

ANNUAL FINANCIAL REPORT 2023

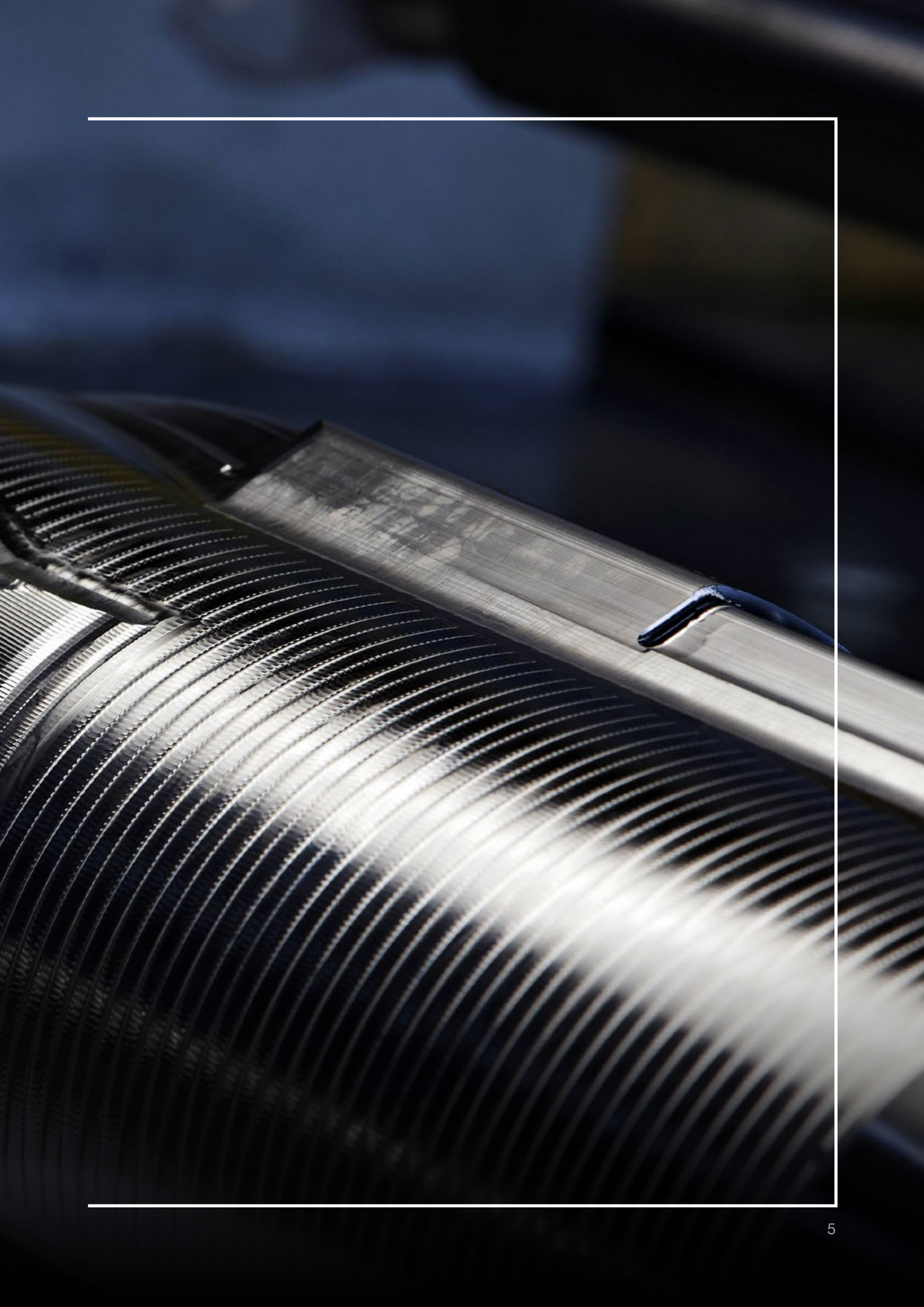
ENERGY. LEADERSHIP. PROGRESS.

INDEX

MANAGEMENT REPORT	4
FINANCIAL HIGHLIGHTS	6
Development of the market environment in 2023	6
Business development and financial review: Results and Analysis	9
Research & Development	16
Further legal information	17
Outlook	18
NON-FINANCIAL HIGHLIGHTS	22
PART 1: ESG in the SBO Group	22
PART 2: ESG developments in 2023	40
CONSOLIDATED FINANCIAL STATEMENTS	66
Notes to the Consolidated Financial Statements	76
Management Disclosures	150
Auditor's Report	152
JAHRESABSCHLUSS	160
Bestätigungsvermerk	197
CORPORATE GOVERNANCE	204
Corporate Governance Report	204
Report of the Supervisory Board on the Financial Year 2023	215
STATEMENT OF ALL LEGAL REPRESENTATIVES	218



MANAGEMENT REPORT



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

Development of the market environment in 2023

Global economic output rose by 3.1 % in 2023, following growth of 3.5 % in 2022. This development varied across regions: The economic output of the industrialized countries amounted to 1.6 % in 2023 after growth of 2.6 % in 2022, while that of the emerging markets came in at 4.1 %, following an increase of 4.1 % in 2022.¹

Despite ongoing challenges, there were positive developments for global economic growth, especially at the beginning of 2023. In May 2023, the WHO declared that COVID-19 no longer represented a global health

emergency; supply chains had recovered significantly, and transportation costs and delivery times had essentially returned to their pre-pandemic levels.

However, the overall economic development was impacted by several factors. Some were Russia's war of aggression in Ukraine and increasing geopolitical tensions. Others were cyclical in nature, including the effects of monetary tightening to combat inflation and the withdrawal of fiscal support measures.

¹ International Monetary Fund (IMF), World Economic Outlook Update, January 2024.

Energy market today: demand for oil and gas remains high

Despite the ongoing uncertainties in the global economy, the energy markets remained robust in 2023. On the one hand, this resilience can be attributed to increased awareness of energy security and, especially in the oilfield service industry, to the growing demand for oil and gas resources. On the other hand, the spendings in global exploration and production (E&P spending) further increased by 11 % in 2023.² Long-term international and offshore projects received a boost and provide a solid foundation for future industry activity. The US market remained impacted by spending discipline in the industry and low gas prices.

Demand for natural gas remained largely stable in 2023. Global natural gas consumption stood at 4,071 billion cubic meters (bcm). The structural declines in demand recorded in Europe and Central America were offset by increased demand in the emerging markets of Asia and the Middle East. China alone accounted for almost half of the increase in global gas demand, with the energy sector, industrial production and urban gas networks being the main consumers.³

According to the International Energy Agency (IEA), average global oil demand recorded growth of 2.3 million barrels per day (mb/d) or 2.2 % to 101.8 mb/d in 2023 (2022: 99.5 mb/d), a new record.⁴ However, the increased demand was not fully reflected in the number of global oil and gas rigs (rig count), which fell by 5.2 % to 1,739 rigs in 2023 (December 2022: 1,834 rigs), despite an increase of 6.1 % to 955 rigs internationally (December 2022: 900 rigs). By contrast, the rig count in the USA fell by 20.0 % to 623 rigs (December 2022: 779 rigs), while the rig count in Canada rose by 3.9 % to 161 rigs (December 2022: 155).⁵

Energy prices fell in 2023. The Henry Hub gas price started 2023 at USD 4.5/MMBtu (million British thermal units) at its highest point and closed at USD 2.5/MMBtu at the end of December, a drop of 44.4 % since the beginning of the year.⁶ European Brent crude oil started 2023 at USD 85.9 per barrel, reached a high of over USD 96.5 in September 2023 and stood at USD 77.0 on the last trading day, a reduction of 10.3 % since the start of the year. WTI started the year at USD 80.3 per barrel. After peaking at USD 93.6, the price fell to USD 71.6 at the end of the year, down 10.8 % compared to the beginning of the year.⁷

² Evercore ISI report, Energy | Oilfield Services, Equipment & Drilling, December 2023.

³ International Energy Agency (IEA), Medium-Term Gas Report 2023, Including the Gas Market Report, Q4-2023, October 2023.

⁴ International Energy Agency (IEA), Oil Market Report, February 2024.

⁵ Baker Hughes Rig Count.

⁶ Bloomberg, NG1 Natural Gas (Nymex).

⁷ Bloomberg, CO1 Brent Crude (ICE) and CL1 WTI Crude (Nymex).

The changing energy market

The global energy landscape is undergoing a profound change in the transition to more sustainable energy options. Global renewable electricity capacity rose to over 500 gigawatts (GW) in 2023, the highest absolute increase ever.⁸

Nevertheless, the transformation of the energy system is taking place in a challenging macroeconomic and geopolitical context. Uncertainties regarding the resilience of new energy supply chains and risks regarding security and affordability in the transition to sustainable energy solutions remain. Green energy projects faced challenges such as cost increases and supply problems in some markets in 2023. Nevertheless, alternative energy sources are currently the most dynamic area of global energy investment.⁹

Hydrogen

In 2023, global hydrogen production increased by 10 %. This increase was largely driven by China, which is expected to account for more than 70 % of global net additions between 2023 and 2024.¹⁰ The expansion

of low-emission hydrogen continues, with investments already reaching the USD 1 billion mark in 2022. New guidelines are being introduced worldwide to strengthen confidence in the technology. In May 2023, a new record for the largest operational electrolysis plant was set with a 260-megawatt plant in China. If all announced projects are successfully implemented, more than 400 GW of electrolysis plants could be in operation by 2030.¹¹

Geothermal energy

Supporting the global transition to sustainable energy sources, geothermal energy opens up another promising path for reducing carbon emissions and improving the reliability of the energy supply. Geothermal energy will act as a base load source and be used for both electricity and heat generation. The market for geothermal power generation is on the rise.

In 2023, electricity generation is expected to have reached 95.63 billion kilowatt hours (bKWh). The installed capacity is expected to roughly double by 2030.¹²

⁸ International Energy Agency (IEA), Renewables 2023, January 2024.

⁹ International Monetary Fund (IMF), World Energy Outlook, October 2023.

¹⁰ International Energy Agency (IEA), Renewables 2023, January 2024.

¹¹ International Monetary Fund (IMF), World Energy Outlook, October 2023.

¹² International Monetary Fund (IMF), World Energy Outlook, October 2023.

Business development and financial review: Results and Analysis

SBO achieved excellent sales and earnings development in 2023 with an all-time high in sales, on top of an already strong 2022. The company outperformed last year's results driven by the outstanding performance of the AMS division. In addition to the high profit, the operating cash flow also improved. The balance sheet remains solid with a strong financial position and a high equity ratio.

Key highlights:

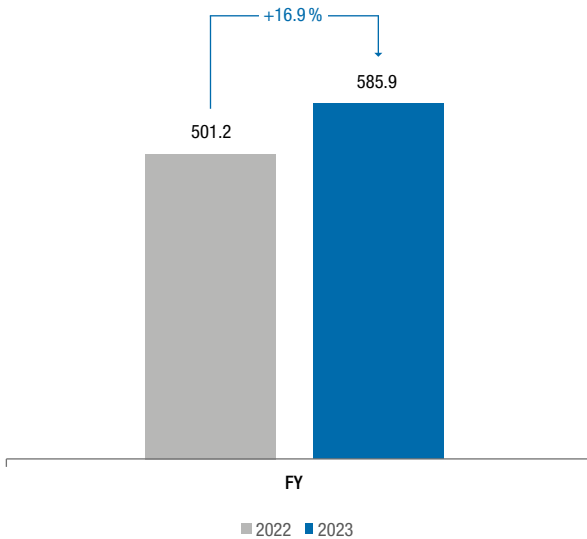
IN MEUR	2023	2022
Sales	585.9	501.2
EBITDA	131.3	129.1
Adjusted EBITDA	138.2	123.8
Adjusted EBITDA margin (%)	23.6	24.7
EBIT	102.3	96.2
Adjusted EBIT	109.2	90.9
Adjusted EBIT margin (%)	18.6	18.1
Operating cash flow	86.5	52.4
Equity ratio (%)	53.6	47.1

- The SBO Group achieved **bookings** of MEUR 543.7, thanks to continued high demand, especially on the international markets. The **order backlog** at the end of the year amounted to MEUR 225.4.
- With growth of 16.9 %, **sales** reached a record level of MEUR 585.9 due to the high sales growth in the AMS segment (+32.2 %).
- **EBITDA** and **EBIT** increased compared to the previous year, however, were impacted by negative foreign exchange effects in 2023.
- Adjusted for these foreign exchange effects, EBITDA increased by 12 % and EBIT by 20 %. This resulted in an **adjusted EBIT margin** of 18.6 %, an improvement of 0.5 percentage points compared to 2022.
- **Operating cash flow** increased by around 65 % compared to the previous year.

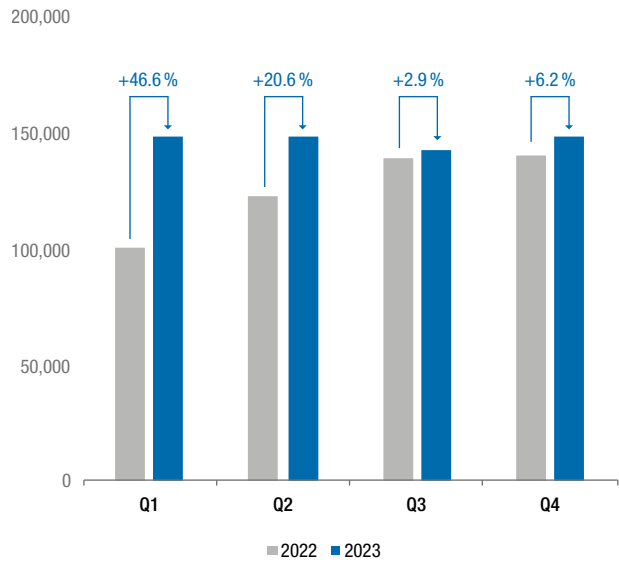
Sales development

With **record sales** of MEUR 585.9, SBO achieved significant growth of 16.9 % compared to already high sales in the previous year (2022: MEUR 501.2). The Group recorded similarly strong sales across all four quarters. Compared to the previous year, the growth rates in 2023 were strongest in the first and second quarters at + 46.6 % and + 20.6 % respectively. The increase in the third quarter was relatively low at + 2.9 %, as the OE division was impacted by a slowdown in the US market and longer project through-put times. The fourth quarter saw a recovery in sales on the US market, which led to growth of + 6.2 % for the Group.

Sales
IN MEUR



Sales | Quarterly development
IN MEUR



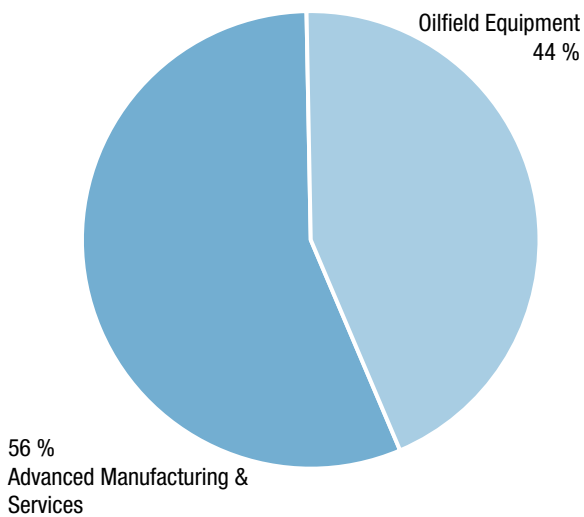
The US dollar continues to be the most important currency for the SBO Group, as 81 % of all sales in 2023 (2022: 79 %) were generated in US dollars, with 55 % (2022: 57 %) of expenses incurred in US dollars.

At EUR 1 = USD 1.0816, the average **US dollar exchange rate** in 2023 was slightly weaker than in 2022 (EUR 1 = USD 1.0539) and had a negative impact on sales in 2023 (translation effect: MEUR 15.4). Adjusted for this translation effect, sales growth in 2023 amounted to + 20.0 % (nominal + 16.9 %).

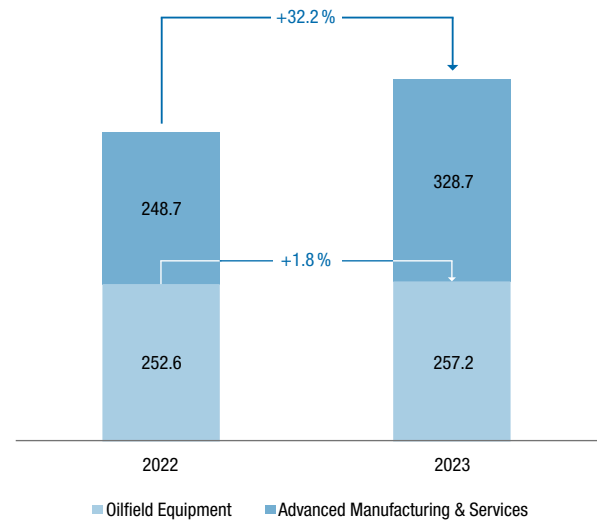
Both business segments with sales growth in 2023, AMS with 32.2 % growth

Both of SBO's business segments recorded positive growth in 2023, with Group sales growth being primarily driven by the Advanced Manufacturing & Services (AMS) division. The AMS division achieved an extraordinary increase of 32.2 % compared to the already high sales of the previous year. Consequently, the relative share of sales of the AMS division increased significantly in 2023 (56 %), following a balanced sales distribution of 50 % : 50 % between AMS and OE in 2022.

