the consolidated Corporate Governance Report required pursuant to Section 267b Austrian Commercial Code (UGB) were prepared by analogy 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 2022 and the consolidated financial statements 2022.

At its meeting of 15 March 2023 and after discussion and review by the Audit Committee, the Supervisory Board reviewed the submitted annual financial statements as of 31 December 2022 and the management report as well as the consolidated financial statements as of 31 December 2022 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 15 March 2023, the Supervisory Board approved the annual financial statements as of 31 December 2022, which have therefore been 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 2022.

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 2022 financial year and thanks the shareholders and customers of the SBO Group for their trust.

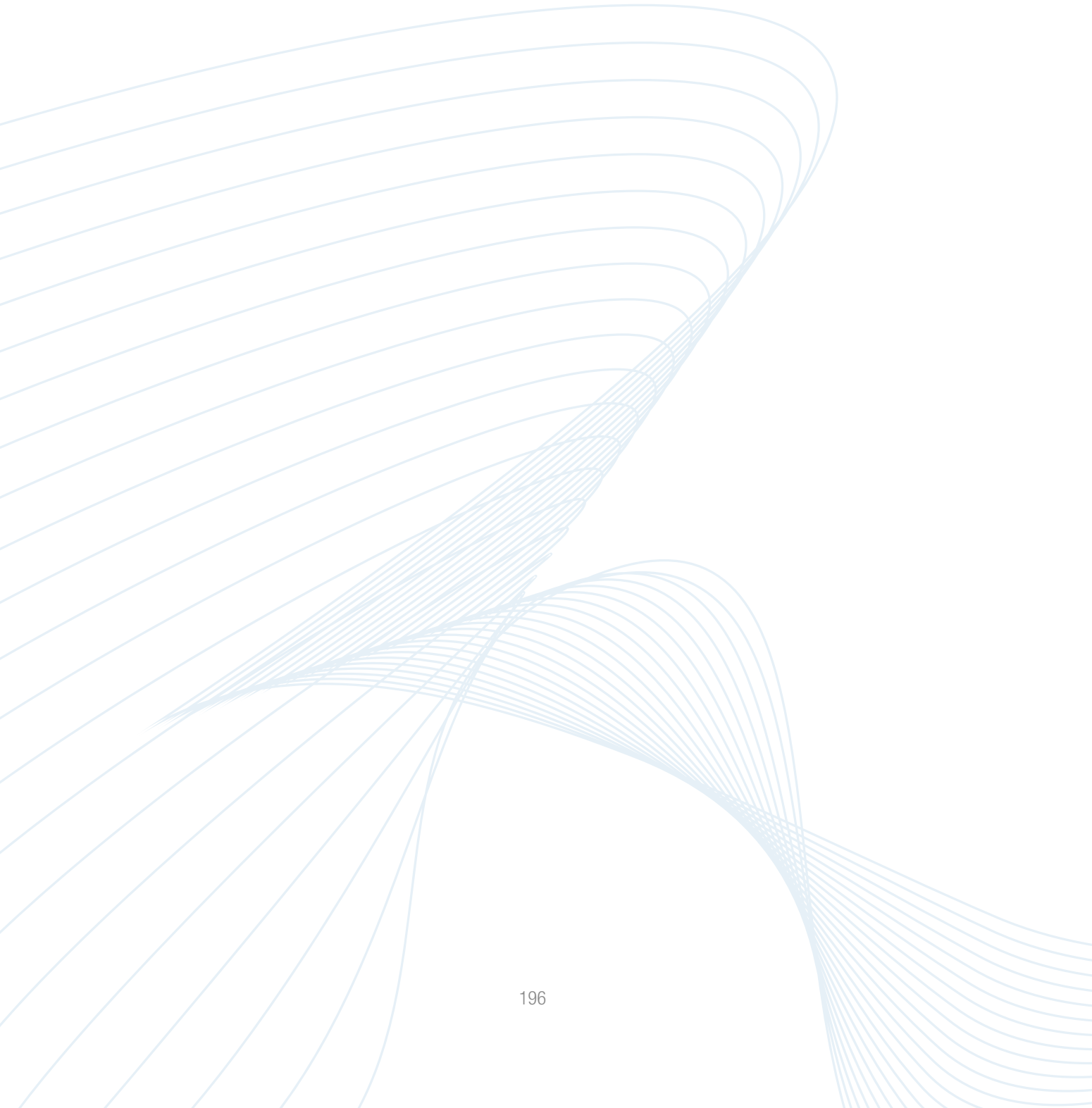
Ternitz, 15 March 2023

The Supervisory Board



Mag. Norbert Zimmermann

Chairman



JAHRES- ABSCHLUSS

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SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

BILANZ zum 31. Dezember 2022

	31.12.2022		31.12.2021	
	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	2.239,84	3		
II. Sachanlagen				
1. Grundstücke, grundstücksgleiche Rechte und Bauten	9.219.491,36	9.676		
2. andere Anlagen, Betriebs- und Geschäftsausstattung	68.850,88	66		
III. Finanzanlagen				
1. Anteile an verbundenen Unternehmen	237.204.036,73	236.669		
2. Ausleihungen an verbundene Unternehmen	58.244.257,12	57.390		
	295.448.993,85	294.059		
	304.738.874,95	306.804		
B. Umlaufvermögen				
I. Forderungen und sonstige Vermögensgegenstände				
1. Forderungen gegenüber verbundenen Unternehmen	15.399.299,35	21.717		
2. sonstige Forderungen und Vermögensgegenstände	1.014.347,95	1.452		
davon mit einer Restlaufzeit von mehr als einem Jahr EUR 808.339,68 (Vorjahr TEUR 1.043)				
II. Kassenbestand, Guthaben bei Kreditinstituten	16.413.646,30	23.169		
	90.520.484,49	100.044		
	106.934.130,79	123.213		
C. Aktive latente Steuern				
	1.685.651,00	2.143		
	108.619.781,79	125.357		
A. Eigenkapital				
I. eingefordertes und eingezahltes Grundkapital	16.000.000,00	16.000		
eigene Anteile	-270.535,00	-271		
II. Kapitalrücklagen	15.729.465,00	15.729		
1. gebundene	70.246.582,03	70.247		
davon für eigene Aktien EUR 270.555,00 (Vorjahr TEUR 271)				
III. Optionsrücklage	2.400.000,00	3.952		
IV. Gewinnrücklagen				
1. gesetzliche Rücklage	785.314,64	785		
2. andere Rücklagen (freie Rücklagen)	9.345.113,24	8.087		
	10.130.427,88	8.872		
V. Bilanzgewinn	34.375.240,23	13.529		
davon Gewinnvortrag EUR 1.731.929,08 (Vorjahr TEUR 4.429)				
	132.861.715,14	112.329		
B. Rückstellungen				
1. Rückstellungen für Abfertigungen	1.588.874,00	864		
2. Steuerrückstellungen	8.691.021,00	4.128		
3. sonstige Rückstellungen	3.048.790,67	1.617		
	13.338.685,67	6.609		
C. Verbindlichkeiten				
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 103.161.400,33 (Vorjahr TEUR 87.693)				
davon mit einer Restlaufzeit von mehr als einem Jahr EUR 163.976.855,38 (Vorjahr TEUR 222.529)				
1. Verbindlichkeiten gegenüber Kreditinstituten	201.197.912,05	222.860		
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 58.287.202,67 (Vorjahr TEUR 21.662)				
davon mit einer Restlaufzeit von mehr als einem Jahr EUR 142.910.709,38 (Vorjahr TEUR 201.198)				
2. Verbindlichkeiten aus Lieferungen und Leistungen	155.373,36	198		
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 155.373,36 (Vorjahr TEUR 198)				
3. Verbindlichkeiten gegenüber verbundenen Unternehmen	42.148.535,58	63.272		
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 42.148.535,58 (Vorjahr TEUR 63.272)				
4. sonstige Verbindlichkeiten	23.636.434,92	23.892		
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 2.570.288,92 (Vorjahr TEUR 2.561)				
davon mit einer Restlaufzeit von mehr als einem Jahr EUR 21.066.146,00 (Vorjahr TEUR 21.331)				
davon aus Steuern EUR 175.610,86 (Vorjahr TEUR 118)				
davon im Rahmen der sozialen Sicherheit EUR 51.155,60 (Vorjahr TEUR 46)				
	267.138.255,91	310.222		
	413.358.656,72	429.160		