Sales contribution by segment 2023

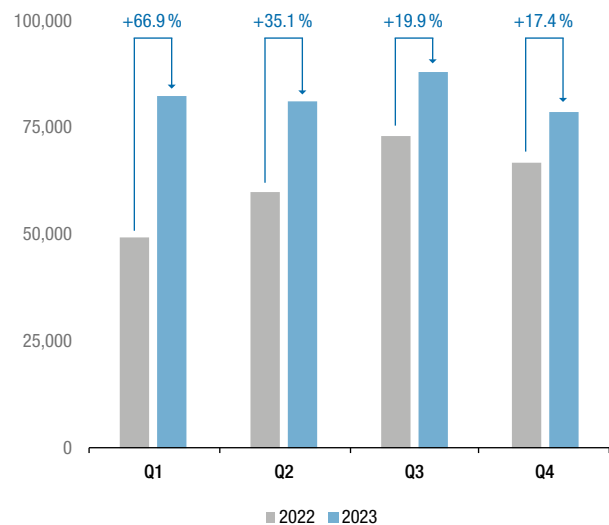


Sales by business segment
IN MEUR

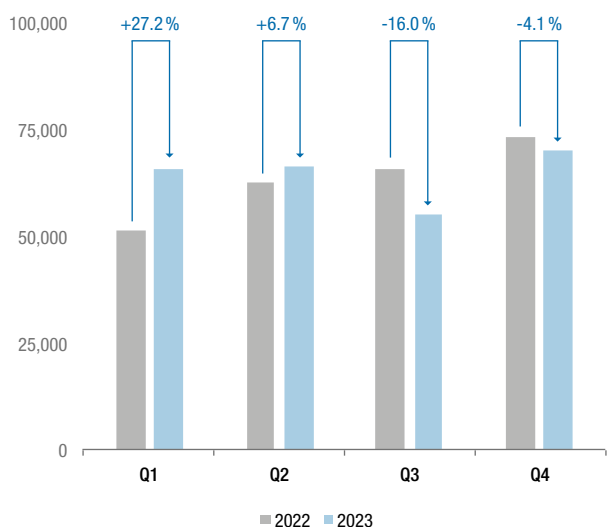


The **AMS division** benefited—among other things—from the booming international business and increased offshore activities of SBO customers, which led to high demand for high-tech products. As a result, record sales of MEUR 328.7 were achieved (2022: MEUR 248.7). The double-digit sales growth across all quarters led to high-capacity utilization in the SBO manufacturing facilities.

Sales | Quarterly development |
Advanced Manufacturing & Services
IN MEUR



Sales | Quarterly development |
Oilfield Equipment
IN MEUR



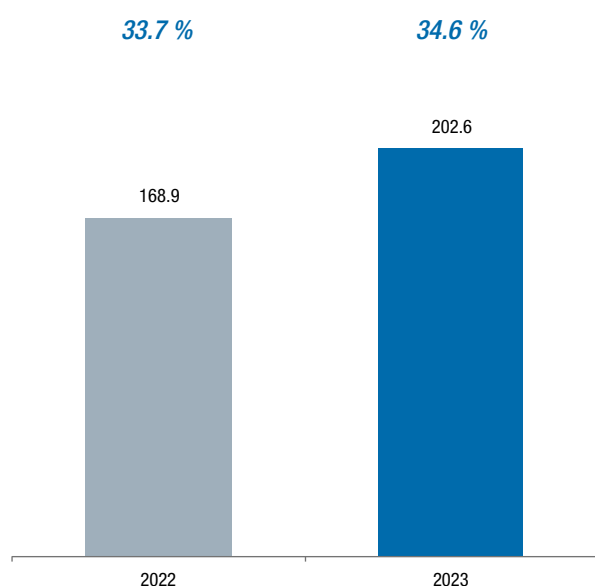
The **Oilfield Equipment division** generated revenue of MEUR 257.2 (2022: MEUR 252.6), an increase of + 1.8 %. After strong growth in the first (+ 27.2 %) and second quarter (+ 6.7 %) compared to the previous year, revenue declined in the third quarter (-16.0 %) due to a slowdown in the US market and longer through-put times in project sales. The stabilization of the market in the fourth quarter and the integration of Praxis Completion Technology in October 2023 led to the division's strongest quarter in terms of revenue at the end of the year.

SBO's **bookings** reached MEUR 543.7, following a record number in the previous year (2022: MEUR 646.0). The **order backlog** remained at a high level of MEUR 225.4 at the end of the year (2022: MEUR 265.0).

Earnings performance

The Group's **gross profit** improved by MEUR 33.7 compared to the previous year (2022: MEUR 168.9) to MEUR 202.6 in 2023. The gross margin reached 34.6 %,

Gross profit
IN MEUR | IN % OF SALES



an increase of 0.9 percentage points compared to 2022 (33.7 %), attributable to the increase in sales, the high capacity utilization at SBO's manufacturing facilities and the associated increase in productivity. Important elements of cost of sales (MEUR 383.3) are cost of materials, personnel expenses and depreciation of fixed assets.

Selling, general and administrative expenses increased by MEUR 12.1 in 2023 due to the higher business activity and mainly comprise personnel expenses, legal, auditing and consulting costs, travel and entertainment expenses as well as communication and insurance expenses. In relation to sales, however, they remained exactly at the previous year's level of 14.7 %.

Other operating expenses of MEUR 22.4 in 2023 primarily included **research and development cost** of MEUR 8.2 (2022: MEUR 6.9), which mainly related to expenses for the new and further development of drilling motors, rotary steerable tools and well completion solutions in the OE division. In addition, other operating expenses included significantly higher foreign exchange losses of MEUR 13.0 compared to the previous year (2022: MEUR 8.0). **Other operating income** in 2023

of MEUR 8.1 (2022: MEUR 16.6) included substantially lower foreign exchange gains of MEUR 6.0 (2022: MEUR 13.3) as well as various proceeds from the sale of fixed assets, rental income and income from services.

Earnings before interest, taxes, depreciation and amortization (**EBITDA**) increased to MEUR 131.3 in 2023 (2022: MEUR 129.1), the EBITDA margin reached 22.4 % compared to 25.8 % in 2022. Adjusted for foreign exchange gains and losses, EBITDA increased by 11.6 % to MEUR 138.2 compared to MEUR 123.8 in the previous year. The **adjusted EBITDA margin**¹³ reached 23.6 % compared to 24.7 % in the previous year.

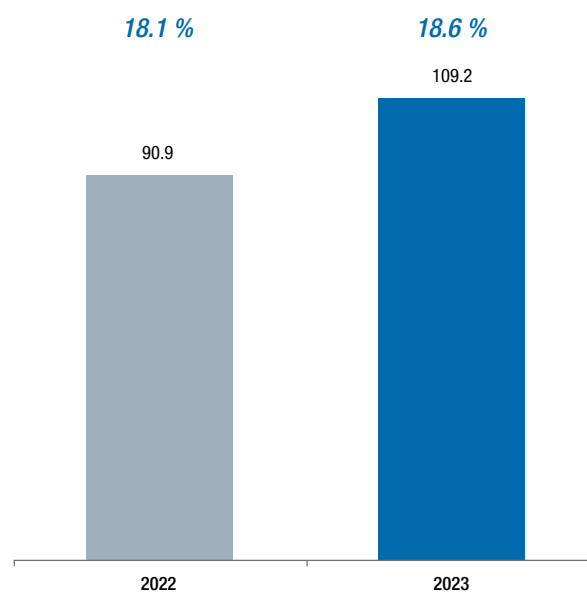
Profit from operations (**EBIT**) rose to MEUR 102.3 in 2023 (2022: MEUR 96.2), whereby the 2022 result benefitted from net foreign exchange gains of MEUR 5.3, whereas the 2023 EBIT was reduced by net foreign exchange losses totaling MEUR 6.9. Adjusted for these foreign exchange gains and losses, **adjusted EBIT**¹⁴ increased by 20.1 % to MEUR 109.2 (2022: MEUR 90.9), resulting in an adjusted EBIT margin of 18.6 % for the full year 2023 (2022: 18.1 %).

The **financial result** amounted to MEUR minus 8.1 (2022: MEUR minus 2.8), mainly due to a one-off expense related to a legal settlement, partially offset by a positive net interest result of MEUR 0.5, which was generated by higher interest income from US dollar deposits.

Profit before tax of MEUR 94.2 was slightly higher than in the previous year (2022: MEUR 93.3), **profit after tax** amounted to MEUR 71.6 (2022: MEUR 75.2). The higher tax rate in 2023 (24.0 %) was mainly a result of a revaluation of investments in subsidiaries.

Earnings per share (EPS) amounted to EUR 4.55 (2022: EUR 4.78).

Adjusted EBIT IN MEUR | IN % OF SALES



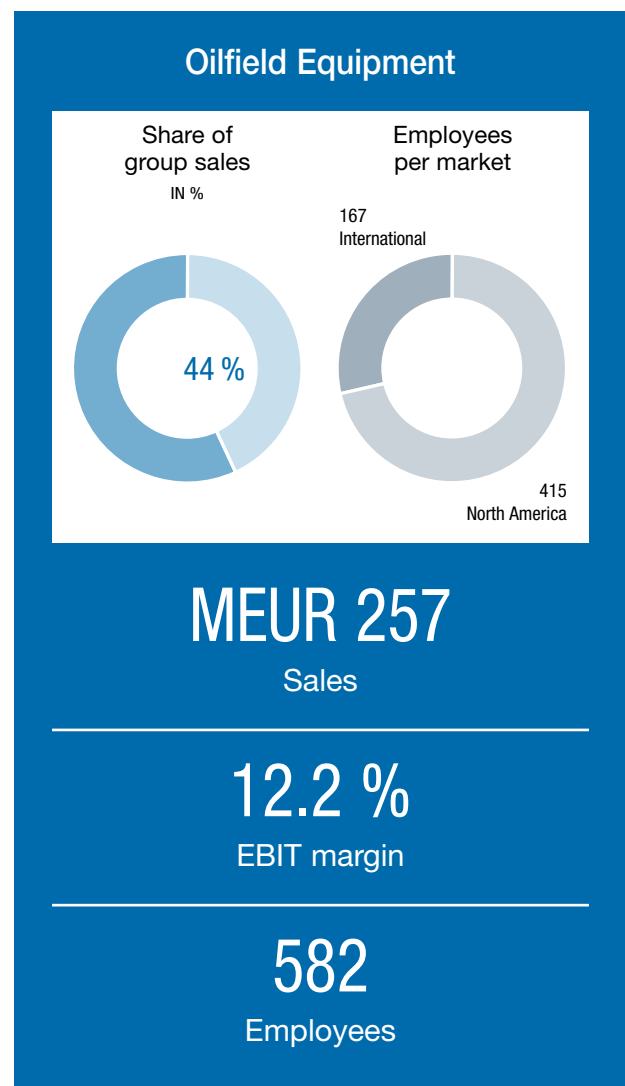
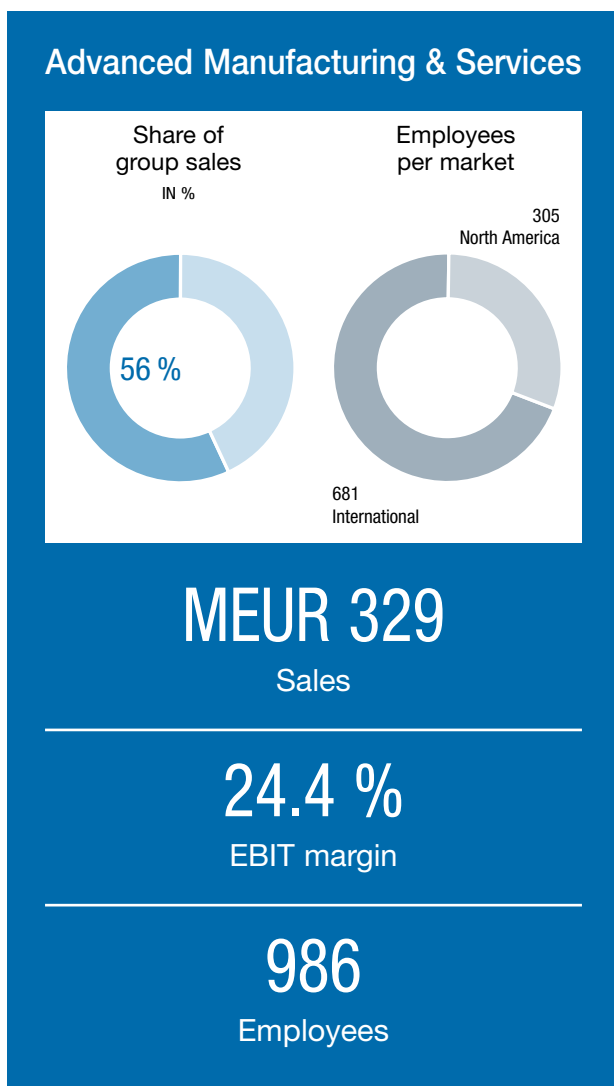
¹³ Adjusted EBITDA: EBITDA adjusted for exchange rate gains and losses according to Note 24 in the Notes to the consolidated financial statements.

¹⁴ Adjusted EBIT: EBIT adjusted for exchange rate gains and losses according to Note 24 in the Notes to the consolidated financial statements.

Segment results: AMS with record sales and earnings; solid performance in OE

The **AMS division** had an outstanding year thanks to growth in international markets and an excellent operating performance. Sales in the AMS segment rose sharply to MEUR 328.7 (2022: MEUR 248.7). The profit from operations (EBIT) improved to MEUR 80.3 (2022: MEUR 48.3) due to high sales and increased productivity as a result of high capacity utilization. The EBIT margin thus reached a new high of 24.4 % for the full year (2022: 19.4 %).

The **OE division** posted solid results despite a reduction in drilling and completion activities in the US market in 2023. Revenue increased slightly to MEUR 257.2 (2022: MEUR 252.6) after a strong finish at the end of the year. The OE division's profit from operations (EBIT) of MEUR 31.5 and 12.2 % of revenue was down compared to the previous year (2022: MEUR 50.1; 19.9 %). The reasons for this were: Negative foreign exchange effects, acquisition and integration-related expenses, value adjustments of inventories in connection with the further development of the product portfolio and higher research and development expenses.



Balance sheet ratios and cash flow

The SBO Group's **equity** amounted to MEUR 448.0 as of 31 December 2023 (2022: MEUR 425.0). Due to the reduction in other current liabilities (MEUR 107.6 lower), primarily in connection with a legal settlement, the **equity ratio** rose to 53.6 % at the end of 2023 compared to 47.1 % in the previous year.

Cash and cash equivalents amounted to MEUR 162.4 (2022: MEUR 287.8), after one-off cash outflows of MEUR 21.7 for the acquisition of Praxis Completion Technology and MEUR 119.0 for the acquisition of minority interests following the settlement of a legal dispute. **Net debt** amounted to MEUR 92.3 (2022: net liquidity of MEUR 34.5), while **gearing** stood at 20.6 % (2022: minus 8.1 %).

Cash flow from operating activities (operating cash flow) improved by MEUR 34.1 compared to the previous year and amounted to MEUR 86.5 (2022: MEUR 52.4), primarily driven by a reduced increase in working capital and a slightly higher cash flow from profit. **Free cash flow**¹⁵ rose to MEUR 33.1 (2022: MEUR 27.1). Adjusted

for the payment of the acquisition of Praxis Completion Technology (MEUR 18.6 less acquired cash and cash equivalents), free cash flow increased by MEUR 24.7 compared to the previous year. **Cash flow from financing activities** of MEUR minus 152.9 (2022: MEUR minus 44.5) included the payment for the acquisition of minority interests in the amount of MEUR 119.0 and the dividend payment of MEUR 31.5.

Capital expenditure on property, plant and equipment and intangible assets (CAPEX) increased to MEUR 37.5 in 2023 (2022: MEUR 31.0) in order to support business growth. Thereof MEUR 21.6 related to the Oilfield Equipment division, mainly for the further expansion of the rental fleet of drilling motors, circulation tools and rotary steerable tools as well as investments in machinery. In the AMS segment, MEUR 15.7 was largely spent on machinery, including 3D metal printers. As of 31 December 2023, purchase commitments for property, plant and equipment amounted to MEUR 9.7 (2022: MEUR 5.6).

Dividend proposal

Thanks to the excellent earnings performance, the Executive Board will propose to the Annual General Meeting on 25 April 2024 to distribute a dividend of

EUR 2.00 per share for the financial year 2023 (2022: EUR 2.00 per share).

¹⁵ Sum of cash flow from operating activities and cash flow from investing activities.

Research & Development

Highly innovative technology secures our market leadership

For years, the cornerstone of the SBO Group's success has been intensive, market-oriented research and development (R&D). Always at the cutting edge, our innovative product portfolio is in great demand on the energy market and thus secures and strengthens our market-leading position. Our highly innovative products are recognized worldwide, and the outstanding quality of our manufacture is a well-respected differentiating factor in the market.