GEWINN- UND VERLUSTRECHNUNG

FÜR DAS GESCHÄFTSJAHR VOM 1. JÄNNER BIS 31. DEZEMBER 2022

	2022		2021	
		EUR		TEUR
1. Umsatzerlöse		9.154.526,17		6.435
2. sonstige betriebliche Erträge (übrige)		3.111.742,81		5.322
3. Personalaufwand				
a) Löhne		-179.118,37		-162
b) Gehälter		-4.813.874,08		-2.985
c) soziale Aufwendungen				
aa) Aufwendungen für Altersversorgung	-721.651,56			-155
bb) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	-897.598,40			91
cc) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-465.506,78			-433
dd) übrige	1.097,26			-1
		-2.083.659,48		-498
		-7.076.651,93		-3.645
4. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen		-504.042,64		-512
5. sonstige betriebliche Aufwendungen				
a) Steuern, soweit sie nicht unter Z 15 fallen		-97.378,64		-196
b) übrige		-5.362.463,11		-4.892
		-5.459.841,75		-5.088
6. Zwischensumme aus Z 1 bis 5 (Betriebserfolg)		-774.267,34		2.512
7. Erträge aus Beteiligungen davon aus verbundenen Unternehmen EUR 33.374.386,16 (Vorjahr TEUR 11.227)		33.374.386,16		11.227
8. Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens davon aus verbundenen Unternehmen EUR 2.977.209,61 (Vorjahr TEUR 2.756)		2.978.301,61		2.757
9. sonstige Zinsen und ähnliche Erträge davon aus verbundenen Unternehmen EUR 427.686,32 (Vorjahr TEUR 175)		1.415.064,77		296
10. Erträge aus der Zuschreibung zu Finanzanlagen		1.389.344,34		4.420
11. Aufwendungen aus Finanzanlagen				
a) davon Abschreibungen EUR 0,00 (Vorjahr TEUR -7.350)				
b) davon Aufwendungen aus verbundenen Unternehmen EUR 0,00 (Vorjahr TEUR -7.350)		0,00		-7.350
12. Zinsen und ähnliche Aufwendungen davon betreffend verbundene Unternehmen EUR -150.645,44 (Vorjahr TEUR -687)		-4.408.089,20		-5.125
13. Zwischensumme aus Z 7 bis 12 (Finanzerfolg)		34.749.007,68		6.225
14. Ergebnis vor Steuern (Zwischensumme aus Z 6 und Z 13)		33.974.740,34		8.737
15. Steuern vom Einkommen und vom Ertrag davon latente Steuern EUR -457.813,00 (Vorjahr TEUR -621)		-1.331.429,19		363
16. Ergebnis nach Steuern = Jahresüberschuss = Jahresgewinn		32.643.311,15		9.100
17. Auflösung der Optionsrücklage		1.257.876,32		0
18. Zuweisung zu freien Rücklagen		-1.257.876,32		0
19. Gewinnvortrag aus dem Vorjahr		1.731.929,08		4.429
20. Bilanzgewinn		34.375.240,23		13.529

ANHANG ZUM JAHRESABSCHLUSS 2022

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.

Im Jahr 2022 wurden so wie in 2021 seitens der SBO aufgrund der hohen Liquidität und guten Kapitalausstattung keine COVID-19-Förderungen in Anspruch genommen. Wesentliche positive Auswirkungen auf das Ergebnis der SBO im Geschäftsjahr 2022 hatten Dividendenerträge von Tochtergesellschaften. Aus dem aktuell andauernden Russland-Ukraine-Konflikt waren im Geschäftsjahr 2022 keine wesentlichen Auswirkungen auf den Einzelabschluss der SBO abzuleiten.

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 3,80 % (Vorjahr: 0,9 %), Gehaltssteigerung 4,50 % p. a. (Vorjahr: 3,75 %), 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 Beachtung 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 31.12.2022 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) 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 2022 für die Knust-SBD Pte Ltd., Singapur, zu einer Zuschreibung in Höhe von TEUR 535 geführt, die in den Erträgen aus der Zuschreibung zu Finanzanlagen ausgewiesen ist. Im Vorjahr wurde im Rahmen der durchgeführten Werthaltigkeitstests eine Wertminderung von TEUR 7.350 innerhalb der Aufwendungen aus Finanzanlagen erfasst. Für weitere Angaben zum Vorjahr 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 17.900 (Vorjahr TEUR 0).

UMLAUFVERMÖGEN

FORDERUNGEN UND SONSTIGE VERMÖGENSGEGENSTÄNDE

Die **FORDERUNGEN GEGENÜBER VERBUNDENEN UNTERNEHMEN** resultieren mit TEUR 15.399 aus Konzernfinanzierungen (Vorjahr: TEUR 15.501). Im Vorjahr haben darüberhinaus Forderungen aus Dividenden von TEUR 5.298 und aus verrechneten Leistungen von TEUR 918 bestanden.

Die in den **SONSTIGEN FORDERUNGEN** enthaltenen Erträge, welche nach dem Abschlussstichtag zahlungswirksam werden, betrafen mit TEUR 202 Zinsabgrenzungen (Vorjahr: TEUR 22).

AKTIVE LATENTE STEUERN

Die aktiven latenten Steuern wurden zum Bilanzstichtag für folgende Posten gebildet: Beteiligungen, Sachanlagen und Personalrückstellungen. Basierend auf der gesetzlichen Neuregelung des österreichischen Körperschaftsteuersatzes ab 2023 und aufgrund der untergeordneten Auswirkung der stufenweisen Senkung in 2023 und 2024 erfolgte die Bewertung der latenten Steuern durchgängig mit einem Steuersatz von 23 % (Vorjahr: 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 den Hauptversammlungen vom 23. April 2020 sowie vom 28. April 2022 wurde der Vorstand für die Dauer von jeweils 30 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 % des Grundkapitals zu erwerben. 2022 hat die Gesellschaft so wie im Vorjahr von der Ermächtigung zum Erwerb eigener Aktien keinen Gebrauch gemacht.

Zum Bilanzstichtag 2022 hält die Gesellschaft 270.535 Stück eigene Aktien (Vorjahr: 270.535 Stück). Dies entspricht einem Anteil von 1,69 % (Vorjahr: 1,69 %) am Grundkapital mit einem Anschaffungswert von TEUR 8.771 (Vorjahr TEUR 8.771). Die Anzahl der im Umlauf befindlichen Aktien beträgt somit 15.729.465 Stück (Vorjahr: 15.729.465 Stück).

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

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

Die **FREIE RÜCKLAGE** betrug zum Bilanzstichtag TEUR 9.345 (Vorjahr: TEUR 8.087). Die Veränderung in 2022 resultiert aus der Umgliederung aus der Optionsrücklage in Zusammenhang mit der Beendigung des Aktienprogramms für den Vorstandsvorsitzenden.

Die **OPTIONSRÜCKLAGE** in Zusammenhang mit dem im Jahr 2014 vereinbarten, zwischenzeitlich mehrfach verlängerten und im Geschäftsjahr 2022 teilweise beendeten Vorstandsvergütungsprogramm für die künftige Abgabe von eigenen Aktien beträgt zum Bilanzstichtag TEUR 2.400 (Vorjahr: TEUR 3.952).

Gemäß dem Hauptversammlungsbeschluss vom 28. April 2022 wurden TEUR 11.797 vom **BILANZGEWINN 2021** ausgeschüttet. Der Rest wurde auf neue Rechnung vorgetragen.

RÜCKSTELLUNGEN

In den **ÜBRIGEN RÜCKSTELLUNGEN** sind enthalten:

IN TEUR	31.12.2022	31.12.2021
Jubiläumsgeldrückstellungen	70	69
Rückstellungen für nicht konsumierte Urlaube	487	384
sonstige Personalarückstellungen	1.941	585
Bilanzveröffentlichung	230	220
Rechts-, Prüfungs- und Beratungskosten	134	135
Sonstige Rückstellungen	186	224
Summe	3.049	1.617

VERBINDLICHKEITEN

Der Gesamtbetrag der Verbindlichkeiten mit einer Restlaufzeit von mehr als fünf Jahren beträgt TEUR 3.000 (Vorjahr: TEUR 28.571). Davon entfallen auf Verbindlichkeiten gegenüber Kreditinstituten TEUR 0 (Vorjahr: TEUR 7.571) sowie auf sonstige Verbindlichkeiten TEUR 3.000 (Vorjahr: TEUR 21.000).

Die **VERBINDLICHKEITEN GEGENÜBER VERBUNDENEN UNTERNEHMEN** betreffen mit TEUR 41.588 (Vorjahr: TEUR 62.935) Konzernfinanzierungen, der Restbetrag betrifft Lieferungen und Leistungen.

In den **SONSTIGEN VERBINDLICHKEITEN** sind Aufwendungen in Höhe von TEUR 2.256 (Vorjahr: TEUR 2.260) enthalten, die nach dem Abschlussstichtag zahlungswirksam werden.

HAFTUNGSVERHÄLTNISSE

Haftungsverhältnisse bestanden in folgendem Ausmaß:

IN TEUR	31.12.2022		31.12.2021	
	GESAMTBETRAG	DAVON FÜR VERBUNDENE UNTERNEHMEN	GESAMTBETRAG	DAVON FÜR VERBUNDENE UNTERNEHMEN
Haftungen für Kredite und Kurssicherungen	33.122	33.122	36.551	36.551

Die darüber hinaus in Vorjahren für ein Bankdarlehen eines verbundenen Unternehmens eingeräumten Pfandrechte an Liegenschaften der Gesellschaft bis zu einem Höchstbetrag von TEUR 12.300 sind im Geschäftsjahr 2022 ausgelaufen.

Weiters hat die Gesellschaft gegenüber zwei 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	2022	2021
Verrechnete Holdingleistungen	7.044	4.475
Mieterträge	2.045	1.961

SONSTIGE BETRIEBLICHE ERTRÄGE

Die größten Posten sind:

IN TEUR	2022	2021
Kursgewinne	3.085	5.314

PERSONALAUFWAND

Im Posten **AUFWENDUNGEN FÜR ABFERTIGUNGEN UND LEISTUNGEN AN BETRIEBLICHE MITARBEITER-VORSORGEKASSEN** sind Leistungen an betriebliche Mitarbeiter-Vorsorgekassen in der Höhe von TEUR 33 (Vorjahr: TEUR 27) enthalten.

Von den Aufwendungen für Abfertigungen und Pensionen entfallen TEUR 1.597 (Vorjahr: TEUR 26) auf die Mitglieder des Vorstands. Versicherungsmathematische Verluste aus der Berechnung der Abfertigungsrückstellung dieses Geschäftsjahres betragen TEUR 605 (Vorjahr: Gewinne von TEUR 177). In den Posten Löhne und Gehälter sind Aufwendungen für Rückstellungen für Jubiläumsgelder in Höhe von TEUR 1 (Vorjahr: TEUR 7) enthalten.

SONSTIGE BETRIEBLICHE AUFWENDUNGEN

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

IN TEUR	2022	2021
Wertberichtigungen von Forderungen	0	1.600
Rechts-, Prüfungs- und Beratungskosten	817	936
Dienstleistungen Konzern	742	529
Versicherungen	567	505
Kursverluste	1.462	20

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 in Höhe von TEUR 7.350 siehe im Abschnitt 1. ERLÄUTERUNGEN ZUR BILANZ unter den Angaben zu den Anteilen an verbundenen Unternehmen.

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 Co.Ltd, Binh Duong	(ab 2009)
BICO Drilling Tools Inc., Houston	(ab 2020)

Im Geschäftsjahr 2022 weist die Gesellschaft nach Verrechnung der Steuerumlagen an inländische Gruppenmitglieder in Höhe von TEUR 6.681 (Vorjahr: TEUR 2.680) einen Steueraufwand in Höhe von TEUR 1.331 (Vorjahr Steuerertrag: TEUR 363) aus. Darin sind Aufwendungen für Quellensteuern in Höhe von TEUR 22 (Vorjahr: TEUR 14) sowie ein auf Vorjahre entfallender Steueraufwand von TEUR 14 (Vorjahr: Steuerertrag von TEUR 4) enthalten.

BILANZGEWINN

Der Vorstand schlägt vor, für die dividendenberechtigten Aktien eine Dividende von EUR 2,00 je Aktie (Vorjahr: EUR 0,75) auszuschütten und den verbleibenden Bilanzgewinn auf neue Rechnung vorzutragen.

IV. SONSTIGE ANGABEN

GESCHÄFTSFÄLLE MIT NAHESTEHENDEN UNTERNEHMEN UND PERSONEN

Für das Geschäftsjahr 2022 liegen keine berichtspflichtigen Geschäftsfälle gemäß § 238 (1) Z 12 UGB vor.

AUFWENDUNGEN FÜR DEN ABSCHLUSSPRÜFER

Die Aufwendungen für den Abschlussprüfer 2022 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.

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 2022 an folgenden Unternehmen beteiligt:

		ERGEBNIS IN TEUR	EIGENKAPITAL IN TEUR
	ANTEIL IN PROZENT*	JAHR 2022	31.12.2022
SCHOELLER-BLECKMANN Oilfield Technology GmbH, Ternitz, AT	100,00	22.012	110.797
DSI FZE, Dubai, VAE	100,00	11.908	63.633
Schoeller-Bleckmann America Inc., Wilmington, US	100,00	-8.106	70.822
BICO Drilling Tools Inc., Houston, US	88,70	6.187	64.066
Schoeller-Bleckmann Oilfield Equipment (UK) Limited, Chesterfield, GB	100,00	14.466	32.151
Knust-SBD Pte Ltd., Singapur, SG	51,50	2.029	14.819
Schoeller-Bleckmann Oilfield Equipment Middle East FZE, Dubai, VAE	100,00	1.401	8.339
Schoeller-Bleckmann Oilfield Equipment Vietnam Co., Ltd, Binh Duong, VN	100,00	6.185	27.400
Foxano AG, Luzern, CH	100,00	-1	25.236

Für die Angaben zu weiteren Beteiligungen wird von der Bestimmung gem. § 242 Abs. 2 Z 1 UGB Gebrauch gemacht.

* Direkt gehaltene Anteile

VI. ANGABEN ÜBER ORGANE UND ARBEITNEHMER

Der durchschnittliche Personalstand gliedert sich wie folgt:

	2022	2021
Gehaltsempfänger	15	16
Lohnempfänger	8	8
Summe Mitarbeiter	23	24

Die Bezüge für die Mitglieder des Vorstands setzen sich wie folgt zusammen:

IN TEUR	GRUNDGEHALT	PENSIONS- KASSENBEITRÄGE	ZWISCHENSUMME	ERFOLGSABHÄNGIGE VERGÜTUNG	GESAMT
2022	1.242	714	1.956	630	2.586
2021	1.010	148	1.158	385	1.543

Das Grundgehalt enthält auch Sachbezüge. Die erfolgsabhängigen Vergütungsbestandteile beziehen sich jeweils auf Beträge, die das Vorjahr betreffen und im laufenden Geschäftsjahr ausbezahlt werden.

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 ab 2014 zugesagt. Diese im Rahmen der Verlängerung des Dienstvertrages zwischenzeitlich mehrfach verlängerte Vereinbarung wurde im Jahr 2022 beendet und durch eine Anpassung der fixen und variablen Vergütungsbestandteile in zum Beendigungszeitpunkt wertmäßig vergleichbarer Höhe ersetzt. Die diesbezüglich in 2022 bereits ausbezahlten Beträge sind in den in oben dargestellten Bezügen enthalten. Die in der Vergangenheit übertragenen Aktien unterlagen für eine Dauer von 2 Jahren ab der jeweiligen Übertragung einer Verfügungs- und Belastungsbeschränkung seitens Herrn Ing. Grohmann. Diese Beschränkungen wurden im Rahmen der Beendigung des Programmes in 2022 aufgehoben. Der Kurswert zum Zeitpunkt der letzten Übertragung von 6.000 Aktien in 2021 betrug TEUR 228. Zum 31. Dezember 2021 betrug der Kurswert der 12.000 Stück bereits übertragenen und einer Verfügungsbeschränkung unterliegenden Aktien TEUR 371.

Weiters wurde dem Vorstandsvorsitzenden im Geschäftsjahr 2014 eine freiwillige Abfertigung in Höhe von 30.000 Stück SBO Aktien bei Vertragsende zugesagt. Zum Zeitpunkt der Zusage wurde der Wert je Aktie mit EUR 70,00 auf Basis des Durchschnittskurses der vorhergehenden 36 Monate ermittelt. Nachdem dafür bereits in Vorjahren vollständig vorgesorgt wurde, ergab sich für die Gesellschaft daraus sowohl in 2021 als auch in 2022 kein weiterer Aufwand.

Die Vergütungen an den Aufsichtsrat betragen im Geschäftsjahr 2022 für das Geschäftsjahr 2021 TEUR 170 als pauschale Aufwandsentschädigung (Vorjahr: TEUR 180).