One example of our current research and development work is the **3D printing of high-alloy metals (DMLS)**. SBO is continuously expanding its additive manufacturing capabilities and has meanwhile successfully extended its 3D printing product portfolio to include a wide range of metals (inconel, copper, titanium, and others). We have thus created a wider selection of available components to print. Our focus is on the manufacture of components with thin walls, complex geometries and large overhangs. In addition, we can check all printed layers individually for defects using integrated quality control software, which guarantees the highest level of quality.

In the area of **drilling tools**, we are investing in increasing the performance and applications of our tools. This primarily includes the integration of communication systems, which significantly improve the efficiency of drilling operations. These systems enable efficient, cost-effective drilling by providing real-time information, allowing quick decisions to be made while drilling.

There are also innovative developments in our product portfolio in the area of well completion solutions. **Dissolvable plugs** have been an important addition to our product portfolio, and will continue to evolve further. Over the past few years our Baby Boss Plug (by

WellBoss) has established itself strongly on the market. In 2024, we will launch and introduce another dissolvable HPHT frac plug.

Our successful drilling motors, rotary steerable tools, circulation tools and plugs are being further developed for the **geothermal market**. For example, existing drilling motors and circulation tools are being adapted for use in the high temperatures of geothermal drilling (up to 300°C) by adjusting key components. We are also working on the further development of our plug portfolio in order to adapt the plugs to the special features of geothermal wells.

We are diversifying our business by the development of the packer portfolio of Praxis Completion Technology, which was acquired in 2023. Here, we are adapting our packers for the use in **carbon capture & storage** applications.

We are proud of our industry-leading expertise in technology development and production, as well as the state-of-the-art equipment at our manufacturing facilities, which not only produce highly innovative products, but also meet the highest quality requirements of our customers.

Further legal information

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 significant operational subsidiaries 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 (valuation and disclosure issues). A certified consolidation program 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 20 in the consolidated financial statements.

Hedging transactions and financial instruments

Reference is made to Notes 4.6, 31 and 32 in the consolidated financial statements.

Outlook

Following a global increase in economic output of 3.1 % in 2023, global economic growth is forecast to remain at 3.1 % in 2024. The economies of industrialized countries are expected to grow by 1.5 %, following an increase of 1.6 % in 2023. In emerging and developing countries the IMF expects economic growth to increase by 4.1 % in 2024, similar to the previous year (2023: 4.1 %).¹⁶

The development of the energy market offers many opportunities

According to current forecasts by the International Energy Agency (IEA), total global energy demand is set to rise from around 630 exajoules (EJ) in 2022 to 670 EJ by 2030 in the Stated Policy Scenario (STEPS scenario). This corresponds to an average annual growth rate of 0.7 %. Demand in emerging and developing countries is expected to rise sharply, driven by economic growth, while demand in industrialized countries will decline. Fossil fuels, which currently cover around 80 % of total energy demand, will continue to play an important role, although the share of coal will fall sharply. The share of crude oil is expected to remain at a high level until 2030, while demand for natural gas should increase even further, driven by the expected expansion of LNG production facilities, which are needed to accelerate the conversion of industry from coal to gas in China and to support the economic growth of South and Southeast Asian countries.¹⁷

At the same time, technologies for renewable energy sources are becoming increasingly important in order to meet the growing demand for energy. Hydrogen, carbon capture & storage and geothermal energy play a key role in this context and offer significant business potential for the SBO Group.

Hydrogen

In achieving the EU's target of producing 10 million tons of renewable hydrogen by 2030, the EU Hydrogen Bank, funded with billions of Euros, plays a central role. Economies such as Australia and Latin America are also pursuing new industrial approaches in which low-emission hydrogen technologies play an important role.¹⁸ The pipeline of projects includes over 400 GW of new electrolysis capacity for hydrogen, which should be operational by 2030.¹⁹

Geothermal energy

The expansion of geothermal energy is also of crucial importance in the energy mix, as it provides a steady and continuous source of energy, regardless of weather conditions or time of day. The USA, Indonesia, the Philippines and Turkey are currently responsible for around 60 % of the total installed capacity. According to current forecasts, the installed capacity for geothermal power generation is expected to reach 99.73 billion kilowatt hours (KWh) in 2024.²⁰

¹⁶ International Monetary Fund (IMF), World Economic Outlook Update, January 2024.

¹⁷ International Monetary Fund (IMF), World Energy Outlook, October 2023.

¹⁸ International Energy Agency (IEA), Global Hydrogen Review 2023, September 2023.

¹⁹ International Monetary Fund (IMF), World Energy Outlook, October 2023.

²⁰ Statista, Geothermal energy worldwide, January 2024.

Carbon Capture & Storage (CCS)

The number of projects in the field of carbon capture and storage (CCS) is rapidly increasing worldwide. The investment volume in 2022 reached USD 3 billion with very positive growth expectations for the future. In the USA alone, more than 100 new projects have been announced as a result of attractive tax incentives and financing programs. Other countries such as Canada and China are also making significant progress with investments in large-scale projects, as well as important regulatory steps to promote CCS applications in Canada, Denmark, Indonesia, Japan and Malaysia. In total, over 400 Mt of CO₂ storage capacity is expected to be operational by 2030.²¹

Natural gas and crude oil

Also for oil and gas the expected market data is convincing. The IEA expects gas and oil demand to rise in 2024: demand for gas is set to increase by 64 billion cubic meters (bcm) to 4,135 bcm²², while demand for oil is set to rise by 1.2 million barrels per day (mb/d) to a new record of 103.0 mb/d.²³ The expansion of LNG liquefaction capacity in 2025–2026 is expected to result in robust LNG supply, which should ease pressure on the market and increase demand in emerging Asian markets. Global LNG supply is expected to increase by 25 % between 2022 and 2026.²⁴

In 2024, spending on exploration and production (E&P) is expected to increase by a total of 5 % to USD 515 billion, following growth of 11 % in 2023. International activities are expected to increase by 10 % in 2024, while the growth rate in the USA is forecast at 2 %.²⁵

²¹ International Monetary Fund (IMF), World Energy Outlook, October 2023.

²² International Energy Agency (IEA), Medium-Term Gas Report 2023, Including the Gas Market Report, Q4-2023, October 2023.

²³ International Energy Agency (IEA), Oil Market Report, February 2024.

²⁴ International Energy Agency (IEA), Medium-Term Gas Report 2023, Including the Gas Market Report, Q4-2023, October 2023.

²⁵ Evercore ISI report, Energy | Oilfield Services, Equipment & Drilling, December 2023.

Positive company outlook

Based on these expected positive market developments, SBO remains confident with regards to the oil and gas sector. The underlying market fundamentals support a sustained, multi-year increase in global upstream spending in exploration and production. The industry and our customers are optimistic about 2024, driven by the ongoing need for energy security and increased investments, particularly in the international markets and in offshore projects.

At the same time, alternative energy sources are expected to see further dynamic growth. This represents the greatest medium and long-term growth potential for SBO.

Despite the current positive market outlook, economic forecasts and uncertainties as well as geopolitical risks are always being monitored with caution and strategic foresight.

The SBO Group is confident for 2024 due to well-filled order books, the integration of the Praxis acquisition and new product innovations. With a focus on the growing markets in the Middle East and in Asia, we will further expand our capacities and strengthen our local presence in 2024 in order to capture these opportunities.

SBO is working with great effort on initiatives for organic growth and strategic investments outside the existing core business, to build a new business segment in the green tech energy sector. On the one hand, the further development of the current product portfolio is opening up new markets, particularly in geothermal energy and in the area of carbon capture & storage. On the other hand, SBO is planning acquisitions to advance into new technology areas and to participate in the projected market growth of alternative energy sources.





PROGRESS.

`/'pra: .gres/` (noun)

Measurable success;
move forward through
innovation, agility and
perseverance. [progress.](#)

Non-financial Highlights

ESG-MANAGEMENT

PART 1: ESG in the SBO Group

The legal framework: NaDiVeG, UN Agenda 2030 and EU Taxonomy

Our annual report follows the requirements of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) as set out in Section 267a of the Austrian Commercial Code (UGB). We are a member of the Science-based targets initiative (SBTi) and committed to the United Nations' 2030 Agenda for Sustainable Development, which is a global plan to promote sustainable peace and prosperity, and protect our planet. Core are the 17 Sustainable Development Goals (SDGs).



The company has defined goals that SBO can influence and has integrated them into its sustainability management. Among the 17 SDGs, the following 13 are considered particularly relevant to SBO:

SUSTAINABLE DEVELOPMENT GOALS



The EU Taxonomy Regulation at a glance

The European Green Deal is aimed at achieving a green transition to help the EU become climate neutral by 2050. Article 8 of the EU Taxonomy Regulation (Regulation (EU) 2020 / 852) sets the course for more transparency of sustainability measures. It covers only those economic activities that are explicitly listed in the relevant delegated acts. In the manufacturing industry, the focus is particularly on emissions-intensive industries. The supply industry is not yet satisfactorily covered. However, it is precisely in the supply industry that major innovations are taking place which can make a substantial contribution to climate neutrality.

The EU Taxonomy standardizes the definition of environmental sustainability and serves as a guide for investment decisions. Companies must classify their economic activities according to the regulation's criteria. If the economic activities can be attributed to one or more of the potentially sustainable economic activities, they are taxonomy-"eligible". If they also meet the criteria for "substantial contribution", the criteria of "do no significant harm" and the "minimum social safeguards", they are taxonomy-"aligned".

The EU Taxonomy Regulation requires companies to classify their economic activities according to the catalogue of criteria in Annex 1 ("Climate Change Mitigation") and Annex 2 ("Climate Change Adaptation") of Delegated Regulation (EU) 2021/2139. These activities are to be assessed against the criteria for "substantial contribution" and "do no significant harm", as well as the "minimum social safeguards".

For the first time in 2023, companies have to take into account the recently adopted legislation on the additional environmental objectives of the EU Taxonomy, which complement and amend the existing environmental objectives (Delegated Regulations (EU) 2023/2485 and 2023/2486). In addition to climate change mitigation and climate change adaptation, companies shall also report on the extent to which they meet the criteria catalogs for the environmental objectives "sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control" and "protection and restoration of biodiversity and ecosystems". With respect to the recently adopted Delegated Regulations, companies have to report solely on taxonomy-eligibility in 2023.

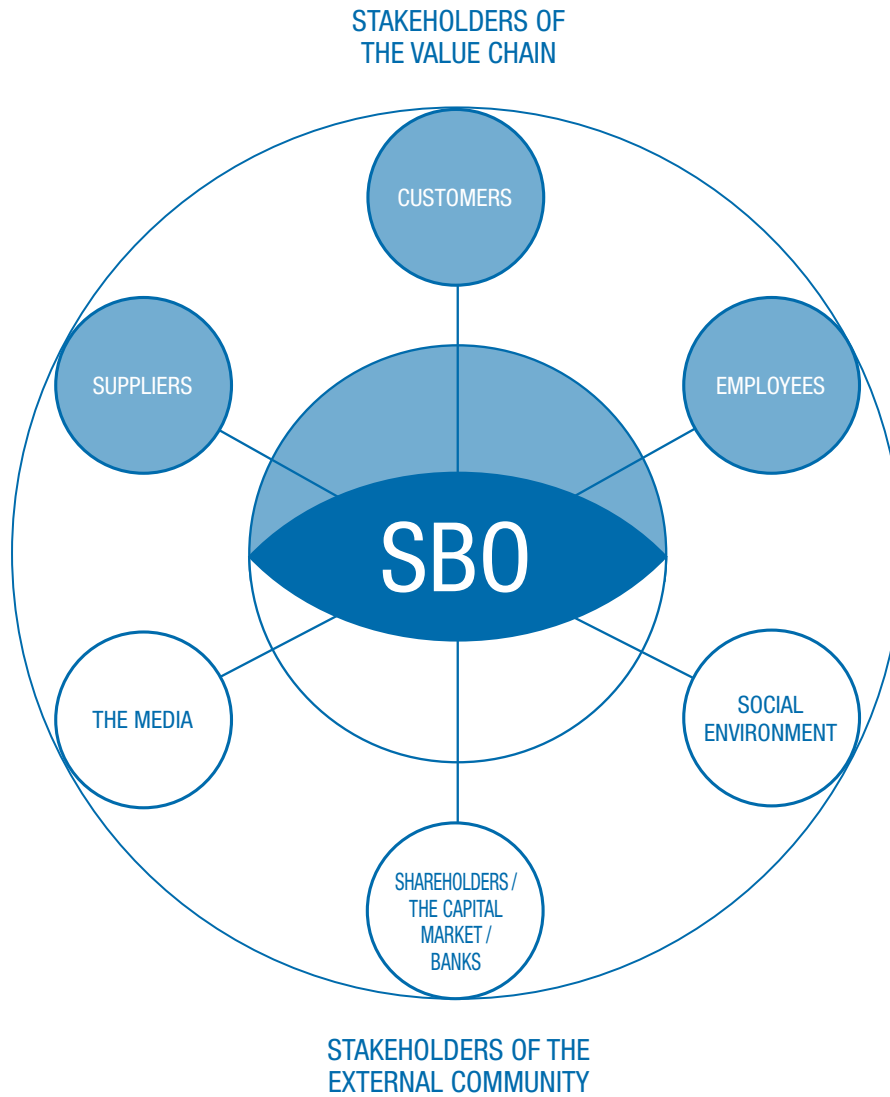
Non-financial reporting

■ OUR STAKEHOLDERS

We define those people and organizations as stakeholders of the SBO Group with whom we are in contact and who have a direct influence on our business development and activities. The identification takes the global presence of our locations and production facilities into account, as well as our leading role as a niche provider and the value chain of our industry.

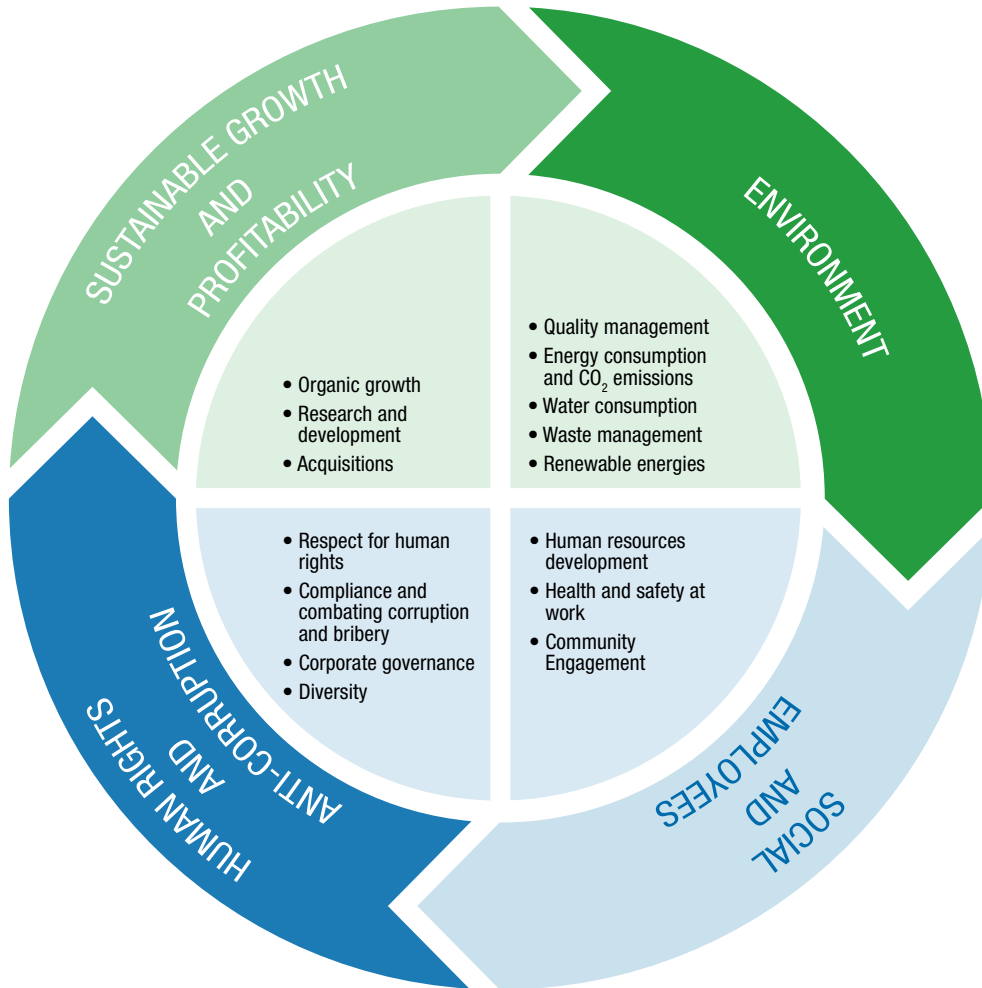
Our stakeholder value is considered a key factor for corporate management. Depending on their interests, we divide our stakeholders into two main groups:

1. Suppliers, employees and customers—everyone who is part of our value chain. For these stakeholders, operational performance criteria are of great importance, such as satisfactory and safe working conditions and processes, high-quality products and sustainably value-creating business relationships.
2. Shareholders as well as the capital and financial markets, the social environment and the media form the second group of our stakeholders. They are interested in the economic success of the company as well as our activities from an ecological and social perspective.



We strive to maintain close contact with all stakeholder groups and promote a collaborative exchange. This way we are able to identify potential risks at an early stage and take proactive countermeasures if necessary. At the same time, this close interaction contributes significantly to our economic success and our reputation.

The following SDGs and sustainability topics are strategically crucial for SBO:



■ MATERIALITY ANALYSIS: STAKEHOLDERS AND TOPICS OF SUSTAINABILITY

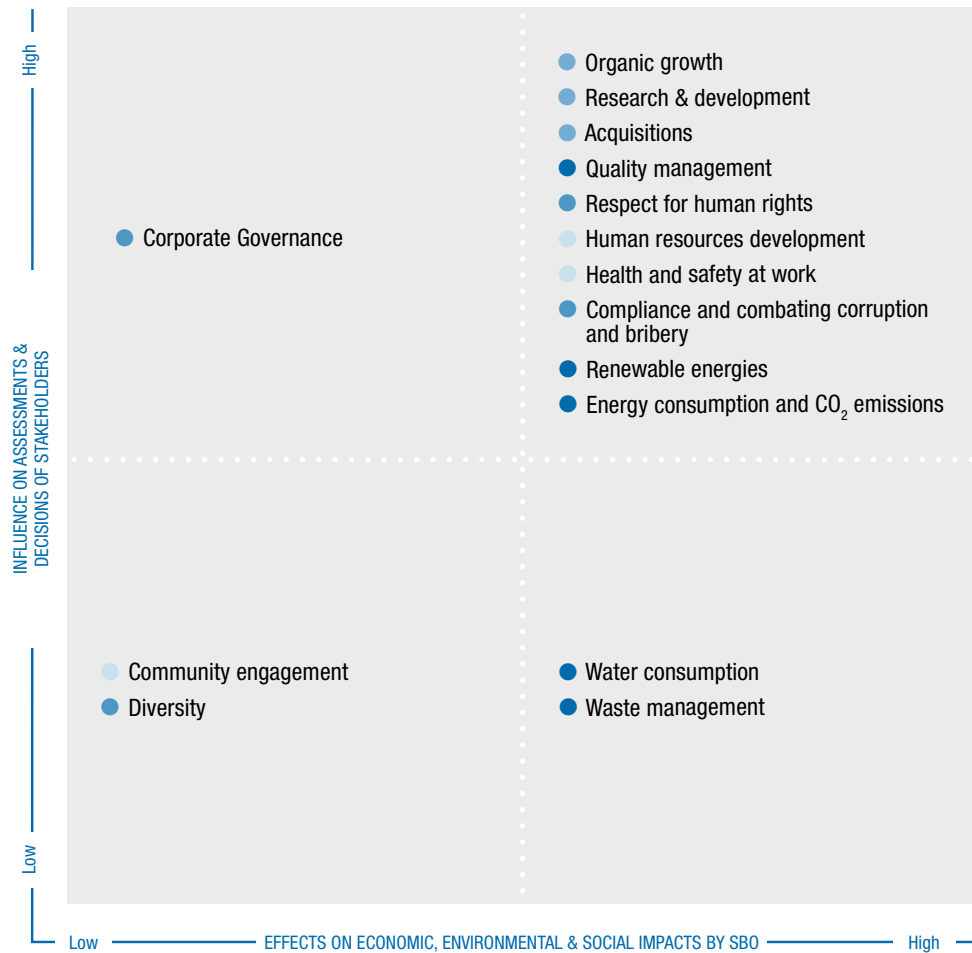
The SBO Group focuses on the economic, ecological and social impacts of its activities. By conducting a thorough materiality analysis, we were able to identify relevant stakeholders, determine the central topic areas for sustainability and define the key areas of action.

When the Sustainability and Diversity Improvement Act came into force, managing directors and employees were interviewed, customer conversations were analyzed, internal guidelines for quality and supplier management were evaluated, training and further education programs were evaluated and discussions were held with capital and financial market participants. This enabled the SBO Group to identify key sustainability areas.

The main topics were grouped and weighted based on two criteria:

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

The basis for the sustainability strategy is a two-dimensional materiality matrix. Topics that did not appear repeatedly in the evaluation were classified as “low” relevance. On the other hand, topics that were considered important in at least two of the sources used are considered “highly” relevant.



This results in the following key areas of action for SBO:

FOCUS AREAS	SDG	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 at work	•													
Compliance and corruption prevention			•					•				•		
Corporate Governance			•			•			•					
Renewable energies					•		•							
Energy consumption and CO ₂ emissions					•		•		•	•	•			
Water consumption				•					•	•	•			
Waste management								•	•	•				

Our strategic ESG areas cover these focus areas and manage and track the relevant topics. A detailed analysis of these areas and their development in the reporting year follows in the second part of our non-financial statement.

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 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 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 today's core business.

Our ESG strategy assumes a high level of environmental efficiency across the industry and foresees further improvement in all areas. Reporting standards were drawn up and key performance indicators (KPIs) defined for central management together with target values. Their purpose is to identify potential inefficiencies and enable targeted management of the fields considered strategic. In the Environment ("E") area this includes in particular the maintenance of 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 solid collars, 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 GHG emissions and Scope 2 GHG emissions from the business activities of a steel manufacturer and equipment supplier, backed up by values and measured quantities. From 2023 onwards, Scope 3 GHG emissions data are collected and disclosed as well. Furthermore, the reporting on key financial indicators in line with the EU environmental objectives is continued. We are a member of the science-based targets initiative (SBTi). 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. In addition, the development and distribution of equipment are part of the Company's offering which is primarily used for the efficient extraction of downhole resources. The company is not active in the fossil fuel sector according to the definition of the CSRD, but operates as a manufacturer of steel equipment and supplier to the energy services sector.

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 thoroughly investigated and appropriate actions taken. 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.

■ SCOPE 1 AND 2

SBO is running group-wide programs to exchange ideas on successful measures for the sustainable reduction of Scope 1 and 2 GHG emissions generated in operations and facilities, with the aim to ensure steady progress and consistent measurement. Key measures in this context include transitioning from oil and gas to environmentally compatible energy sources and installing renewable energy sources such as photovoltaic systems. Our strategy remains to focus on operational efficiency, digitalization and low-carbon fuel alternatives. Especially digitalization is intended to enhance overall productivity and reduce product and production waste.

Examples are the installation of PV systems at the manufacturing site in Ternitz covering an area of 7,000 square meters and producing around 1,450 MWh of energy per year. This prevents CO₂ emissions amounting to 434,000 kg per year.

SBO is committed to achieving net zero greenhouse gas emissions by 2050.

■ SCOPE 3

Without a doubt, efficient and resilient supply chains are essential to the success of our business and the greatest enabler towards net zero ambitions. Scope 3 GHG emissions make by far the biggest amount of overall GHG emissions for the SBO Group.

We work with our suppliers in a socially responsible and ethical manner. Dedicated projects have been started to leverage our expertise in our value chains and promote sustainability with our suppliers and partners. Projects to improve the sustainability of our supply chains are coordinated across the group in direct collaboration with responsible supply chain managers in various parts of the company.

Our overall project goal for sustainable value chains is Scope 3 upstream decarbonization. We have learned that successful non-financial supply chain management requires strong relationships with suppliers and customers in accordance with our Code of Conduct. Throughout the year 2023, foundations could be built with strategic suppliers and customers, and projects were identified, such as the circularity project set out below.

Furthermore, we have intensified the data exchange with suppliers and customers. We engage with suppliers to receive accurate Scope 3 GHG emissions data and share Scope 1, 2 and 3 GHG emissions data with selected customers. We appreciate that some of these customers are running CDP Supply Chain Programs, which we are willing to support by providing the necessary information and data.

■ CIRCULARITY

Pursuing circularity in the area of steel supplies and products is a core aspect of our sustainability journey and is an important lever in Scope 3 GHG efficiency. Circular economy means an economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible. This promotes their efficient utilization in production and consumption, thereby reducing the environmental impact of their use, minimizing waste and the release of hazardous substances at all stages of their life cycle.

During 2023 SBO conducted dedicated pilot projects with selected members of the value chain to identify Scope 3 GHG efficiency potentials by recycling increased volumes of former SBO products and check the technical and economic feasibility for a broader roll-out. During the projects, SBO received confirmation of the already high environmental quality of specialty steels manufactured by SBO and increased its knowledge in the positive mechanics between higher scrap quotas and lower GHG emissions per ton of product. It should be noted that major steel supplies of SBO contain a relatively high proportion of recycled material already. SBO builds on this experience and will implement this where applicable into its value chains for the future.

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 (CSDDD) 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.

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 2023 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 2023 financial year, the audit focus was on numerous topics, such as the internal control system.

COVID-19-related absences came down to an operationally insignificant level with increasing immunization and ultimate reductions in officially mandated measures. Since COVID-19 is no longer classified a pandemic, SBO does not expect the tightening of further measures in the foreseeable future.

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.

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 oil, natural gas and geothermal energy.

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.

SBO sites 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 have been installed at the Ternitz site (Austria) and secured by a long-term power purchase agreement. In addition, further photovoltaic plants have been built at sites in the US and the UAE. 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 classified as low. For relevant sites, climate risk assessments were conducted and did also not show 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 energy 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 2023. 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 in the sector in almost all industrialized countries extended the shortage of skilled workers in 2023, creating a challenging situation for companies. SBO managed these circumstances successfully. Although the market situation remained tight, SBO resolved 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.

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 of both 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.

IT-security

In the area of IT security, the SBO Group takes active preventive measures against potential cyberattacks and has safeguards in place in case cyberattacks occur. From the general risk of an attack to a corporation's IT system, IT security would be considered a medium risk. In 2023, there were attacks on the IT system, which did not cause any reportable damage. The company has strict policies in place, which do not allow the use of personal data other than for legitimate purposes. Employees are trained in the proper use of personal data and systemic measures have been implemented to make sure requirements are fulfilled appropriately.

Sanction risks

Sanction risks are considered medium, because the energy service industry tends to be confronted with sanctions and embargoes issued upon selected countries, entities or individuals by the United Nations and Western countries, which might have a direct or indirect impact on SBO's businesses. The SBO group has a sanctions management in place, which screens businesses for their compliance with sanctions regimes.

Business activities with Russia have been subject to increasing restrictions. Deliveries from the Group, which had already previously been 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 as early as 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.

The sanctions against Russia currently in place are primary in nature and cover Western companies and individuals, but not subsidiaries of these companies. The situation is evaluated on an ongoing basis so we can initiate the required organizational measures in due course if necessary. In any case, it is safe to assume that this situation will be longlasting.

PART 2: ESG developments in 2023

Important developments in 2023 at a glance

In 2023, SBO has been working on transparency and efficiency projects. While Scope 3 GHG emissions have been collected and are disclosed in this report for the first time, efficiency projects in the field of circularity have been initiated with the aim to bring down overall Scope 3 GHG emissions.

In our own production subsidiaries, we pay attention to the efficient use of resources such as energy or water and continually optimize measures to keep CO₂ emissions structurally low. Our photovoltaic systems add to the supply of our energy needs for local production. Additional photovoltaic capacity has been installed in Houston and Dubai in 2023.

Our ESG efforts have also been recognized with above average global sector performance ratings from CDP (Score B-) and ISS ESG (Score C-).

SBO reporting on the EU Taxonomy Regulation

For the financial year 2023, classifications relating to the remaining four environmental objectives of the EU Taxonomy regulation had to be made for the first time and changes to existing legal acts issued in 2023 had to be taken into account. As a result, additional relevant activities were identified, particularly in the area of circular economy.

■ MANUFACTURING BUSINESS AND CROSS-SECTORAL ACTIVITIES

Regarding the manufacturing business of the SBO Group, the following activities are identified as taxonomy-eligible:

- 3.9 Manufacture of iron and steel (environmental objective of climate change mitigation)

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

SBO is a manufacturer of non-magnetic corrosion resistant steels. Manufacturing takes place in a shared process with the main supplier. This special type of process sharing has developed historically and is partly reflected in joint patents. The main supplier produces tailor-made raw materials in close coordination with SBO. Cold forging and treatment is carried out by SBO and meets the economic activity criteria 3.9. In addition, SBO is active in the area of 3D printing technology (Direct Metal Laser Sintering). The description of activity 3.9 is also fulfilled for this activity. The sale of steel scrap ("scrap") also falls under activity 3.9. The turnover, CapEx and OpEx KPIs attributable to the activities mentioned are accordingly shown as taxonomy-aligned.

The product range in the Oilfield Equipment segment, including tools and equipment for drilling and completing oil, gas and geothermal wells, could not be assigned to any economic activity set out in Annex 1 to Delegated Regulation (EU) 2021/2139. The company is not active in the extraction or processing of gas. Therefore, gas-related economic activities, which are valid from 2023, were not included.

SBO has also run infrastructural and cross-sectoral activities in the financial year 2023. The EU Taxonomy regulation not only classifies core economic activities in terms of environmental sustainability, but also certain investments and operating expenses in renewable energy, buildings or vehicle fleets. The following economic activities are applicable to the SBO Group (all of them belong to the environmental objective of climate change mitigation):

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

In particular, the acquisition, financing, rental, leasing and operation of vehicles of classes M, N or L are taxonomy-eligible. In this specific case, this activity is relevant with regard to investments and operating expenses in connection with the vehicle fleet that are relevant for SBO.

- 6.6 Transport of goods by road

The acquisition, financing, leasing, rental and operation of vehicles of classes N1, N2 or N3 for the transport of goods by road that fall under the EURO VI standard Level E or its successor are taxonomy-eligible. In this specific case, this activity is relevant with regard to operating expenses in connection with SBO's own delivery trucks.

- 7.2 Renovation of existing buildings

Individual construction and civil engineering works or preparation thereof are taxonomy-eligible.

- 7.3 Installation, maintenance and repair of energy-efficient devices

Individual renovation measures that consist of the installation, maintenance or repair of energy-efficient devices are taxonomy-eligible.

- 7.5 Installation, maintenance and repair of devices for measuring, regulating and controlling the overall energy efficiency of buildings

The installation, maintenance and repair of devices for measuring, regulating and controlling the overall energy efficiency of buildings are taxonomy-eligible. For SBO, this activity is important in connection with the efficient cooling and heating of buildings.

- 7.6 Installation, maintenance and repair of renewable energy technologies

Taxonomy-eligible are the installation, maintenance and repair of renewable energy technologies on-site. For SBO, this activity is particularly important in connection with the installation of photovoltaic systems at its own locations in the US and in UAE.

- 7.7 Acquisition of and ownership of buildings

The acquisition of real estate and the exercise of ownership of these properties is a taxonomy-eligible activity. In addition to ownership, capitalized usage rights to rented buildings can also represent taxonomy-eligible CapEx. For SBO, the activity is particularly important with regard to administrative and operational buildings.

SBO discloses its direct activities as operator of solar photovoltaic technology, but not those photovoltaic capacities, which are purchased through power purchase agreements from a third party operator.

■ TAXONOMY-ALIGNMENT FOR FINANCIAL YEAR 2023

For the 2023 financial year, taxonomy alignment only needs to be assessed for the economic activities set out in Annex 1 to the Delegated Regulation (EU) 2021/2139 and the environmental objectives climate change mitigation and climate change adaptation. Taxonomy-alignment for the additional environmental objectives must be reported from the 2024 annual report onwards.

Taxonomy alignment means that the economic activity can be attributed to one or more of the potentially sustainable economic activities, meets the criteria for “substantial contribution”, the criteria of “do no significant harm” and the “minimum social safeguards”. The necessary proof of alignment was obtained for activity 3.9 (manufacture of iron and steel), specifically the cold forging and treatment of high alloy, non-magnetic steels as well as the additive manufacturing of complex metal parts through direct metal laser sintering (DMLS). Besides the manufacturing activities, SBO also reports taxonomy alignment for their activity 7.6 (installation, maintenance and repair of renewable energy technologies) referring to photovoltaic systems at its own locations.

The understanding and interpretation of the technical criteria for activity 3.9 (manufacture of iron and steel) and activity 7.6 (installation, maintenance and repair of renewable energy technologies) are explained in more detail below. SBO has analyzed the technical evaluation criteria both on its own activities and obtained confirmations from the main supplier relevant for this activity.