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 2023

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand

Ing. GERALD GROHMANN

Mag. KLAUS MADER

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Anlagenpiegel gemäß § 226 (1) UGB per 31.12.2022

Beträge in EURO	Anschaffungs- bzw. Herstellungskosten				kumulierte Abschreibungen				Buchwert 31.12.2022	Buchwert 31.12.2021	
	Vortrag 01.01.2022	Zugänge	Abgänge	Stand 31.12.2022	Vortrag 01.01.2022	Zugänge	Abgänge	Zuschreibungen Stand 31.12.2022			
I. Immaterielle Vermögensgegenstände											
Konzessionen, gewerbliche Schutzrechte und 1. ähnliche Rechte	68.836,60	0,00	0,00	68.836,60	65.183,76	1.414,00	0,00	0,00	66.597,76	2.238,84	3.652,84
Summe immaterielle Vermögensgegenstände	68.836,60	0,00	0,00	68.836,60	65.183,76	1.414,00	0,00	0,00	66.597,76	2.238,84	3.652,84
II. Sachanlagevermögen											
Grundstücke, grundstücksgleiche Rechte und Bauten, davon Grundwert EUR 3.560.935,26 (2021: 1. TEUR 3.560,9)	20.063.262,67	2.761,10	0,00	20.066.043,77	10.387.382,03	459.170,38	0,00	0,00	10.846.552,41	9.219.491,36	9.675.880,64
2. andere Anlagen, Betriebs- und Geschäftsausstattung	666.494,90	30.942,50	0,00	697.437,40	600.831,25	27.755,27	0,00	0,00	628.586,52	68.850,88	65.663,65
3. geringwertige Wirtschaftsgüter	0,00	15.702,99	-15.702,99	0,00	0,00	15.702,99	-15.702,99	0,00	0,00	0,00	0,00
Summe Sachanlagen	20.729.757,57	49.426,59	-15.702,99	20.763.481,17	10.988.213,28	502.628,64	-15.702,99	0,00	11.475.138,93	9.288.342,24	9.741.544,29
III. Finanzanlagen											
1. Anteile an verbundenen Unternehmen	256.169.036,73	0,00	0,00	256.169.036,73	19.500.162,89	0,00	0,00	-535.162,89	18.965.000,00	237.204.036,73	236.668.873,84
2. Ausleihungen an verbundenen Unternehmen	58.244.257,12	0,00	0,00	58.244.257,12	854.181,45	0,00	0,00	-854.181,45	0,00	58.244.257,12	57.390.075,67
Summe Finanzanlagen	314.413.293,85	0,00	0,00	314.413.293,85	20.354.344,34	0,00	0,00	-1.389.344,34	18.965.000,00	295.448.293,85	294.068.949,51
SUMME ANLAGEVERMÖGEN	335.211.885,02	49.426,59	-15.702,99	335.245.611,62	31.407.741,38	504.042,64	-15.702,99	-1.389.344,34	30.506.736,69	304.738.874,93	303.804.146,64



SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

LAGEBERICHT FÜR DAS GESCHÄFTS- JAHR 2022

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 2022 MEUR 9,2 (Vorjahr: MEUR 6,4). 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 3,1 (Vorjahr: MEUR 5,3). Die **SONSTIGEN BETRIEBLICHEN AUFWENDUNGEN** enthalten Kursverluste in Höhe von MEUR 1,5 (Vorjahr: MEUR 0,0). Die Kurseffekte ergaben sich in erster Linie aus dem im Jahresverlauf 2022 bis zum September deutlich stärker und danach wieder schwächer werdenden USD.

Das **ERGEBNIS VOR STEUERN** betrug im Geschäftsjahr 2022 MEUR 34,0 (Vorjahr: MEUR 8,7). Darin enthalten sind **ERTRÄGE AUS BETEILIGUNGEN** in Höhe von MEUR 33,4 (Vorjahr: MEUR 11,2). Die **ERTRÄGE AUS DER ZUSCHREIBUNG ZU FINANZANLAGEN** in Höhe von MEUR 1,4 resultieren mit MEUR 0,5 aus einer Beteiligungszuschreibung sowie mit MEUR 0,9 aus Kurseffekten (im Vorjahr

aus Kurseffekten in Höhe von MEUR 4,4). Im aktuellen Jahr gab es keine **AUFWENDUNGEN AUS FINANZANLAGEN**, während im Vorjahr eine Beteiligungsabwertung erfolgte. Diesbezüglich wird von der Bestimmung gem. § 242 Abs 2 Z 2 UGB Gebrauch gemacht.

In den Jahren 2022 und 2021 gab es keine nennenswerten **ZUGÄNGE ZU SACHANLAGEN UND IMMATERIELLEN VERMÖGENSGEGENSTÄNDEN**.

In 2022 gab es so wie in 2021 keine **ZUGÄNGE ZU FINANZANLAGEN**.

Die **BILANZSUMME** ist im Geschäftsjahr mit MEUR 413,4 gegenüber dem Vorjahr (MEUR 429,2) leicht gesunken. Dies ist in erster Linie auf die planmäßige Tilgung von Fremdmitteln in Höhe von MEUR 21,7 zurückzuführen.

Die **EIGENKAPITALQUOTE** ist auf Grund der gesunkenen Bilanzsumme und dem positiven Jahresergebnis auf 32,1 % gestiegen (Vorjahr: 26,2 %).

Ebenso ist das **LANGFRISTIG GEBUNDENE VERMÖGEN** (überwiegend Finanzanlagen) auf 73,7 % der Bilanzsumme leicht gestiegen (Vorjahr: 70,8 %).

Es bestehen keine Zweigniederlassungen der SBO.

Mitarbeiter

Der **PERSONALSTAND** der SBO zum 31. Dezember 2022 betrug 23 Mitarbeiter (15 Gehaltsempfänger und 8 Lohnempfänger). Im Vorjahr belief sich die Mitarbeiteranzahl auf 23 (15 Gehaltsempfänger und 8 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-KONZERNES

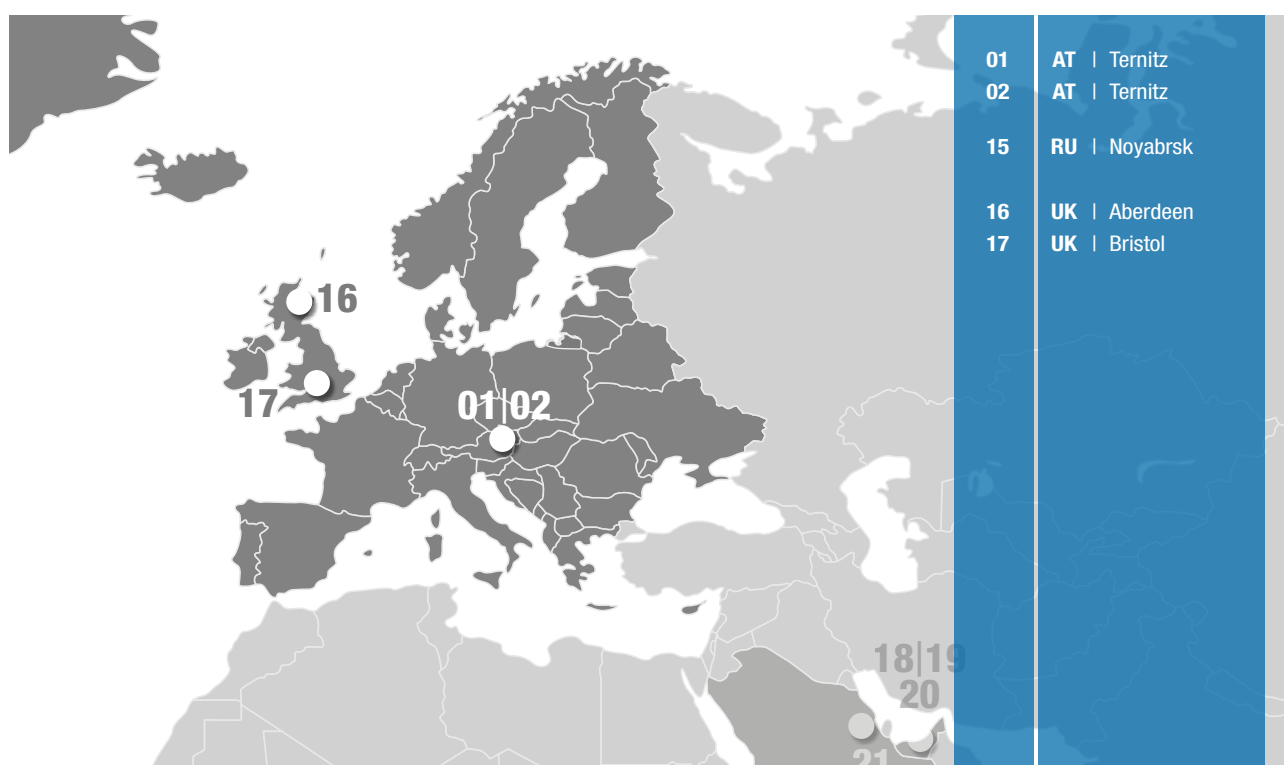
Die Herausforderungen des Welthandels sorgten für einen Rückgang des Weltwirtschaftswachstums im abgelaufenen Geschäftsjahr. Laut aktuellen Schätzungen des Internationalen Währungsfonds (IWF) stieg die globale Wirtschaftsleistung 2022 nur um 3,4 %, nach einem Plus von 6,2 % in 2021. Diese

Entwicklung vollzog sich über die Regionen hinweg: Die Wirtschaftsleistung der Industrienationen lag nach einem Wachstum von 5,4 % in 2021 bei 2,7 % in 2022, jene der Schwellenländer kam auf 3,9 %, nach einem Anstieg von 6,7 % in 2021.¹

¹ IWF, World Economic Outlook, Jänner 2023.