Explanations to the assessment of the taxonomy-alignment are set out for each economic activity separately with regards to their substantial contribution to environmental objectives and “Do No Significant Harm”:

	ACTIVITY 3.9 (MANUFACTURE OF IRON AND STEEL)	ACTIVITY 7.6 (INSTALLATION, MAINTENANCE AND REPAIR OF RENEWABLE ENERGY TECHNOLOGIES)
Substantial contribution	Depending on the manufacturing process, the technical screening criteria specify different emission limits. The relevant measurement variable in this case for high alloy, non-magnetic steels obtained using electric arc furnaces is 0.266 t CO ₂ e / t product. This limit relates exclusively to the emissions that arise during the melting of the crude steel. The criterion of substantial contribution is met due to compliance with the emission limits.	The installation of solar photovoltaic systems is considered as contributing substantially to the environmental objective of climate change mitigation.
Do No Significant Harm (DNSH)	The following explanations summarize the understanding and essential interpretations of the Do No Significant Harm (DNSH) criteria. When analyzing the DNSH criteria, SBO refers to the respective manufacturing sites or affected products.	The following explanations summarize the understanding and essential interpretations of the Do No Significant Harm (DNSH) criteria. When analyzing the DNSH criteria, SBO refers to the respective manufacturing sites or affected products.
Adaptation to climate change	A climate risk and vulnerability assessment was carried out for the relevant manufacturing locations.	A climate risk and vulnerability assessment was carried out for the relevant locations.
Sustainable use and protection of water and marine resources	As part of the existing environmental concept, SBO already places great emphasis on economic and efficient use. The focus of water management is on reducing water consumption, efficient use of water resources and appropriate wastewater treatment. No water is used (e.g. for cooling) in SBO's manufacturing processes relevant here, which is why environmental damage in connection with maintaining water quality and avoiding water shortages in the course of carrying out SBO's activities is not to be expected.	No technical criteria provided.
Transition to a circular economy	No technical criteria provided.	No technical criteria provided.
Prevention and reduction of environmental pollution	Some of the criteria under this environmental objective are not applicable to SBO's activity under investigation (e.g. regarding persistent organic pollutants, mercury compounds or electrical and electronic equipment). The fulfillment of the remaining criteria was examined accordingly. The criterion regarding BAT emission values is also not applicable to the activities of SBO. The corresponding emissions do not occur at SBO's manufacturing processes.	No technical criteria provided.
Protect and restore biodiversity and ecosystems	Compliance with environmental regulations was checked at the relevant sites.	No technical criteria provided.

Minimum social 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 under consideration are carried out in compliance with Article 18 of the Taxonomy Regulation.

Taking into account the Final Report on Minimum Safeguards of the Platform on Sustainable Finance published in October 2022, SBO focuses on the topics of human rights, bribery / corruption, taxes and fair competition. The following aspects were taken into account in detail:

Human rights

Business is conducted in compliance with the catalog of internationally recognized human rights. There is a Code of Conduct that requires managers and employees to take appropriate measures to detect, prevent and mitigate possible and actual human rights violations. There have been no convictions related to human rights violations.

Bribery / Corruption

The SBO Group has set up a whistleblowing service that ensures protected communication channels and enables incidents of bribery/corruption to be reported on its own online platform. In addition, there are group-wide guidelines and a zero-tolerance policy regarding bribery, fraud and any form of corruption.

Taxes

In the course of the SBO Group’s economic activities, tax expenses arise in various forms worldwide. Sales taxes, corporate taxes, taxes related to wages and salaries, etc. mean that SBO’s economic activities make economic contributions in individual countries. SBO does not pursue an aggressive tax policy. The location of the individual companies follows exclusively the local economic activities in the respective industrial centers. 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 the relevant competition rules. For SBO, fair competition means that no cartels, anti-competitive business practices or agreements that exploit or expand market dominance or market power, as well as anti-competitive mergers and acquisitions are entered into or carried out. This applies in particular if they include fixed prices, manipulated offers (collusive tenders), production restrictions or quotas or the division of markets through the allocation of customers, suppliers, territories or business sectors.

■ KEY PERFORMANCE INDICATORS (KPI)

On this basis, the following key figures are shown:

INFORMATION IN %	TURNOVER	CAPEX	OPEX
Taxonomy-eligible overall	14.1	10.3	6.2
Not taxonomy-eligible overall	85.9	89.7	93.8
Taxonomy-aligned overall	14.1	3.4	4.0
Not taxonomy-aligned overall	85.9	96.6	96.0

The newly enacted economic activities, particularly in the area of circular economy, cover further economic activities of SBO. These are the subject of detailed evaluation and are therefore not yet included in the current reporting. They may lead to a further improvement in the key figures in the following reporting year.

TURNOVER-KPI

FINANCIAL YEAR 2023	YEAR		SUBSTANTIAL CONTRIBUTION CRITERIA								DNSH CRITERIA ("DOES NOT SIGNIFICANTLY HARM")									
	Economic Activities (01)	Code (02)	Turnover (03)	Proportion of Turnover, 2023 (04)	Climate Change Mitigation (05)	Climate Change Adaptation (06)	Water (07)	Pollution (08)	Circular Economy (09)	Bio-diversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		TEUR	%	%													Y/N	%		
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of iron and steel	3.9	82,788	14.1 %	14.1 %						Y	Y	Y	Y	Y	Y	Y	Y	12.5 %		12.5 %
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		82,788	14.1 %	14.1 %														12.5 %		
Of which enabling		0	0.0 %	0.0 %																0.0 %
Of which transitional		82,788	14.1 %	14.1 %																12.5 %
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of iron and steel	3.9	0	0.0 %																	0.0 %
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																				
A. TURNOVER OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1+A.2)		82,788	14.1 %															12.5 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		503,083	85.9 %																	87.5 %
TOTAL		585,871	100.0 %																	

CAPEX-KPI

FINANCIAL YEAR 2023	YEAR		SUBSTANTIAL CONTRIBUTION CRITERIA								DNSH CRITERIA ("DOES NOT SIGNIFICANTLY HARM")									
	Economic Activities (01)	Code (02)	CapEx (03)	Proportion of CapEx, 2023 (04)	Climate Change Mitigation (05)	Climate Change Adaptation (06)	Water (07)	Pollution (08)	Circular Economy (09)	Bio-diversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		TEUR	%	%													Y/N	%		
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of iron and steel	3.9	1,187	3.0 %	3.0 %						Y	Y	Y	Y	Y	Y	Y	Y	21.1 %		21.1 %
Installation, maintenance and repair of energy-efficient devices	7.3	170	0.4 %	0.4 %						Y	Y	Y	Y	Y	Y	Y	Y	0.0 %		0.0 %
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,357	3.4 %	3.4 %														21.1 %		
Of which enabling		170	0.4 %	0.4 %																0.0 %
Of which transitional		1,187	3.0 %	3.0 %																21.1 %
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Transport by motorcycles, passenger cars and light commercial vehicles	6.5	1,133	2.8 %																	1.0 %
Renovation of existing buildings	7.2	39	0.1 %																	0.0 %
Installation, maintenance and repair of energy-efficient devices	7.3	422	1.0 %																	0.4 %
Installation, maintenance and repair of devices for measuring, regulating and controlling the overall energy efficiency of buildings	7.5	0	0.0 %																	0.1 %
Installation, maintenance and repair of renewable energy technologies	7.6	602	1.5 %																	0.1 %
Acquisition of and ownership of buildings	7.7	602	1.5 %																	12.1 %
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																				
A. CAPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1+A.2)		4,155	10.3 %																	34.8 %
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities		36,041	89.7 %																	65.2 %
TOTAL		40,197	100.0 %																	

OPEX-KPI

FINANCIAL YEAR 2023	YEAR		SUBSTANTIAL CONTRIBUTION CRITERIA								DNSH CRITERIA ("DOES NOT SIGNIFICANTLY HARM")									
	Economic Activities (01)	Code (02)	OpEx (03)	Proportion of OpEx, 2023 (04)	Climate Change Mitigation (05)	Climate Change Adaptation (06)	Water (07)	Pollution (08)	Circular Economy (09)	Bio-diversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		TEUR	%	%													Y/N	%		
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of iron and steel	3.9	451	2.6 %	2.6 %						Y	Y	Y	Y	Y	Y	Y	Y	3.3 %		3.3 %
Installation, maintenance and repair of energy-efficient devices	7.3	249	1.4 %	1.4 %						Y	Y	Y	Y	Y	Y	Y	Y	0.0 %		0.0 %
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		700	4.0 %	4.0 %														3.3 %		
Of which enabling		249	1.4 %	1.4 %																0.0 %
Of which transitional		451	2.6 %	2.6 %																3.3 %
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Transport by motorcycles, passenger cars and light commercial vehicles	6.5	47	0.3 %																	0.5 %
Installation, maintenance and repair of energy-efficient devices	7.3	284	1.6 %																	1.4 %
Installation, maintenance and repair of renewable energy technologies	7.6	0	0.0 %																	0.4 %
Acquisition of and ownership of buildings	7.7	58	0.3 %																	3.0 %
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		389	2.2 %																	2.6 %
A. OPEX OF TAXONOMY-ELIGIBLE ACTIVITIES (A.1+A.2)		1,090	6.2 %																	5.9 %
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities		16,511	93.8 %																	94.1 %
TOTAL		17,601	100.0 %																	

■ DETAILED EXPLANATIONS

The calculation of the Key Performance Indicators (KPI) is carried out in accordance with Annex 1 of Commission Delegated Regulation (EU) 2021/2178.

Information on the consolidated financial statements to avoid double counting and general procedures

SBO's consolidated financial statements as of 31 December 2023 were 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 on the accounting methods used are shown in the notes to the SBO consolidated financial statements. The principles of the IFRS consolidated financial statements for determining turnover, CapEx and OpEx serve as the basis for deriving taxonomy KPIs. To avoid double counting, when recording sales revenue, only sales with external customers were taken to enable a simple and transparent transfer to the consolidated group sales.

When recording the CapEx KPI, a screening was carried out at the individual company level and a subsequent transfer to the consolidated figure of the SBO Group. To record OpEx, a screening was carried out at the individual company level with subsequent aggregation, whereby intra-group billings were excluded in advance in order to avoid inflation of the KPI. In general, it should be noted that when deriving taxonomy-aligned turnover, CapEx and OpEx, a clear allocation to individual economic activities was possible and no distribution key was used. This also allowed for the exclusion of possible double counting of turnover, CapEx and OpEx in different economic activities.

Calculation of Turnover KPI

Turnover KPI was calculated as that portion of net sales of goods or services, including intangible goods, associated with taxonomy-aligned economic activities (numerator), divided by net sales (denominator). The denominator corresponds to the consolidated sales revenue from 1 January to 31 December 2023, as reported in the SBO consolidated financial statements for 2023. To determine the numerator, screening was carried out at company level with subsequent assignment to taxonomy-aligned economic activities.

Calculation of CapEx KPI

This KPI is defined as the taxonomy-aligned CapEx (numerator) divided by the consolidated capital expenditure. The denominator includes consolidated additions to tangible and intangible assets during the fiscal year under consideration before depreciation and revaluations, including those resulting from revaluations and impairments for the fiscal year in question and excluding changes in fair value. The denominator also takes into account additions to property, plant and equipment and intangible assets that result from business combinations, as well as rights of use in accordance with IFRS 16. taxonomy-aligned CapEx could be clearly identified and assigned to taxonomy-aligned economic activities, so that no assignment key was used.

Calculation of OpEx KPI

This KPI is defined as taxonomy-aligned operating expenses in the numerator divided by the total operating expenses in the sense of the EU Taxonomy in the denominator. The denominator covers direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Group-wide, the operating expenses listed above were checked with the EU Taxonomy to see whether they could be assigned to a taxonomy-aligned economic activity, with the uniform group-wide reporting scheme for uncapitalized operating expenses (which are also included in the consolidated group profit and loss statement) forming the starting point for the screening. Taxonomy-aligned OpEx could be clearly identified and assigned to taxonomy-aligned economic activities, so that no assignment key was used.

■ TAXONOMY OUTLOOK

SBO may identify additional taxonomy-aligned economic activities, in particular, in the field of circular economy. From a strategic perspective, the transition to a circular economy also plays a central role in the context of developing a company-wide circular economy strategy.

Environment: environmental concept

As a manufacturer, we place great importance on the lowest possible environmental impact. We conduct regular reviews of our manufacturing processes and their environmental impact in order to identify possible improvements and implement them as quickly as possible. Our progress in environmental protection measures is transparently presented in our ESG disclosures. The environmental protection measures are focused on waste, water and energy consumption, in addition to ensuring highest quality standards of processes and products. In 2023, the SBO Group's manufacturing output increased and sales growth was about 17 %. In relation to this, all relevant non-financial key performance indicators rose at a lower rate.



EMISSIONS

CORPORATE CARBON FOOTPRINT (CCF)

		2023	2022
Scope 1, direct	CO ₂ e in tons	4,040.9	4,180.2
Scope 2, indirect (market based)	CO ₂ e in tons	9,610.2	9,462.5
Scope 3, indirect	CO ₂ e in tons	102,828.4	89,246.1
Total	CO₂e in tons	116,479.6	102,888.8

The calculated Scope 1 GHG emissions decreased to 4,040.9 tons (2022: 4,180.2 tons, -3.3 %). Scope 2 GHG emissions remained relatively flat at 9,610.2 tons (2022: 9,462.5 tons, 1.6 %). This corresponded to an intensity of 23.3 CO₂e in tons per 1 Million EUR in sales.

SBO reported Scope 3 GHG emissions for the first time in 2023. While long-term upstream and downstream actions are investigated, our overall Scope 3 emissions increased due to significant business growth. Upstream Scope 3 increased mainly in purchased goods and services (category 3.1), capital goods (category 3.2) and processing of sold products (category 3.10).

EMISSIONS DETAILS

CO ₂ e IN TONS	2023	2022
Scope 1, direct	4,040.9	4,180.2
Scope 2, indirect		
market based	9,610.2	9,462.5
location based	11,979.6	11,646.9
Scope 3, indirect	102,828.4	89,246.1
upstream		
Category 1: Purchased goods and services	66,243.5	57,813.3
Category 2: Capital goods	8,479.1	6,473.4
Category 3: Fuel and energy related activities	3,914.4	3,658.3
Category 4: Transportation and distribution	1,471.8	1,243.3
Category 5: Waste generated in operations	3,371.9	3,691.3
Category 6: Business travel	3,180.6	2,598.9
Category 7: Employee commuting	2,316.3	2,083.8
Category 8: Leased assets	-	-
downstream		
Category 9: Transportation and distribution	6,398.8	5,610.9
Category 10: Processing of sold products	6,827.5	5,466.1
Category 11: Use of sold products	-	-
Category 12: End-of-life treatment of sold products	624.5	606.9
Category 13: Leased assets	-	-

EMISSION INTENSITY

		2023	2022
Emissions intensity Scope 1 + 2	CO ₂ e in tons / 1 MEUR sales	23.3	27.2
Emissions intensity Scope 3	CO ₂ e in tons / 1 MEUR sales	175.5	178.1

Emissions have been reported in line with the GHG protocol standard.

■ ENERGY CONSUMPTION

Energy, mainly electricity, is needed to manufacture our products. This is largely sourced from the public power grid. The use of generators is avoided wherever possible. Continuously reducing energy consumption and increasing the efficiency of resource use are central goals of our sustainability approach.

In 2023, the share of renewable sources accounted for 44 % of our overall electricity consumption, which is equivalent to 15,463.3 MWh. This figure includes green tariffs in regions such as Austria, US, UK, CAN, UAE and Brazil, as well as onsite generation in Austria, US and UAE.

Energy consumption rose slightly by around 2.6 % in 2023, but remained well below the increase in sales.

ENERGY CONSUMPTION

	UNIT	2023	2022
Energy consumption	MWh	53,072.9	51,753.0
thereof electricity	MWh	34,828.2	32,984.8
thereof from renewable sources	MWh	15,463.3	15,324.1
thereof from non-renewable sources	MWh	19,364.9	17,660.7

■ WATER CONSUMPTION

Since water is one of the most valuable resources in the world, our group of companies attaches great importance to its economic and efficient use at all locations. Our water management aims to reduce water consumption, carry out appropriate water treatment and ensure efficient use of water resources. The SBO Group implements measures to structurally reduce water consumption, including the use of circulating water when manufacturing steels.

In 2023, the SBO Group withdrew 101,382.7 cbm of water worldwide (2022: 92,132.6 cbm). The increase was lower than the sales growth in 2023. Some locations obtained water from an own well and from the public system.

WATER WITHDRAWAL

	UNIT	2023	2022
Water withdrawal	cbm	101,382.7	92,132.6
thereof from own well	cbm	68,449.0	70,340.0
thereof from the public water system	cbm	32,933.7	21,792.6

■ WASTE MANAGEMENT

The SBO Group already focuses on reducing pollutant substances when developing materials, especially steel. This ensures a production with low levels of pollutants and, consequently, environmentally friendly disposal. Materials are ordered as close to net-shape in order to minimize unnecessary production waste and reduce the environmental footprint through lower transport quantities.

We optimize the input-output ratio by recycling a large portion of production waste. Unusable waste is disposed of in accordance with the latest environmental standards. Depending on the location, lubricants such as production oils are collected during ongoing production, filtered and reintroduced into the production cycle. The ongoing increase in the recycling quota is also pursued as a goal of our environmental management.

In 2023, 7,887.3 tons of total waste was generated across the group, including production waste and packaging material (2022: 7,662.5 tons).

WASTE MANAGEMENT

	UNIT	2023	2022
Total waste*	tons	7,887.3	7,662.5
thereof non-hazardous waste	tons	7,175.0	6,972.8
thereof hazardous waste	tons	712.3	689.7
Waste transported interstate and classified as hazardous (according to the Basel Convention)	tons	0.0	0.0

* Total waste including production waste and packaging material. Hazardous waste including wastewater contaminated by hazardous waste. Definition of hazardous waste based on the Basel Convention.



Social and employee concept



Highly qualified employees are crucial for the sustainable success of the SBO Group. We create an attractive, safe working environment with optimal development opportunities and focus on retaining the qualified core team. Our shared values, characterized by respect, trust and professionalism, contribute to this.



We are actively committed to equal opportunities and diversity, particularly by increasingly reaching out to women. Employees are hired based on qualifications regardless of nationality, origin or political affiliation. We respect the fundamental right to freedom of association worldwide and, where established, maintain good relations with works councils and unions.



■ HEALTH AND OCCUPATIONAL SAFETY

We follow the standards of the Occupational Health and Safety Assessment Series (OHSAS) and place the highest value on the safety of our employees. Internal security guidelines clearly regulate work processes and responsibilities. Path markings and strict instructions for facilities and machines are implemented, regularly checked and optimized. Our employees receive ongoing training, including first aid courses. We provide ongoing information about safety guidelines and local workplace safety laws to prevent accidents. Site-specific checklists and emergency plans are used as needed. We offer fitness options at some locations, including our own fitness rooms to ensure the health of our employees.

The accident frequency (LTIR) stayed at 8 accidents per one million working hours (2022: 8 accidents per one million working hours). The accident severity (SA) was a low 4 days lost per work-related accident (2022: 6 days lost related to the number of accidents). We actively strive to keep the number of incidents low and document and review all incidents for potential for improvement.

OCCUPATIONAL SAFETY

		2023	2022
Lost-time incident	Number of accidents with lost time (1 day and more)	25	25
Lost-time injury rate (LTIR)	Number of accidents with lost time (1 day and more) per 1 million working hours	8	8
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)	4	6
Work-related fatality	Amount	0	0
Fatal accident rate (FAR)	Number of fatalities per 1 million working hours	0	0

* Accidents included from a lost time of 8 working hours.

■ PERSONNEL DEVELOPMENT AND FLEXIBLE WORKING TIME MODELS

There is intense competition for skilled workers worldwide. As an employer, we strive for optimal working conditions and have established attractive remuneration as well as a comprehensive training and further education concept in personnel development. In this way, we address the shortage of skilled workers and strengthen our position as an employer. In Ternitz (Austria), we train the skilled workers of tomorrow in a specially developed apprenticeship program. 7 new apprentices were hired for our award-winning apprenticeship program. In total, 26 apprentices (3 women, 23 men) worked in our teams.

Fair pay is particularly important to us. Through performance-related remuneration, we attract and retain the best specialists, who, depending on the respective company's success, receive not only a fixed salary but also a performance-related variable remuneration.



**TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE,
GENDER AND REGION¹****2023**

	AUSTRIA	NORTH AMERICA	REST OF WORLD	TOTAL
Employees				
Total	408	724	469	1,601
Status				
White Collar	80	166	212	458
Blue Collar	302	558	257	1,117
Apprentices	26	0	0	26
Gender				
Men	355	643	392	1,390
Women	53	81	77	211
Diverse	0	0	0	0

¹ Total number as of the reporting date, country delimitation according to the headquarters of the employing company.

**TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE,
GENDER AND REGION¹****2022**

	AUSTRIA	NORTH AMERICA	REST OF WORLD	TOTAL
Employees				
Total	399	712	373	1,484
Status				
White Collar	77	189	149	415
Blue Collar	294	523	224	1,041
Apprentices	28	0	0	28
Gender				
Men	351	642	309	1,302
Women	48	70	64	182
Diverse	0	0	0	0

¹ Total number as of the reporting date, country delimitation according to the headquarters of the employing company.

We invest in employee training and promote innovation in the working environment. In 2023, the training focus was on the areas of qualification as well as health and safety. The number of education hours more than doubled to 56,244 training hours, which corresponds to an average training effort of 35.1 hours per employee.

TRAINING AND FURTHER EDUCATION BY EMPLOYEE CATEGORY AND EDUCATIONAL FOCUS* **2023**

TOTAL HOURS	HEALTH & SAFETY	INFORMATION TECHNOLOGY	LEGAL & COMPLIANCE	TRAINING & QUALIFICATION	MANAGEMENT	ADMINISTRATION	PRODUCTION
56,244	27 %	3 %	3 %	67 %	3 %	12 %	85 %

* Training and further education including internal and external training measures with the exception of enrollment measures.

TRAINING AND FURTHER EDUCATION BY EMPLOYEE CATEGORY AND EDUCATIONAL FOCUS* **2022**

TOTAL HOURS	HEALTH & SAFETY	INFORMATION TECHNOLOGY	LEGAL & COMPLIANCE	TRAINING & QUALIFICATION	MANAGEMENT	ADMINISTRATION	PRODUCTION
24,845	30 %	6 %	8 %	56 %	7 %	14 %	79 %

* Training and further education including internal and external training measures with the exception of enrollment measures.

■ **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

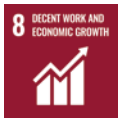
In the SBO Group, we promote diversity in generations, genders and cultures, as this is crucial for the company's development. When making new appointments, we specifically take diversity into account in addition to professional qualifications. Diversity is part of our strategy, with a focus on support programs for women and in recruiting skilled workers. A detailed description of the diversity approach can be found in the corporate governance report.

DIVERSITY BY GENDER AND FUNCTION 2023

EMPLOYEES	TOTAL	THEREOF MID MANAGEMENT	THEREOF TOP MANAGEMENT	THEREOF NON MANAGEMENT
Total	1,601	154	23	1,424
GENDER				
Men	1,390	125	22	1,243
Women	211	29	1	181
Diverse	0	0	0	0
QUOTA OF WOMEN	13 %	19 %	4 %	13 %

DIVERSITY BY GENDER AND FUNCTION 2022

EMPLOYEES	TOTAL	THEREOF MID MANAGEMENT	THEREOF TOP MANAGEMENT	THEREOF NON MANAGEMENT
Total	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 %



Governance: concept of respect for human rights and Combating corruption and bribery

■ RESPECT FOR HUMAN RIGHTS

In the SBO Group, we conduct all business in strict compliance with internationally recognized human rights. Regardless of characteristics such as skin color, gender, origin, nationality, ethnic or political affiliation, religion, age, sexual orientation, language and physical or psychological impairment, we are committed to equal opportunities and equal treatment in the workplace. Diversity is a key factor for the success we promote in the industry. Employees and managers are obliged to take measures against potential human rights violations. The Code of Conduct, which applies to all SBO Group companies worldwide, stands for inclusive and ethical behavior. No human rights violations were reported during the reporting period.

■ COMPLIANCE AND CORRUPTION PREVENTION

Transparency, open communication and predictability are fundamental to corporate management in the SBO Group and ensure the trust of stakeholders. Ethical and legally compliant behavior is essential for our reputation and business success. SBO Group Compliance ensures uniform implementation and early risk identification. Consistent compliance and increased training in this regard prevented attempted fraud in 2023.

With our whistleblowing service, we encourage our employees to openly address misconduct and non-compliant incidents or situations. This service is available to our employees via an online platform. The notifications are processed centrally at Group Compliance. There were four notifications received through the whistleblowing service in the 2023 financial year. All notifications were processed in accordance with SBO's guideline and the law, reflecting the EU Whistleblower Directive.

Group Compliance is committed to actively combating corruption and complying with legal requirements. Zero tolerance applies to fraud, bribery and any corruption. Violations of business ethics are consistently sanctioned. These standards apply globally to all employees and business partners. Compliance is ensured through training and monitoring. No cases of corruption or bribery were identified during the reporting period and no regulatory action was taken.

■ CYBER SECURITY

With increasing digitalization, the requirements for secure systems are increasing. The SBO Group also faces this challenge and is committed to strengthening digital skills.

SBO runs a decentralized IT structure, which guarantees flexibility and productivity. This structure is supported by a central decision-making unit. This enables the identification of gaps, strategic measures, the establishment of group-wide alert systems and the expansion of competencies. IT security and compliance work closely together.

In 2022, an international external IT audit of all subsidiaries of the SBO Group was carried out. Findings were corrected and proposed changes incorporated into IT policies and processes.



 **SCHOELLER
BLECKMANN
OILFIELD
EQUIPMENT**

CONSOLIDATED FINANCIAL STATEMENTS



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS	66
Consolidated profit and loss statement	70
Consolidated statement of comprehensive income	71
Consolidated balance sheet	72
Consolidated statement of changes in equity	74
Consolidated cash flow statement	75
Notes to the Consolidated Financial Statements	76
Management Disclosures	150
Auditor's Report	152
JAHRESABSCHLUSS	160
Bestätigungsvermerk	197
CORPORATE GOVERNANCE	204
Corporate Governance Report	204
Report of the Supervisory Board on the Financial Year 2023	215
STATEMENT OF ALL LEGAL REPRESENTATIVES	218

Consolidated profit and loss statement

IN TEUR	NOTE	2023	2022
Sales	22	585,871	501,239
Cost of goods sold	23	-383,272	-332,384
Gross profit		202,599	168,855
Selling expenses	23	-36,357	-31,339
General and administrative expenses	23	-49,646	-42,544
Other operating expenses	24	-22,395	-15,357
Other operating income	24	8,077	16,565
Profit from operations		102,278	96,180
Interest income	25	9,038	2,854
Interest expenses	25	-8,544	-5,692
Expenses from the acquisition of non-controlling interest	18	-8,563	0
Financial result		-8,069	-2,838
Profit before tax		94,209	93,342
Income taxes	26	-22,635	-18,144
Profit after tax		71,574	75,198
Average number of shares outstanding	20	15,732,013	15,729,465
Earnings per share in EUR (basic = diluted)		4.55	4.78

Consolidated statement of comprehensive income

IN TEUR	NOTE	2023	2022
Profit after tax		71,574	75,198
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Currency translation adjustment - subsidiaries	21	-14,668	17,918
Currency translation adjustment - other items ¹	21	-2,330	3,551
Income tax effect	26	536	-834
Total Other comprehensive income to be reclassified to profit or loss in subsequent periods		-16,462	20,635
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurement gains on defined benefit plans	16	-463	12
Income tax effect	26	111	-3
Total Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-352	9
Other comprehensive income, net of tax		-16,814	20,644
TOTAL COMPREHENSIVE INCOME, NET OF TAX		54,760	95,842

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

Consolidated balance sheet

ASSETS

IN TEUR	NOTE	31.12.2023	31.12.2022
Current assets			
Cash and cash equivalents		162,351	287,764
Trade receivables	5	132,519	124,514
Income tax receivables		3,178	995
Other receivables and other assets	6	11,518	10,647
Inventories	7	205,811	175,873
Total current assets		515,377	599,793
Non-current assets			
Property, plant and equipment	8	130,436	123,801
Goodwill	9	138,407	134,509
Other intangible assets	9	19,012	11,990
Long-term receivables and assets	10	3,551	3,175
Deferred tax assets	11	29,638	29,829
Total non-current assets		321,044	303,304
TOTAL ASSETS		836,421	903,097

Consolidated balance sheet

LIABILITIES AND EQUITY

IN TEUR	NOTE	31.12.2023	31.12.2022
Current liabilities			
Liabilities to banks	12	38,144	30,765
Current portion of long-term loans	15	41,638	58,552
Lease liabilities	19	2,378	2,530
Trade payables		39,624	33,075
Income tax payable		18,932	11,027
Other liabilities	13, 18	46,127	153,772
Other provisions	14	3,654	3,832
Total current liabilities		190,497	293,553
Non-current liabilities			
Long-term loans	15	174,839	163,977
Lease liabilities	19	6,589	6,825
Provisions for employee benefits	16	5,988	6,616
Other liabilities	17	10,231	6,980
Deferred tax liabilities	11	260	130
Total non-current liabilities		197,907	184,528
Equity			
Share capital	20	15,759	15,729
Capital reserve		59,526	61,956
Legal reserve	21	785	785
Other reserves		19	19
Currency translation reserve	21	32,739	49,201
Retained earnings	21	339,189	297,326
Total equity		448,017	425,016
TOTAL LIABILITIES AND EQUITY		836,421	903,097

Consolidated statement of changes in equity

2023

IN TEUR	SHARE CAPITAL	CAPITAL RESERVE	LEGAL RESERVE	OTHER RESERVES	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
Note	20		21		21	21	
1 January 2023	15,729	61,956	785	19	49,201	297,326	425,016
Profit after tax						71,574	71,574
Other comprehensive income, net of tax					-16,462	-352	-16,814
Total comprehensive income, net of tax	0	0	0	0	-16,462	71,222	54,760
Dividend payment ¹						-31,459	-31,459
Share-based payment	30	-2,430				2,100	-300
31 December 2023	15,759	59,526	785	19	32,739	339,189	448,017

¹ The dividend per share amounted to EUR 2.00.

2022

IN TEUR	SHARE CAPITAL	CAPITAL RESERVE	LEGAL RESERVE	OTHER RESERVES	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
Note	20		21		21	21	
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.

Consolidated cash flow statement

IN TEUR	NOTE	2023	2022
Profit before tax*		94,209	93,342
Depreciation, amortization and impairments	8, 9	29,002	32,927
Interest result*	25	-494	2,838
Expenses from the acquisition of non-controlling interest	18	8,563	0
Change in provisions for employee benefits	16	-628	-242
Gain / loss from sale of property, plant and equipment		507	-890
Income from release of government grants		0	-89
Other non-cash expenses and revenues*		2,564	-6,286
Change in deferred taxes*		0	0
Interest paid*		-7,310	-5,046
Interest received*		9,285	2,595
Income taxes paid*		-18,934	-9,079
Income taxes received*		1,328	4,058
Cash flow from profit*		118,092	114,128
Change in trade receivables		-3,955	-34,700
Change in other receivables and other assets*		-1,661	-3,640
Change in inventories		-32,393	-50,429
Change in trade payables		2,527	14,430
Change in other liabilities and provisions*		3,915	12,590
Cash flow from operating activities	35	86,525	52,379
Expenditures for property, plant and equipment	8	-35,486	-29,189
Expenditures for intangible assets	9	-1,992	-1,780
Change in payables for capital expenditure		598	-33
Expenditures for the acquisition of subsidiaries less cash acquired	36	-18,594	0
Proceeds from sale of property, plant and equipment		2,081	5,686
Cash flow from investing activities	35	-53,393	-25,316
Free cash flow	35	33,132	27,063
Dividend payment		-31,459	-11,797
Repayment of lease liabilities		-2,859	-2,317
Expenditures for the acquisition of non-controlling interest	18	-118,990	0
Change in liabilities to banks	12	7,397	-6,642
Proceeds from long-term loans	15	52,500	0
Repayments of long-term loans	15	-58,552	-21,987
Repayments of other long-term liabilities		-942	-1,739
Cash flow from financing activities	35	-152,905	-44,482
Change in cash and cash equivalents		-119,773	-17,419
Cash and cash equivalents at the beginning of the year		287,764	291,754
Effects of exchange rate changes on cash and cash equivalents		-5,640	13,429
Cash and cash equivalents at the end of the year	35	162,351	287,764

* In order to improve the presentation of interest inflows and outflows as well as tax inflows and outflows, the presentation of values within the cash flow from operating activities of the previous year was adjusted (see Note 35).

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 in 2630 Ternitz, Hauptstraße 2, was founded on 26 May 1994 in Ternitz, Austria, and is registered in the commercial register at the commercial court in Wiener Neustadt, Austria, under FN 102999w.

The object of the Company comprises in particular the production and sale of high-alloy non-magnetic steels, as well as products made of metals, composites or other materials for the drilling, completion and production technology, in particular for the oil, gas and geothermal industry, as well as 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 of 31 December 2023 were prepared in accordance with the principles of the International Financial Reporting Standards (IFRS) and 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 2023 financial year (reporting date: 31 December 2023) were approved for publication by the Executive Board on 1 March 2024.

The consolidated financial statements are prepared in euros. Unless otherwise stated, all values are rounded to the nearest thousand euros (TEUR). The totals of the rounded amounts and percentages may show rounding differences due to the use of automated calculation aids.

Note 3

SCOPE OF CONSOLIDATION

In addition to SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft as the ultimate parent company, 34 (previous year: 31) subsidiaries were included in the consolidated financial statements as of 31 December 2023:

COMPANY	LOCATION	INTEREST HELD DIRECTLY OR INDIRECTLY IN %	INTEREST HELD DIRECTLY OR INDIRECTLY IN %
		31.12.2023	31.12.2022
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
The WellBoss Company, Inc.	Calgary, CA	100.00	100.00
The Wellboss Company FZE (formerly: Praxis Completion Technology FZCO)	Dubai, UAE	100.00	0,00
The WellBoss Company for Maintenance (formerly: Praxis Completion Technology Arabia for Maintenance)	Dammam, KSA	100.00	0,00
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	100.00
Foxano AG	Luzern, CHE	100,00	100,00
D-TECH (UK) Limited	Bristol, UK	100,00	100,00
D-TECH Drilling Tools Inc.	Houston, US	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" (in future: Nomatek LLC)	Noyabrsk, RU	100.00	100.00
DSI FZE	Dubai, UAE	100.00	100.00
DSI FZE Services Private Limited	Mumbai, IND	100.00	0.00
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	100.00
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 17 for details on shares held by the management of these companies.

For all companies, the shares correspond to the voting rights, which means that control of the subsidiaries can be derived directly from the shares held.