REGIONEN

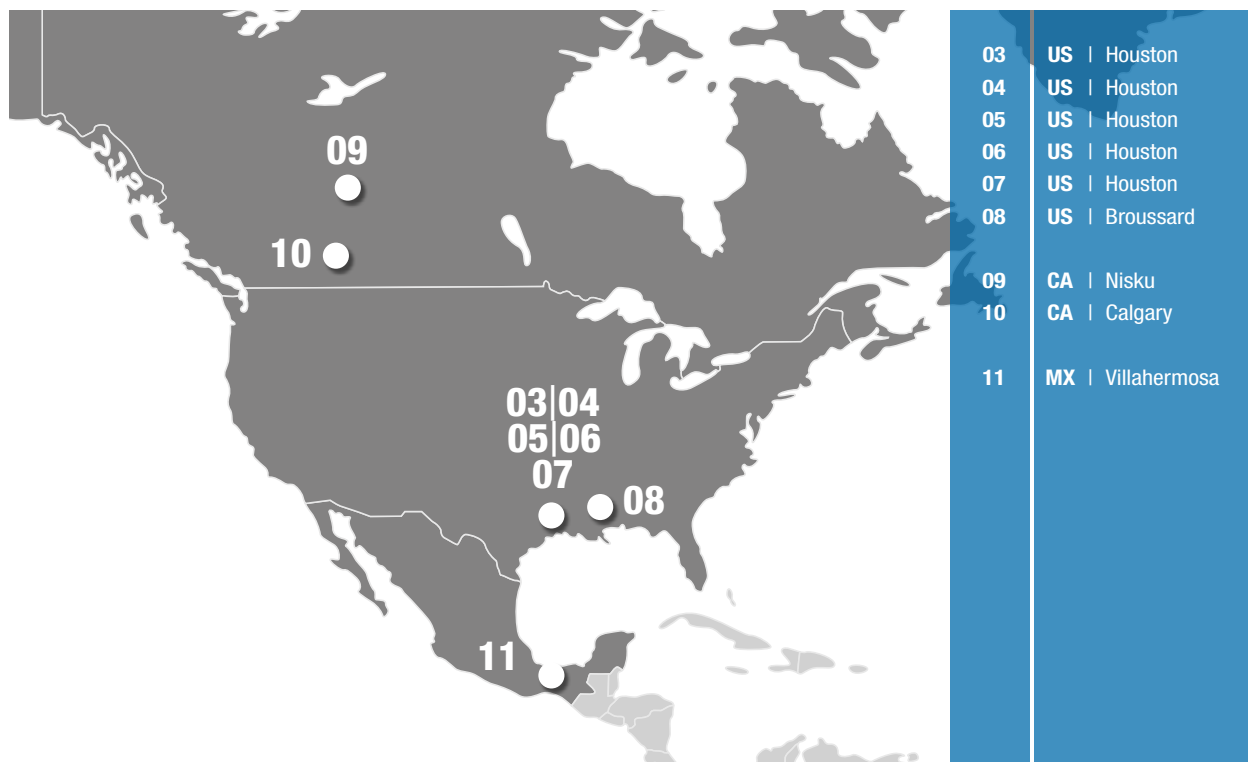
EUROPA (INKLUSIVE UK)



Der russische Angriffskrieg in der Ukraine hatte weitreichende, dramatische humanitäre Auswirkungen und forderte insbesondere durch die hohen Energiepreise und die sich ausweitende Inflation einen immer höheren volkswirtschaftlichen Tribut. Für die europäische Wirtschaft kam der Krieg in der Ukraine zu einer Zeit, in der der private Verbrauch und die Investitionen noch unter den Vor-Pandemie-Niveaus

lagen. Der steilen Inflationskurve wurde durch Leitzinserhöhungen gegengesteuert. Das europäische Wirtschaftswachstum war widerstandsfähiger als ursprünglich erwartet und stieg dem IWF zufolge um 3,5 %. Russland hingegen verzeichnete in Folge der internationalen Sanktionen einen wirtschaftlichen Abschwung von 2,2 %.

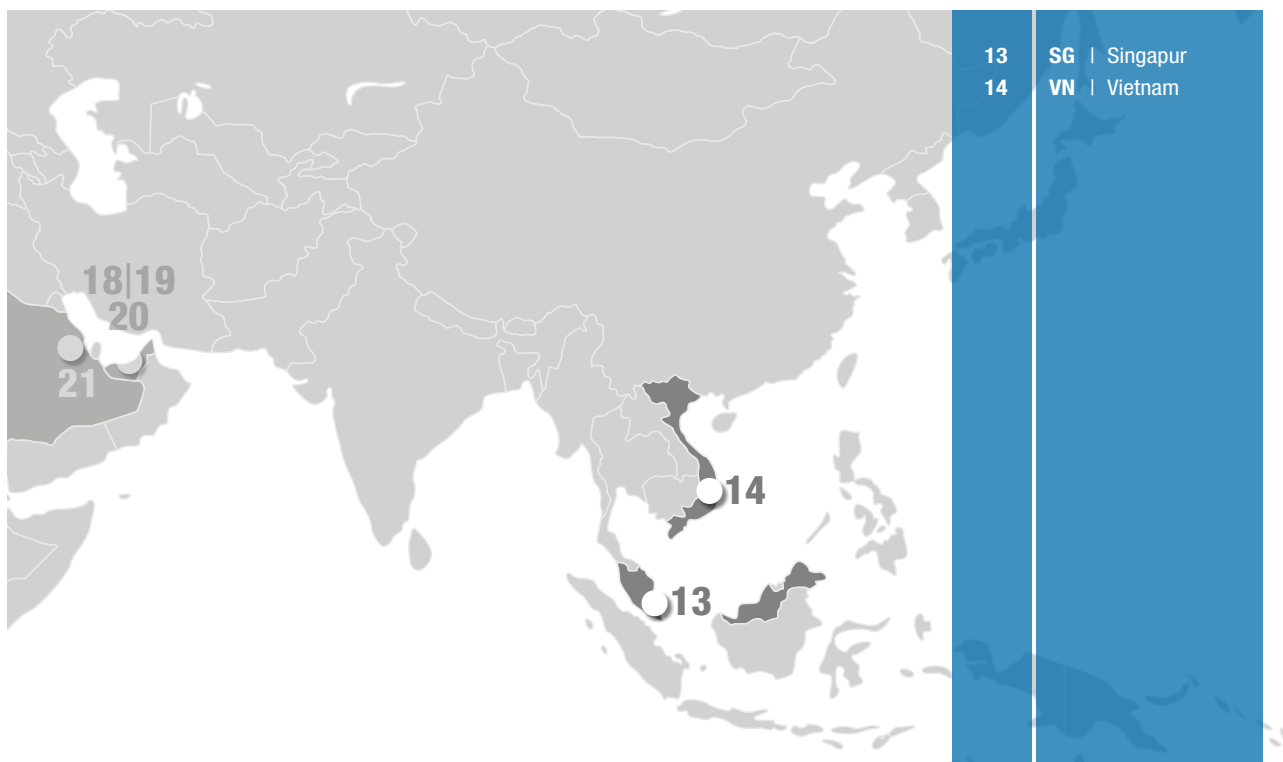
NORDAMERIKA (INKLUSIVE MEXIKO)



Das nordamerikanische Wirtschaftsumfeld sah sich mit einigen Herausforderungen konfrontiert: Das durch die steigende Inflation rückläufige real verfügbare Einkommen beeinträchtigte die Verbrauchernachfrage, der Krieg in der Ukraine führte zu einem Anstieg der Energiepreise. Zudem wirkten sich Unterbrechungen

der Lieferketten und Arbeitskräftemangel negativ auf die Wirtschaftsleistung aus. Dennoch wurde 2022 weiteres wirtschaftliches Wachstum verzeichnet. Im Gesamtjahr stieg die Wirtschaftsleistung in den USA um 2,0 % an, in Kanada kam es laut IWF zu einem Anstieg von 3,5 %, Mexiko verzeichnete einen Anstieg von 3,1 %.