The following changes were made to the scope of consolidation in 2023:

- Acquisition of 100 % of the shares in The Wellboss Company FZE (formerly: Praxis Completion Technology FZCO), Dubai, and The WellBoss Company for Maintenance (formerly: Praxis Completion Technology Arabia for Maintenance), Saudi Arabia, in October 2023 (see Note 36).
- Acquisition of DSI FZE Services Private Limited, India, in March 2023. Due to the absence of a business at the time of acquisition, IFRS 3 was not applied to this business combination.

Note 4

SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting principles 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 financial year 2023. These do not have a material impact on the consolidated financial statements as of 31 December 2023.

STANDARDS / INTERPRETATIONS		EFFECTIVE DATE ¹	MATERIAL IMPACT ON SBO GROUP FINANCIAL STATEMENTS
IAS 1 Amendments	Disclosures of Accounting policies	1.1.2023 ¹	no
IAS 8 Amendments	Definition of Accounting estimates	1.1.2023 ¹	no
IAS 12 Amendments	Deferred Tax relating to Assets and Liabilities arising from a Single Transaction	1.1.2023 ¹	no
IAS 12 Amendments	International Tax Reform – Pillar II Model Rules	1.1.2023 ¹	no
IFRS 17	Insurance Contracts	1.1.2023 ¹	no

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

The Minimum Taxation Act (“MinBestG”), which came into force in Austria on 31 December 2023 and which is applicable starting from 2024, implemented the OECD model regulations and the corresponding EU Directive to ensure global minimum taxation for groups of companies (“Pillar Two”) in Austrian law. As the ultimate parent company as defined by the MinBestG, SBO is currently evaluating the potential impact of the introduction of global minimum taxation on the Group. As SBO does not expect to exceed the turnover limits in the short term, no application or effects on SBO are currently expected.

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 2023 financial year. They will be applied in the future reporting period for which application is mandatory:

STANDARDS / INTERPRETATIONS		EFFECTIVE DATE^{1,2}	MATERIAL IMPACT ON SBO GROUP FINANCIAL STATEMENTS
IAS 1 Amendments	Classification of Liabilities as current or non-current and Non-current liabilities with Covenants	1.1.2024 ¹	no
IAS 7 and IFRS 7 Amendments	Supplier Finance Arrangements	1.1.2024 ²	no
IAS 21 Amendments	Lack of Exchangeability	1.1.2025 ²	no
IFRS 16 Amendments	Lease Liability in a Sale and Leaseback	1.1.2024 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 regarding the liability from the acquisition of non-controlling interests in the 2023 financial year, refer to Note 18.

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 of 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	
	31.12.2023	31.12.2022	2023	2022
USD	1.1050	1.0666	1.0816	1.0539
GBP	0.8691	0.8869	0.8699	0.8526
CAD	1.4642	1.4440	1.4596	1.3703
BRL	5.3618	5.6386	5.4016	5.4432
CHF	0.9260	0.9847	0.9717	1.0052
VND	26,955.1	25,279.9	26,033.0	24,798.2

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

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

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

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 considered. 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 after 3 years were also considered as default, 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 **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 of 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 foreign exchange 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 financial instruments as of 31 December 2023 and 31 December 2022, see Note 31.

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 materiality impairment losses on continuing operations are recognized in profit or loss either under **COST OF SALES** 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 twelve months as well as for low value lease agreements (see Note 19).

9. Goodwill

Goodwill is recognized at cost and subsequently tested for impairment annually as of 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 cash flows.

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 losses 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 unused tax losses 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 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 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 16 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 EMPLOYEE BENEFITS

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

14. Revenue recognition

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

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

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

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

15. Research and development

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

16. Share-based payment

In 2014 an agreement on share-based payments was entered into with the Chief Executive Officer. This agreement was terminated in the financial year 2022 and replaced by an adjustment of the fixed and variable remuneration components. In addition, an agreement on the granting of a voluntary severance benefit in the form of SBO shares at the end of employment was concluded in 2014 and settled in full when the Chief Executive Officer retired on 31 December 2023. As the compensation was settled using SBO shares, the expense from these agreements of prior years was recognized in personnel expense and within equity (see Note 29).

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).

■ CONSOLIDATED FINANCIAL STATEMENTS | Notes to the Consolidated Financial Statements

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 19).

An estimate of the value in use is made for the annual impairment test of **GOODWILL** in which management must estimate the expected future cash flows 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 can actually be utilized. 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 losses (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 13) 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 14).

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 16).

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 17).

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

The SBO Group has been monitoring the issue of climate change and its consequences for years with regard to the potential impact on the Group's business activities. A distinction must be made between the consequences of climate change itself and the resulting necessary adjustments as well as the framework conditions for avoiding and reducing climate-damaging greenhouse gases. The risks relating to the avoidance and reduction of greenhouse gases must be assessed in the context of the European Green Deal and the associated regulations of the European Union, such as the EU Taxonomy Regulation. Climate change as such is classified as a non-material risk for the company.

Among other things, the European Green Deal requires companies to have a plan to ensure that their 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. In this regard, SBO refers to the "Strategy 2030" in the "Outlook" section of the management report. At the same time, investments are to be shifted primarily to sustainable economic activities. In the long term, the energy sector is also to be restructured with the aim of gradually replacing fossil fuels with renewable energies or neutralizing their emissions, whereby the share of oil and gas is to remain at a high level over a long period of time.

In the course of the UN Climate Change Conference (COP 28) in Dubai in December 2023, the oil and gas industry and its role in achieving the Paris Climate Change Agreement was the focus of media interest. The widespread media expectation that the participants at COP 28 would announce the decision to end oil and gas production, which was considered unrealistic anyway, did not materialize. Instead, National Oil Companies (NOC) and International Oil Companies (IOC) expressed their commitment to make a greater contribution to achieving the goals of the Paris Agreement. This was set out in the "Oil and Gas Decarbonization Charter".

A more stringent climate policy could lead to a decline in demand for oil in the European Union and affect the SBO Group's core business due to the lower demand for tools for drilling for oil. According to long-term market expectations, however, global demand for this resource is expected to increase for a long time to come. In addition, the European Union has recognized natural gas as an essential transition resource for achieving climate targets and has classified electricity generation from fossil gaseous fuels as a taxonomy-aligned economic activity. Products and solutions from SBO are used equally in drilling for oil and natural gas.

The goods and services produced by the SBO Group are primarily in demand outside the European Union, meaning that European climate policy only has a partial impact on the economic activities and (production) locations of the SBO Group. Nevertheless, assumptions regarding individual non-current assets recognized in the consolidated financial statements (mainly goodwill) require estimates and judgments regarding 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 main source of energy for the manufacture of SBO products is electricity, with the share of electricity from renewable energy sources amounting to around 45 %. The share from renewable energy sources is supported by the operation of photovoltaic systems at SBO locations to cover the company's own consumption at the respective location. For those plants that are not owned by SBO and not subject to a lease, respectively, the own-use exemption according to IFRS 9.2.4 is applied.

The economic activities as well as the sites of the SBO Group are subject to physical climate risks only to 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 one major (production) site, which also did not reveal any significant future risks.

Further assumptions on climate-related risks, estimates and judgments are presented in Note 9 Intangible assets and Note 32 Risk report.

Note 5

TRADE RECEIVABLES

An analysis of trade receivables is presented below:

31.12.2023

IN TEUR

MATURITY	GROSS VALUE	LUMPSUM ALLOWANCE (ECL)	INDIVIDUAL ALLOWANCE	NET VALUE
Not or < 30 days past due	118,357	-318	-648	117,391
30 – 90 days past due	10,812	-203	-14	10,595
90 – 180 days past due	3,850	-153	-238	3,459
> 180 days past due	5,897	-170	-4,653	1,074
Total	138,916	-844	-5,553	132,519

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

Trade receivables typically have payment terms of up to 90 days. As of 31 December 2023 and as of 31 December 2022 no trade receivables had a term of more than 12 months.

The carrying amount of impaired receivables amounted to TEUR 277 (previous year: TEUR 108). 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 2023 allowances measured for lifetime expected credit losses according to the simplified approach amounted to TEUR 844 (previous year: TEUR 956).

Allowances developed as follows:

IN TEUR	2023	2022
As of 1 January	6,666	3,703
Currency translation adjustments	-304	170
Utilization	-1,439	-632
Reversal	-480	-322
Additions	1,954	3,747
As of 31 December	6,397	6,666

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 positive market values of forward exchange contracts of TEUR 810 (previous year: TEUR 1,337) as well as assets from sales with a right of return according to IFRS 15 amounting to TEUR 425 (previous year: TEUR 652).

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	31.12.2023	31.12.2022
Raw materials and supplies	29,026	28,396
Work in progress	88,899	85,788
Finished goods	87,886	61,689
Total	205,811	175,873

The high demand for SBO products and the high level of bookings in 2022 and 2023 has led to a further increase in inventories in 2023.

Valuation allowances expensed in 2023 were TEUR 4,436 and are included within **COST OF GOODS SOLD** (previous year: TEUR 3,224).

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:

2023

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 2023	105,139	361,007	14,617	3,513	17,663	501,939
Currency translation adjustments	-2,345	-8,700	-276	-134	-396	-11,851
Business combinations	0	146	22	0	0	168
Additions	2,432	24,697	1,803	6,554	2,719	38,205
Transfers	-134	3,075	557	-3,917	0	-419
Disposals	-401	-26,080	-864	0	-636	-27,981
31 December 2023	104,691	354,145	15,859	6,016	19,350	500,061
Accumulated depreciation and impairment						
1 January 2023	43,865	314,322	12,217	0	7,734	378,138
Currency translation adjustments	-864	-7,154	-218	0	-228	-8,464
Additions from depreciation	3,027	17,909	1,473	0	2,894	25,303
Transfers	-33	-37	70	0	0	0
Disposals	-401	-23,527	-829	0	-595	-25,352
31 December 2023	45,594	301,513	12,713	0	9,805	369,625
Carrying amount						
31 December 2023	59,097	52,632	3,146	6,016	9,545	130,436
31 December 2022	61,274	46,685	2,400	3,513	9,929	123,801

Prepayments included within „Prepayments and Assets under Construction“ amount to TEUR 3,696 as of 31 December 2023 (previous year: TEUR 1,350).

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 the year 2022 of TEUR 1,282 in the Advanced Manufacturing & Services segment relate to a building of Schoeller-Bleckmann Darron Limited located in Russia and were recognized in **COST OF SALES**.

These were the outcome from an impairment test performed as of 31 December 2022 and resulted from lower cash flow 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” segment and subsequently sold in the third quarter of 2022. This resulted in a gain on disposal of TEUR 1,182 which was included within **OTHER OPERATING INCOME**.

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

As of 31 December 2023, purchase commitments for investments in property, plant and equipment amounted to TEUR 9,698 (previous year: TEUR 5,637).

For details on capitalized right-of-use assets see Note 19.

Note 9

INTANGIBLE ASSETS

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

2023

IN TEUR	GOODWILL	TECHNOLOGY	NON-COMPETE AGREEMENTS	CUSTOMER BASE	OTHER INTANGIBLE ASSETS	TOTAL
Cost						
1 January 2023	243,574	70,064	9,648	37,200	15,715	376,201
Currency translation adjustments	-7,053	-2,089	-122	-953	-463	-10,680
Business combinations	8,720	2,991	0	4,766	1,302	17,779
Additions	0	0	0	0	1,992	1,992
Transfers	0	0	0	0	419	419
Disposals	0	-2,273	-9,526	-7,393	-1,059	-20,251
31 December 2023	245,241	68,693	0	33,620	17,906	365,460
Accumulated amortization and impairments						
1 January 2023	109,065	62,076	9,648	37,200	11,713	229,702
Currency translation adjustments	-2,231	-1,741	-122	-761	-255	-5,110
Additions from amortization	0	2,499	0	233	967	3,699
Disposals	0	-2,273	-9,526	-7,393	-1,059	-20,251
31 December 2023	106,834	60,561	0	29,279	11,366	208,040
Carrying amount						
31 December 2023	138,407	8,132	0	4,341	6,540	157,420
31 December 2022	134,509	7,988	0	0	4,002	146,499

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

As of 31 December 2023, purchase commitments for acquisitions of intangible assets amounted to TEUR 766 (previous year: TEUR 0).

1. GOODWILL

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

IN TEUR	31.12.2023	31.12.2022
Segment "Advanced Manufacturing & Services" (AMS)		
Knust-Godwin LLC	12,171	12,609
SCHOELLER-BLECKMANN Oilfield Technology GmbH	4,655	4,655
Schoeller-Bleckmann Darron (Aberdeen) Limited	798	798
Segment "Oilfield Equipment" (OE)		
The WellBoss Company, LLC	98,176	93,043
DSI FZE	22,607	23,404
Total	138,407	134,509

As part of the initial recognition of the business combination of Praxis Completion Technology (now: The Wellboss Company FZE) as of 1 October 2023, goodwill amounting to TEUR 8,720 was recognized and allocated to the cash generating unit The WellBoss Company, LLC (see Note 36).

Growth in the oilfield service industry continued in the course of 2023 and had a correspondingly positive impact on the SBO Group. Despite the ongoing uncertainties in the global economy, the energy markets remained robust in 2023. On the one hand, this resilience can be attributed to increased awareness of energy security and, especially in the oilfield service industry, to the growing demand for oil and gas resources. On the other hand, the insufficient investment in exploration in the past years has now been revived, with an increase in global exploration and production. Long-term exploration initiatives such as international offshore projects received a boost and provide a solid foundation for future industry activity. The general conditions described above represent the starting point for the valuation of the cash-generating units as of 31 December 2023.

All cash generating units are measured based on the value in use by discounting expected future cash flows using an after-tax cost of capital rate (WACC = weighted average cost of capital). The WACC was determined based on the current market data for comparable companies in the same industry segment, taking into account country-specific inflation expectations. The detailed planning period covers 5 years (previous year: 5 years), and the cash flows are based on budget plans prepared by management.

For deriving cash flows in the terminal value, a constant growth rate of 1 % (previous year: 1 %) was assumed for all cash generating units. The long-term growth expectations were derived on the basis of studies relating to global energy demand and the underlying energy mix. Long-term studies on global energy demand, such as the World Energy Outlook 2023 of the International Energy Agency, anticipate a worldwide increase in demand for oil and gas well beyond the detailed planning period of the impairment tests. The energy sector is undergoing a transition, with the aim of gradually replacing fossil fuels with renewable energies in order to reduce greenhouse gas emissions. The share of renewable energies in the overall global energy mix is therefore set to increase in future. However, due to the constant growth in demand for energy, the expansion of renewable energies will not reduce fossil fuels to an extent that would not allow growth of SBO's cash-generating units anymore. Furthermore, the demand for SBO products is not directly linked to the expected output of oil and gas, but to the framework conditions for the development of these resources. Increasingly complex drilling and completion projects require high-end equipment, as manufactured and provided by SBO. In summary, the growth assumptions from SBO's point of view can be regarded as appropriate, also taking into account the energy transition.

The following discount rates were applied as of 31 December 2023 and 31 December 2022:

WACC (BEFORE TAX)

IN %	31.12.2023	31.12.2022
Segment "Advanced Manufacturing & Services" (AMS)		
Knust-Godwin LLC	11.9 %	14.2 %
SCHOELLER-BLECKMANN Oilfield Technology GmbH	12.6 %	14.7 %
Schoeller-Bleckmann Darron (Aberdeen) Limited	12.9 %	15.0 %
Segment "Oilfield Equipment" (OE)		
The WellBoss Company, LLC	12.4 %	14.6 %
DSI FZE	12.9 %	15.3 %

The reduction of discount rates compared to the previous year largely results from lower beta factors and a lower proportion of cost of equity (both derived from an unchanged peer group).

Cash flows 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 cash flows take into account the cyclicity of the industry derived from historical experience on the one hand, and long-term developments of the sales market on the other hand. Sales forecasts for all cash generating units are based on the expected business development in the oilfield service industry. This is derived from expected drilling activities, the geographic sales markets, and company-specific developments. 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.

These annual impairment tests are based on the medium-term plans updated as part of the annual budgeting process, which take into account the general conditions described above. The updated medium-term plans are based on the assumption that the oilfield service industry is in a multi-year growth cycle. Risks related to climate change and their possible consequences on the economic activities of SBO Group and consequently the values in use determined as of 31 December 2023 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 sites, important customers and major suppliers of SBO group. Accordingly, it is not necessary to adapt the sites to cope with conditions caused by climate change beyond the usual extent in order to maintain business operations and consequently is not considered specifically in the cash flow plans. The main energy source required in the manufacturing process is electricity, which is already largely generated from renewable energy sources. Energy costs account for a low share of production costs in a low single-digit percentage range. In summary, the planning assumptions of the cash-generating units carrying goodwill do not contain any material assumptions in connection with climate change in the form of increased investments or expenses.

Similarly, risks in connection with climate change do not require any significant adjustments to the valuation of property, plant and equipment (e.g. shortening the useful life of property, plant and equipment). This was confirmed for one significant (production) location by means of climate scenario analyses. SBO therefore considers the assumed medium and long-term growth expectations to be appropriate, even taking climate change into account.

The impairment tests carried out did not result in any impairment needs. Apart from the recognition of goodwill from the business combination Praxis changes in the carrying amounts of goodwill of all other cash generating units resulted from foreign currency translation.