ASIEN



Der asiatisch-pazifische Raum kämpfte im Jahresverlauf mit einem Rückgang der Kaufkraft privater Haushalte aufgrund höherer Lebensmittel- und Energiepreise. Ferner reagierten die asiatischen Schwellen- und Entwicklungsländer negativ auf das schwächere Wachstum der Wirtschaftsleistung in

China, wo COVID-19 Maßnahmen wie Lockdowns die Wirtschaftstätigkeiten bremsen. So war das Wirtschaftswachstum in China im Verlauf des Jahres rückläufig und verzeichnete mit 3,0 % im Jahr 2022 das niedrigste Wachstum seit mehr als vier Jahrzehnten, mit Ausnahme der ersten COVID-19-Welle im Jahr 2020.

LATEINAMERIKA



In Lateinamerika und der Karibik (LAC) kam es dank günstiger Rohstoffpreise und weiterhin günstiger Kreditbedingungen insbesondere im ersten Halbjahr 2022 zu einem anhaltenden Wirtschaftswachs-

tum. Besonders positiv konnten sich laut IWF die erdölexportierenden Länder in der Region entwickeln, etwa Kolumbien oder Venezuela. In der Gesamtregion stieg das reale BIP im Gesamtjahr 2022 um 3,9 %.

MITTLERER OSTEN



Die Region des Mittleren Ostens und Zentralasiens konnte beträchtliche Fortschritte durch die Wiederaufnahme der Aktivitäten nach den COVID-19-Lockdowns machen. Die Indikatoren zeigten für diese

Region klar nach oben und ließen die Wirtschaftsleistung im Jahr 2022 um 5,3 % steigen. In Saudi-Arabien konnte ein Anstieg der Wirtschaftsleistung um 8,7 % verzeichnet werden.²

² IMF, World Economic Outlook, Jänner 2023.

ENERGIEMARKT

Der russische Angriffskrieg in der Ukraine löste im Jahr 2022 eine Umschichtung der globalen Energieströme aus. Das Bedürfnis nach Energiesicherheit dominierte die politischen Handlungen: Regierungen versuchten sich möglichst schnell alternative Energieträger zu sichern und ausreichend Erdgas zu speichern. Weitere kurzfristige Lösungen beinhalteten die Ausweitung der Verstromung von Öl und Kohle, die Verlängerung der

Laufzeiten einiger Kernkraftwerke und das Vorantreiben von neuen Projekten für erneuerbare Energien. Dabei wurden nicht nur kurzfristige Maßnahmen ergriffen: Die IEA prognostiziert, dass erneuerbare Energien und Kernkraft langfristige Zuwächse verzeichnen werden, die krisenbedingte Renaissance der Kohle soll hingegen nicht von Dauer sein.

Wasserstoff

Wasserstoff und Wasserstoffderivate werden mittel- und langfristig eine wichtige Rolle in der Dekarbonisierung emissionsintensiver Industrien, wie z.B. der Schwerindustrie, und im Schwerlasttransport spielen. 2021 lag die weltweite Wasserstoffnachfrage

laut IEA bei 94 Mio. Tonnen (Mt), von denen aktuell weniger als 1 % emissionsarm produziert werden. Die Nachfrage soll sich bis 2030 auf rund 180 Mt beinahe verdoppeln, die Produktion von „grünem“ Wasserstoff dabei auf über 30 Mt pro Jahr steigen.³

Geothermie

Die Geothermie ist im heutigen globalen Energiemix noch unterrepräsentiert. Dies soll sich aber mittelfristig ändern: Denn sie ist eine Grundlastquelle, erfordert einen minimalen Flächenbedarf im Vergleich zu vielen anderen Energiequellen und kann sowohl für die Stromerzeugung als auch für die Wärmegewinnung

verwendet werden. Damit wird Geothermie künftig eine wichtigere Rolle einnehmen. Die Investitionen in den Ausbau der Erschließung von Geothermie sollen zwischen 2022 und 2030 rund USD 85 Milliarden betragen.⁴

Erdgas und Erdöl

Zur Erreichung der internationalen Klimaziele wurde in der Europäischen Union Erdgas als Übergangsresource eingestuft. Die weltweite Erdgasnachfrage sank zwar im Jahr 2022 leicht um 32 bcm bzw. 0,78 %, nach

einer Zunahme um 173 bcm bzw. 4,4 % im Jahr 2021.⁵ Hauptgrund waren die politischen Maßnahmen der Europäischen Union, die zu einem Rückgang der Lieferungen aus Russland um fast 40 % in den ersten

³ International Energy Agency (IEA), Hydrogen, Energy System Overview 2022.

⁴ Rystad Energy Geothermal Solution, Whitepaper: Geothermal Market Overview, Oktober 2022.

⁵ International Energy Agency (IEA), Gas Market Report, Q4-2022.

acht Monaten des Jahres 2022 führten, sowie der relativ warme Winter 2022. Kompensiert wurde das unter anderem durch Erdöl, dessen Nachfrage 2022 um 2,3 mb/d auf 100,0 mb/d stieg.⁶ Die Notwendigkeit von Erdgas ist evident: 2022 wurden etwa 40 % des europäischen Energiebedarfs für Raumheizung und Wasseraufbereitung in Privathaushalten mit Erdgas gedeckt. Weiters deckte Erdgas 2022 bis zu 20 % der gesamten Stromerzeugung und 25 % des Energiebedarfs der Industrie. Die Substitution von Erdgas bzw. Erdgaslieferanten ist ein entscheidender Faktor für die kurzfristige Fähigkeit der Europäischen Union, sich auf weitere mögliche Versorgungspässe vorzubereiten.⁷

Der Rückgang russischer Gaslieferungen nach Europa führte zu einem dramatischen Anstieg der europäischen Gaspreise und indirekt auch der asiatischen Spot-LNG Preise. Auch in den USA kam es im Jahresverlauf zu den höchsten Gaspreisen seit dem Sommer 2008. Die hohen Preise und die angespannte Versorgungslage führten zu einem schrittweisen Rückgang des Erdgasverbrauchs in vielen Regionen. Wichtige asiatische Gasmärkte verzeichneten 2022 pandemiebedingt begrenztes bis negatives Wachstum.⁸

Dagegen stieg die durchschnittliche globale Ölnachfrage im Jahr 2022 und verzeichnete laut IEA ein Wachstum von 2,3 Millionen Barrel pro Tag (mb/d) oder 2,4 % auf 100,0 mb/d (2021: 97,7 mb/d).⁹ Die erhöhte Nachfrage reflektierte sich auch in der Anzahl der weltweiten Bohranlagen für Öl und Gas (Rig Count), die im Verlauf des Jahres 2022 um 17,3 % auf 1.834 Anlagen zunahm (Dezember 2021: 1.563 Anlagen). Der Anstieg

war über alle Regionen hinweg sichtbar. So stieg der Rig Count in den USA um 34,5 % auf 779 Anlagen (Dezember 2021: 579 Anlagen), in Kanada stieg der Rig Count um 3,3 % auf 155 Anlagen (Dezember 2021: 150). International wurde ein Anstieg von 7,9 % auf 900 Anlagen verzeichnet (Dezember 2021: 834 Anlagen).¹⁰

Die Energiepreise zogen im Jahr 2022 stark an. Der Gaspreis startete mit USD 3,73/MMBtu (million British thermal units) ins Jahr 2022, erreichte im Jahresverlauf einen Höchststand von über USD 9,68/MMBtu und schloss Ende Dezember mit einem Kurs von USD 4,48/MMBtu, ein Plus von 20,1 % seit Jahresbeginn.¹¹ Auch die Ölpreise legten im Jahr 2022 deutlich zu. Unterstützt 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 77,78 pro Barrel ins Jahr 2022, erreichte im Jahresverlauf einen Höchststand von über USD 127,98 und lag am letzten Handelstag bei USD 85,91, seit Jahresbeginn eine Steigerung von 10,5 %. Im gleichen Zeitraum stieg der Kurs von WTI von USD 75,21 pro Barrel und erreichte nach einem Höchststand von über USD 123,70 zu Jahresende einen Preis von USD 80,26, was seit Jahresbeginn einem Plus von 6,7 % entspricht.¹²

Die weltweiten Ausgaben für Exploration und Produktion (E&P-Ausgaben) stiegen im Jahr 2022 um insgesamt 20 %, wobei das größte Wachstum in Nordamerika zu verzeichnen war: Hier nahmen die E&P-Ausgaben um 44 % zu. International stiegen die Ausgaben 2022 um 15 %.¹³

⁶ International Energy Agency (IEA), Oil Market Report, Februar 2023.

⁷ International Energy Agency (IEA), World Energy Outlook 2022, Oktober 2022.

⁸ International Energy Agency (IEA), Gas Market Report, Q4-2022.

⁹ International Energy Agency (IEA), Oil Market Report, Februar 2023.

¹⁰ Baker Hughes Rig Count.

¹¹ Bloomberg: NG1 Natural Gas (Nymex).

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

¹³ Evercore ISI, The 2022 Evercore ISI Global E&P Spending Outlook, Dezember 2022.

GESCHÄFTSENTWICKLUNG DES SBO-KONZERNES

Die SBO Gruppe konnte im Jahr 2022 eine hervorragende Geschäftsentwicklung verzeichnen. Die Dynamik auf den Energiemärkten und eine entsprechend hohe Nachfrage nach Produkten und Lösungen von SBO sorgten im Gesamtjahr für ein Allzeithoch beim Auftragseingang und Vervielfachungen im Ergebnis.

Das Book-to-Bill-Ratio, das als Kennzahl den Auftragseingang ins Verhältnis zum Umsatz setzt und ein Indikator für die mittelfristige Entwicklung ist, lag deutlich über 1 und unterstreicht den positiven Ausblick für das Jahr 2023.

UMSATZ UND ERGEBNIS

Der Umsatz der SBO Gruppe stieg um mehr als 70 % auf MEUR 501,2 (2021: MEUR 292,8). Der Auftragseingang erreichte einen Rekordwert von MEUR 646,0, ein Plus von 88,2 % (2021: MEUR 343,3). Der Auftragsstand hielt bei MEUR 265,0 (2021: MEUR 111,7).

Das Ergebnis vor Zinsen, Steuern und Abschreibungen (EBITDA) erhöhte sich auf MEUR 129,1 (2021: MEUR 60,0). Das Betriebsergebnis EBIT konnte SBO auf MEUR 96,2 mehr als verdreifachen (2021:

MEUR 28,2), Die EBITDA-Marge verbesserte sich auf 25,8 % (2021: 20,5 %), die EBIT-Marge auf 19,2 % (2021: 9,6 %).

Das Finanzergebnis lag bei MEUR minus 2,8 (2021: MEUR minus 4,8). Das Ergebnis vor Steuern wurde auf MEUR 93,3 nahezu vervierfacht (2021: MEUR 23,4), das Ergebnis nach Steuern erhöhte sich auf MEUR 75,2 (2021: MEUR 21,0). Das Ergebnis pro Aktie stieg auf EUR 4,78 (2021: EUR 1,33).

SEGMENTERGEBNISSE

Das Geschäft der SBO Gruppe gliedert sich in die beiden Segmente „Advanced Manufacturing & Services“ (AMS) und „Oilfield Equipment“ (OE). 2022 hielten sich die beiden Bereiche nahezu in Balance: Der Umsatz im AMS-Segment stieg kräftig auf MEUR 248,7 an (2021: MEUR 141,4), das Betriebsergebnis (EBIT)

verdreifachte sich auf MEUR 48,3 (2021: MEUR 16,1). Das Segment „Oilfield Equipment“ (OE) steigerte den Umsatz auf MEUR 252,5 (2021: MEUR 151,4), das EBIT erhöhte sich auf MEUR 50,1 (2021: MEUR 10,4), was nahezu einer Verfünffachung entspricht.

BILANZKENNZAHLEN UND CASHFLOW

Das Eigenkapital der SBO Gruppe stieg im Jahr 2022 um 24,7 % an und belief sich zum 31. Dezember 2022 auf MEUR 425,0 (2021: MEUR 340,9). Die Eigenkapitalquote von SBO steigerte sich auf 47,1 % (2021: 42,3 %). Der Bestand an liquiden Mitteln kam auf MEUR 287,8 (2021: MEUR 291,8). Die Nettoliquidität erhöhte sich auf MEUR 34,5 (2021: MEUR 9,9), das Gearing verbesserte sich auf minus 8,1 % zum 31. Dezember 2022 (2021: minus 2,9 %).

Der Cashflow aus der operativen Geschäftstätigkeit konnte sich mehr als verdoppeln und betrug 2022 MEUR 52,4 (2021: MEUR 22,9), der freie Cashflow drehte sich signifikant ins Positive und lag bei MEUR 27,1 (2021: MEUR minus 17,0). Die Investitionen in Sachanlagevermögen und immaterielle Vermögenswerte (CAPEX) stiegen auf MEUR 31,0 (2021: MEUR 19,4). Am 31. Dezember 2022 betrug das Bestellobligo für Sachanlagen MEUR 5,6 (2021: MEUR 3,2).

DIVIDENDENVORSCHLAG

Der Vorstand wird der Hauptversammlung am 27. April 2023 vorschlagen, für das Geschäftsjahr 2022

eine Dividende von EUR 2,00 pro Aktie auszuschütten (2021: EUR 75 Cent pro Aktie).

2) Bericht über die voraussichtliche Entwicklung und die Risiken des Unternehmens

AUSBLICK DES SBO-KONZERNS

Nach einem globalen Anstieg der Wirtschaftsleistung um 3,4 % im Jahr 2022 wird für das Jahr 2023 ein weltweites Wirtschaftswachstum von 2,9 % prognostiziert. Die Wirtschaft der Industriestaaten soll dabei um 1,2 % wachsen, nach einem Anstieg von

2,7 % in 2022. Für das Wirtschaftswachstum in den Schwellen- und Entwicklungsländern erwartet der IWF für 2023 einen Anstieg um 4,0 %, nach einer ähnlichen Entwicklung mit einem Wachstum von 3,9 % in 2022.¹⁴

¹⁴ IWF, World Economic Outlook, Jänner 2023.

Prognose Wirtschaftsentwicklung in einzelnen Regionen und Ländern

- In der Eurozone wird für das Jahr 2023 ein Anstieg der Wirtschaftsleistung von 0,7 % prognostiziert (nach 3,5 % in 2022).
- Die Wirtschaft in den USA soll im Jahr 2023 um 1,4 % wachsen (nach 2,0 % in 2022), jene in Kanada um 1,5 % (nach 3,5 % in 2022).
- In Lateinamerika soll die Wirtschaft im Jahr 2023 um 1,8 % wachsen (nach 3,9 % in 2022).
- In den Regionen des Mittleren Osten und Zentralasien soll das Wirtschaftswachstum 2023 3,2 % betragen (nach 5,3 % in 2022).
- In China soll die Wirtschaftsleistung im Jahr 2023 wieder um 5,2 % steigen (nach 3,0 % in 2022).
- Indien soll 2023 ein Wirtschaftswachstum von 6,1 % (nach 6,8 % in 2022) erfahren.

Die Internationale Energieagentur (IEA) geht in ihrem Stated Policies Scenario trotz der abgeschwächten Wirtschaftsaussichten – die weiterhin vom weltweiten Kampf gegen die Inflation und von Russlands Krieg in der Ukraine belastet sind – davon aus, dass die Primärenergienachfrage bis 2030 um etwa 1 % pro Jahr ansteigen soll. Erneuerbare Energien sollen dabei im Durchschnitt mehr als die Hälfte des gesamten Anstiegs der Energienachfrage abdecken. Insgesamt soll damit im Jahr 2030 auf Öl und Gas ein Anteil an der weltweiten Gesamtenergie von 51,7 % (derzeit 52,7 %) und auf erneuerbare Energien ein Anteil von 17,2 % (derzeit 11,9 %) entfallen.¹⁵

Auch die kurzfristigen Marktdaten sind sowohl für Öl und Gas als auch für kohlenstoffarme Energieressourcen überzeugend. Die IEA rechnet für das Jahr 2023 mit einem steigenden Gas- und Ölbedarf: So soll die Nachfrage nach Gas um 14 Milliarden Kubikmeter (bcm) auf 4.085 bcm steigen¹⁶, jene nach Öl um 1,9 Millionen Barrel pro Tag (mb/d) auf einen Rekordwert von 101,9 mb/d¹⁷. Auch bis zum Jahr 2030 wird mit einer Zunahme der Nachfrage beider Energiequellen gerechnet: Für Gas wird von einem Nachfrageanstieg von 3,8 % auf 4.372 bcm ausgegangen, für Öl wird ein Wachstum von 8,4 % auf 102,4 mb/d prognostiziert.¹⁸

¹⁵ International Energy Agency (IEA), World Energy Outlook 2022, Oktober 2022.

¹⁶ International Energy Agency (IEA), Gas Market Report Q4-2022.

¹⁷ International Energy Agency (IEA), Oil Market Report, Februar 2023.

¹⁸ International Energy Agency (IEA), World Energy Outlook 2022, Oktober 2022; Referenzjahr laut Bericht: 2021.

Im vergangenen Jahr hat das Bewusstsein für Energiesicherheit deutlich zugenommen. Für 2023 rechnen anerkannte Banken und Analysehäuser bei den globalen Ausgaben für Exploration und Produktion neuer Öl- und Gasfelder (E&P-Ausgaben) mit einem Anstieg von 14 % nach einem Wachstum von 20 % im Jahr 2022. Am nordamerikanischen Markt sollen nach einem außerordentlich starken Jahr 2022 die E&P-Ausgaben um 18 % wachsen. Während sich das Wachstum in den USA im Jahr 2023 auf 19 % belaufen soll, werden die E&P Ausgaben in Kanada Prognosen zufolge um 11 % steigen. International wird ein Anstieg von 13 % prognostiziert.¹⁹

Die Fundamentaldaten für Öl und Gas bleiben somit stark. Die erhöhten Investitionen in die Exploration und Produktion neuer Öl- und Gasfelder, die geringen Öl-Lagerbestände und OPEC-Reservekapazitäten sowie die internationalen Bemühungen um Energieunabhängigkeit von Russland lassen einen steigenden Öl- und Gasbedarf erwarten. Damit blickt die Industrie 2023 und in den Folgejahren einem positiven Zyklus entgegen, dies sollte sich auch positiv auf das aktuelle

Kerngeschäft von SBO auswirken. Gleichzeitig wird auch ein deutlicher Ausbau des „New Energy“-Bereichs prognostiziert.

Die SBO Gruppe konnte im Jahr 2022 dynamisch mit dem Markt wachsen und geht davon aus, dass sich diese Entwicklung 2023 fortsetzt. Mit den Prognosen von weiterhin steigenden Investitionen in Exploration und Produktion und gut gefüllten Auftragsbüchern startet der Konzern mit Rückenwind in das Jahr 2023. Weiters wird die Strategie 2030 vorangetrieben. In dieser positionieren wir uns für die wichtigsten Entwicklungen der Energiezukunft und werden sie mit technologischen Innovationen im Bereich Öl und Gas und im Bereich New Energy mitgestalten. Wesentliches Element der Strategie 2030 ist der Aufbau eines neuen Segments außerhalb des aktuellen Kerngeschäfts, das langfristig rund 50 % des Konzernumsatzes vorwiegend in nachhaltigen Energietechnologien generieren soll. Die bereits laufenden, internen wie externen Projekte zur Identifizierung zukunftsreicher Technologien und Targets im Bereich New Energy werden konsequent fortgesetzt.

¹⁹ Evercore ISI, The 2022 Evercore ISI Global E&P Spending Outlook, Dezember 2022.

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 im Bereich von Forschung & Entwicklung (F&E). Auch im Jahr 2022 haben wir unter anderem folgende Innovationen entwickelt:

Datenplattform für Zerspanung

In einem neuen, modularen Applikationssystem mit einer zentralen Datenplattform werden Prozess- und Fertigungsdaten zu einem intelligenten Datenpool vereint. Das System vernetzt alle Prozesshalter aus dem CNC-Zerspanungsbereich mit diesen Daten und unterstützt somit CNC-Facharbeiter auf der Fertigungsmaschine, die Werkzeugvoreinstellung, die Ersteller von Bearbeitungsprogrammen und alle Prozesse der Fertigungssteuerung. Somit können Produktionsprozesse effizienter, unter geringerem Materialverschleiß und einer insgesamt höheren Qualität durchgeführt werden.

3D-Druck von hochlegierten Metallen (DMLS)

SBO hat die additiven Fertigungsmöglichkeiten weiter ausgebaut und um Produkte aus Kupfer und Titan erweitert. Damit schaffen wir ein breiteres Angebot der kundengerechten Fertigung von Bauteilen: Schwerpunkt sind dabei die Fertigung von hochkomplexen Bauteilen mit geringen Wandstärken, komplexen Geometrien. Zusätzlich können mittels der integrierten Quality Control Software einzeln gedruckte Schichten auf Fehler überprüft und somit ein hohes Maß an Qualität gewährleistet werden.

Hybrid-Vorwärmofen

Um das Risiko der Gasabhängigkeit bei der Erwärmung von Stahl zu verringern, wurde das Projekt „Hybrid-Vorwärmofen“ gestartet. Dabei wird ein traditioneller, gasbetriebener Vorwärmer durch ein elektrisch betriebenes Heißluftgebläse ersetzt. Das macht die Umschaltung zwischen Gas und Strom möglich und minimiert so das Risiko eines Produktionsausfalls.

Rotary Steerable Tools

Das Rotary Steerable-Angebot von SBO konnte um wesentliche Komponenten erweitert werden. Das lenkbare System ermöglicht die zielgerichtete Steuerung des Bohrstrangs und ist damit wesentlich für die Ausführung moderner Richtbohrungen. Der Einsatz dieser Tools reduziert Risiko, Bohrzeit und Ausfallzeit und somit die Kosten für den Vortrieb untertage.

Dissolvable Plugs

Im Laufe des Jahres 2022 wurden die Dissolvable Plugs SoluBoss und Baby Boss weiterentwickelt. Zudem wurden neue SoluBoss-Designs für Kunden im Mittleren Osten entwickelt, deren Markteinführung in den Vereinigten Arabischen Emiraten und in Saudi-Arabien für das Jahr 2023 geplant ist.

All-Composite Plugs

Das Größenangebot an Boss Hog All-Composite-Plugs wurde ausgebaut. All-Composite-Plugs erfüllen hohe Standards in Bohrlöchern und haben hohe Marktanteile.

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 Rechnungslegungsvorschriften 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 2022 wie auch zum 31. Dezember 2021 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 den Hauptversammlungen vom 23. April 2020 sowie vom 28. April 2022 wurde der Vorstand für die Dauer von jeweils 30 Monaten ermächtigt, eigene Aktien der Gesellschaft bis zu maximal 10 % des Grundkapitals zu erwerben. 2022 hat die Gesellschaft, ebenso wie im Vorjahr, von der Ermächtigung zum Erwerb eigener Aktien keinen Gebrauch gemacht

Zum Bilanzstichtag 2022 hält die Gesellschaft 270.535 Stück eigene Aktien (Vorjahr: 270.535 Stück). Dies entspricht einem Anteil von 1,69 % (Vorjahr: 1,69 %) am Grundkapital mit einem Anschaffungswert von TEUR 8.771 (Vorjahr TEUR 8.771). Die Anzahl der im Umlauf befindlichen Aktien beträgt somit 15.729.465 Stück (Vorjahr: 15.729.465 Stück).

Zum 31. Dezember 2022 hält die Berndorf Industrieholding AG, Wien, rund 33,4 % vom Grundkapital (Vorjahr: rund 33,4 %).

Darüber hinaus bestehen keine weiteren angabepflichtigen Sachverhalte gemäß § 243a UGB.

Ternitz, 28. Februar 2023

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 2022, 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 2022 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 2022 wesentliche Beträge als Anteile an verbundenen Unternehmen (mEUR 237,2) sowie Ausleihungen an verbundenen Unternehmen (mEUR 58,2) und Forderungen gegenüber verbundenen Unternehmen (mEUR 15,4) 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 Wirtschaftsparemtern 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 2022, 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 eingehalten 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 Geschäftsjahres 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 28. April 2022 als Abschlussprüfer gewählt und am 28. April 2022 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 2023

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Markus Jandl

Wirtschaftsprüfer

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

Wirtschaftsprüfer

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the consolidated 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 gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Ternitz, 28 February 2023

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 all genders.

This English translation of the report is for convenience. Only the German version shall be binding.

Published on 16 March 2023

FOR FURTHER INFORMATION:

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