As of 31 December 2023 a sensitivity analysis was performed for all cash generating units carrying goodwill. As the value in use reacts to changes in the assumptions regarding cash flows and the discount factors in particular, the analysis on key assumptions took into account an isolated increase in the discount factor by 2 percentage points (31 December 2022: 1 percentage point) as well as a reduction of cash flows by 10 % (31 December 2022: 10 %), as deemed possible by management. The increase in the WACC sensitivity compared to 31 December 2022 results from the current possible range of capital costs. Although risks related to climate change are considered to be low, the sensitivity analyses were performed considering a negative growth rate of minus 1 percentage point in the terminal value (31 December 2022: minus 1 percentage point) to account for any climate policy risks that could have adverse consequences for SBO's economic activities. This analysis resulted in no impairment loss on any of the listed cash generating unit.

2. OTHER INTANGIBLE ASSETS

The carrying amounts of **OTHER INTANGIBLE ASSETS** as of 31 December 2023 include intangibles acquired in the course of the business combination Praxis Completion Technology FZCO (now: The Wellboss Company FZE). These refer to technology with a useful life of 7 years (carrying amount of 31 December 2023: TEUR 2,765) and customer relationships (carrying amount as of 31 December 2023: TEUR 4,341) with a useful life of 5 years. For further details regarding the business combination Praxis see Note 36.

Furthermore, technology as well as trademarks with a useful life of ten years, acquired as part of the initial recognition of Downhole Technology, LLC (now The WellBoss Company, LLC) in 2016 are included.

In addition, other intangible assets include technologies, customer base and trademarks from business combinations in previous years, which were already fully amortized in previous years.

OTHER INTANGIBLE ASSETS also include rights of use for IT software.

Note 10

LONG-TERM RECEIVABLES AND ASSETS

This item mainly consists of interest-bearing loans 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 17). The Company has only a limited credit risk as the shares must be returned to the Company if the loan conditions are not satisfied. The loans must be repaid pro rata on an ongoing basis; full repayment must be made at the latest when the shares or profit participation rights are transferred back and therefore at the latest when the employment relationship ends.

IN TEUR	31.12.2023	31.12.2022
Loans	2,012	2,535
Other receivables and assets	1,539	640
Total	3,551	3,175

As of 31 December 2023 and 2022 no impairments were required. There were no overdue 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	31.12.2023		31.12.2022	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Property, plant and equipment	1,545	-4,972	1,300	-4,211
Other intangible assets (differences in useful lives)	4,432	-435	3,826	-360
Goodwill and other intangible assets (measurement differences)	23,301	-9,984	11,827	-8,793
Inventories (measurement differences)	6,407	-79	5,947	-64
Valuation of shares in subsidiaries	0	0	1,470	0
Liability from the acquisition of non-controlling interest	0	0	12,737	0
Other items (measurement differences)	1,471	-225	2,565	-1,428
Provisions	2,270	-61	2,228	0
Foreign currency effects from elimination of intercompany balances	-40	0	52	0
Unused tax losses	5,748	0	2,603	0
Subtotal	45,134	-15,756	44,555	-14,856
Offset within legal tax units and jurisdictions	-15,496	15,496	-14,726	14,726
Total	29,638	-260	29,829	-130

Deferred taxes amounting to TEUR 3,567 (previous year: TEUR 6,052) relating to unused tax losses of TEUR 15,920 (previous year: TEUR 27,977) for which their future use is uncertain based on the current medium-term plan were not recognized or adjusted. Thereof, TEUR 5,827 will expire after 2028 (previous year: TEUR 9,189 will expire after 2027) while TEUR 10,093 (previous year: TEUR 18,788) can be carried forward indefinitely.

The gross deferred tax assets as of 31 December 2023 include tax claims of a company in North America, which generated a loss in the current year and whose deferred tax assets exceed the deferred tax liabilities by TEUR 2,815. The recognition of these deferred tax assets as of 31 December 2023 is based on one-off effects recognized as expenses in 2023, an expanded product range of the company and the increase in investments in the oilfield service industry expected in the medium term.

Deferred tax assets in the prior year included tax claims in the amount of TEUR 1,470 (2023: TEUR 0) from impairments of financial investments in the amount of TEUR 6,393 to be distributed over seven years according to the Austrian tax law.

For information on the liability from the acquisition of non-controlling interests, see Note 18.

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 of 31 December 2023, timing differences amounted to TEUR 136,137 (previous year: TEUR 112,380), because distributions or disposals of equity investments of individual companies would generally be taxable. However, as the Group is not planning any distributions or disposals for these companies in the foreseeable future, no deferred taxes were recognized in accordance with IAS 12.39. In the absence of planned distributions, no withholding taxes were recognized as of 31 December 2023 (previous year: TEUR 0).

Note 12

LIABILITIES TO BANKS

As of 31 December 2023, the current liabilities to banks were as follows:

CURRENCY	AMOUNT IN TEUR	INTEREST RATE IN %
GBP loans	6,904	6.31 % variable
USD loans	7,240	5.39 % variable
Export promotion loans in EUR	24,000	4.43 % – 4.70 % variable
Total	38,144	

As of 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 in EUR	24,000	1.73 % – 2.00 % variable
Total	30,765	

The export promotion loans represent revolving credit facilities that can be utilized by the Company on a permanent basis subject to compliance with certain credit agreements. In accordance with the export promotion guidelines, receivables in the amount of TEUR 28,800 (previous year: TEUR 28,800) were agreed as collateral for these loans.

Note 13

OTHER LIABILITIES (CURRENT)

Other current liabilities break down as follows:

IN TEUR	31.12.2023	31.12.2022
Other non-financial liabilities		
Unused vacation	2,649	2,372
Other personnel expenses	18,883	14,452
Tax liabilities (without corporate income taxes)	7,066	4,549
Social security and other employee benefits	2,794	2,367
Refund liabilities according to IFRS 15	834	1,279
Contract liabilities according to IFRS 15	860	6,612
Miscellaneous other liabilities	0	1,260
Subtotal other non-financial liabilities	33,086	32,891
Other financial liabilities		
Liability from the acquisition of non-controlling interest	0	99,600
Miscellaneous other liabilities	13,041	21,281
Subtotal other financial liabilities	13,041	120,881
Total other liabilities	46,127	153,772

For information on the liability from the acquisition of non-controlling interests, see note 18.

Miscellaneous other financial liabilities include various accruals for customer credits, interest, commissions and other outstanding invoices for services received.

Miscellaneous other financial liabilities of the year 2022 included liabilities of TEUR 12,381 relating to the acquisition of non-controlling interests (see Note 18). These mainly related to dividends not yet paid out and ancillary cost.

Changes in contract liabilities (advance payments received and accrued revenue) for the years 2023 and 2022 are as follows:

IN TEUR	2023	2022
Contract liabilities as of 1 January	6,612	1,575
Prepayments received	618	6,023
Recognized as revenues	-6,282	-1,067
Currency translation adjustments	-88	81
Contract liabilities as of 31 December	860	6,612

Note 14

OTHER PROVISIONS

The other provisions developed as follows:

IN TEUR	1.1.2023	BUSINESS COMBINATION	UTILIZATION	REVERSAL	ADDITIONS	CURRENCY TRANSLATION ADJUSTMENTS	31.12.2023
Warranties and guarantees	2,796	183	-102	0	702	-8	3,571
Other	1,036	0	-275	-673	7	-12	83
Total	3,832	183	-377	-673	709	-20	3,654

Note 15

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

As of 31 December 2023, long-term loans amount to TEUR 216,477. Thereof, an amount of TEUR 41,638 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	7,500	4.910 % fixed	2023 – 2029	annually from 2024
EUR	10,000	5.022 % variable	2023 – 2028	bullet loan
EUR	10,000	5.479 % variable	2023 – 2028	bullet loan
EUR	20,000	5.380 % variable	2023 – 2028	bullet loan
EUR	3,000	2.445 % fixed	2018 – 2028	bullet loan
EUR	5,000	5.466 % variable	2023 – 2027	semi-annually from 2023
EUR	5,714	1.832 % fixed	2018 – 2027	annually from 2021
EUR	11,143	1.732 % fixed	2018 – 2027	annually from 2021
EUR	3,429	5.400 % variable	2018 – 2027	annually from 2021
EUR	20,500	2.352 % fixed	2018 – 2027	bullet loan
EUR	10,000	6.049 % variable	2020 – 2026	bullet loan
EUR	27,500	2.100 % fixed	2020 – 2026	bullet loan
EUR	2,625	1.900 % fixed	2020 – 2025	quarterly from 2023
EUR	5,000	1.707 % fixed	2018 – 2025	annually from 2022
EUR	4,500	1.961 % fixed	2018 – 2025	bullet loan
EUR	3,000	5.841 % variable	2020 – 2025	bullet loan
EUR	37,500	1.900 % fixed	2020 – 2025	bullet loan
EUR	66	0.000 % fixed	2008 – 2024	quarterly from 2011
EUR	30,000	1.782 % fixed	2018 – 2024	bullet loan
	216,477			

In total, loans in the amount of TEUR 66 (previous year: TEUR 331) were backed by collateral. They relate to lien on machinery with a carrying amount of TEUR 0 (previous year: TEUR 0).

See Note 31 for fair values; see Note 32 for interest rate risks.

■ CONSOLIDATED FINANCIAL STATEMENTS | Notes to the Consolidated Financial Statements

The total amount of long-term loans as of 31 December 2022 of TEUR 222,529 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			

Note 16

PROVISIONS FOR EMPLOYEE BENEFITS

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

IN TEUR	31.12.2023	31.12.2022
Severance payments	3,470	4,517
Jubilee payments	2,518	2,099
Total	5,988	6,616

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

	2023	2022
Discount rate	3.50 %	3.80 %
Salary increases	4.50 %	4.50 %
Employee turnover rate (for jubilee payments)	0.0 % – 15.0 %	0.0 % – 15.0 %

Provisions were calculated using the Pagler & Pagler's AVÖ 2018-P mortality tables (previous year: AVÖ 2018-P). 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	2023	2022
Present value of severance benefit obligation as of 1 January	4,517	4,389
Current service cost	714	384
Interest cost	172	38
Total expenses for severance payments	886	422
Remeasurements	463	-12
Current severance payments	-2,396	-282
Present value of severance benefit obligation as of 31 December	3,470	4,517

The expenses shown in the table are included in the consolidated profit and loss statement within personnel expenses of each functional area (see Note 23).

Remeasurements of provisions for severance payments recognized in [OTHER COMPREHENSIVE INCOME](#) in accordance with IAS 19 are comprised of the following:

IN TEUR	2023	2022
Remeasurement of obligations		
from changes to financial assumptions	118	-1,045
from historical experience	345	1,033
Total	463	-12

The average term of the severance obligations as of 31 December 2023 was 12.0 years (previous year: 9.0 years).

Sensitivity analysis

The following sensitivity analysis shows the effects on the obligation resulting from changes in key actuarial assumptions. One significant influencing factor was changed in each case, while the other influencing factors were kept constant. In reality, however, it is rather unlikely that these factors will 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		PRESENT VALUE OF OBLIGATION (DBO)	
		31.12.2023	
IN TEUR	CHANGE IN ASSUMPTION	CHANGE IN PROVISION GIVEN AN INCREASE IN ASSUMPTION	CHANGE IN PROVISION GIVEN A DECREASE IN ASSUMPTION
Discount rate	+/- 1.0 percentage point	-373	442
Increase in salaries	+/- 1.0 percentage point	413	-357

SEVERANCE PAYMENTS		PRESENT VALUE OF OBLIGATION (DBO)	
		31.12.2022	
IN TEUR	CHANGE IN ASSUMPTION	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	2023	2022
Present value of jubilee payment obligation as of 1 January	2,099	2,469
Current service cost	163	210
Interest cost	79	22
Total expenses for jubilee payments	242	232
Remeasurements	193	-546
Current jubilee payments	-16	-56
Present value of jubilee payment obligation as of 31 December	2,518	2,099

Defined contribution pension plans

Payments made in connection with defined contribution pension and employee benefit plans were expensed and amounted to TEUR 1,435 in the 2023 financial year (previous year: TEUR 1,521). Contributions of approximately TEUR 1,000 are expected for the following year.

Note 17

OTHER LIABILITIES (NON-CURRENT)

Other non-current liabilities break down as follows:

IN TEUR	31.12.2023	31.12.2022
Management interests	1,162	936
Participation rights	4,186	4,406
Deferred compensation for business combination Praxis	3,587	0
Other liabilities	1,296	1,638
Total	10,231	6,980

For the deferred compensation relating to the business combination Praxis, see Note 36.

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

COMPANY	31.12.2023	31.12.2022
Schoeller-Bleckmann Energy Services L.L.C.	2.00 %	2.00 %
Schoeller-Bleckmann Darron (Aberdeen) Limited	6.00 %	6.00 %

Management therefore holds a proportionate interest in these companies.

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

COMPANY	31.12.2023	31.12.2022
DSI FZE	0.40 %	0.40 %
SCHOELLER-BLECKMANN Oilfield Technology GmbH	0.85 %	0.85 %
The WellBoss Company, LLC	1.30 %	1.30 %
D-TECH Drilling Tools, Inc	1.00 %	0.50 %

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

Note 18

LIABILITY FROM THE ACQUISITION OF NON-CONTROLLING INTEREST

As part of the business combination Downhole Technology (now: The WellBoss Company, LLC) in 2016, the Company concluded an agreement with the non-controlling shareholders on the later acquisition of these non-controlling interests. SBO had already exercised its right to acquire the non-controlling interests of 32.3 % of the shares in the company in previous years with its share in the company reaching 100 % as of 1 April 2019. There was a legal dispute with a former minority shareholder regarding the termination of his employment contract in 2018, which was settled out of court in the fourth quarter of 2023. Taking into account the amounts already provided for in the consolidated financial statements of SBO in previous years and the payment of MUSD 25.0 already made as part of a surety deposit in 2021, this settlement resulted in a payment of MUSD 128.7 (MEUR 119.0) in the 2023 financial year, which was recognized in cash flow from financing activities, as well as an expense of MEUR 8.6, which was recognized in the financial result under “Expenses from the acquisition of non-controlling interests”.

The development of the liability from the acquisition of non-controlling interest relating to the business combination Downhole Technology is shown below:

IN TEUR	2023	2022
As of 1 January	99,600	93,796
Reclassification from other liabilities as of 1 January	12,381	0
Valuation loss	8,563	0
Currency translation adjustments	-1,554	5,804
Disposal from settlement	-118,990	0
As of 31 December	0	99,600

Note 19

LEASING

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

IN TEUR	31.12.2023	31.12.2022
Land and buildings	7,531	9,134
Other equipment, operating and office equipment	2,014	795
Total	9,545	9,929

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	2023	2022
Land and buildings	2,124	2,163
Other equipment, operating and office equipment	770	324
Total	2,894	2,487

The maturity analysis of undiscounted lease payments included in the present value of lease liabilities as of 31 December 2023 breaks down as follows:

IN TEUR	31.12.2023	31.12.2022
due < 1 year	2,497	2,610
due 2-5 years	4,767	4,419
due > 5 years	6,686	7,306
Total of undiscounted lease payments	13,950	14,335

Amounts recognized in profit and loss in 2023 break down as follows:

IN TEUR	2023	2022
Interest expenses for lease liabilities	343	328
Expenses for short-term leases	662	496
Expenses for low value leases	17	56

The following amounts were recognized in the cash flow statement in the 2023 financial year:

IN TEUR	2023	2022
Total cash outflow relating to leases	3,877	3,207

Future cash outflows of TEUR 2,969 (previous year: TEUR 0) are expected from leases that have already been entered into but had not yet begun as of 31 December 2023.

Note 20

SHARE CAPITAL

The Company's share capital as of 31 December 2023 as well as of 31 December 2022 was EUR 16 million and is divided into 16 million shares with a par value of EUR 1.00 each.

In the Annual General Meeting from 23 April 2019 the Executive Board was authorized for a period of five years to increase share capital by up to TEUR 1,600 by issuing new shares, with the approval of the Supervisory Board. At the Annual General Meetings on 23 April 2020 and 28 April 2022 the Executive Board was authorized to acquire treasury shares of the Company up to a maximum of 10 % of the share capital for a period of 30 months in each case. In the 2023 and 2022 financial years the company did not make use of the authorization to acquire treasury shares.

As of the 2023 reporting date, the Company held 240,535 treasury shares (previous year: 270,535 shares), which corresponds to 1.50 % (previous year: 1.69 %) of the share capital with a cost of TEUR 7,798 (previous year: TEUR 8,771). The number of shares outstanding as of 31 December 2023 was therefore 15,759,465 shares (previous year: 15,729,465 shares).

As part of a business combination in 2010, the issue of 50,000 shares was agreed as contingent consideration if certain future sales targets were achieved. As the sales targets for 2023 were not achieved, there is no dilutive effect on the number of shares in circulation as of 31 December 2023.

As of 31 December 2023, Berndorf Industrieholding AG, Vienna held approximately 33.4 % of the share capital (previous year: approximately 33.4 %).

Note 21

RESERVES

Austrian law requires the formation of a **LEGAL RESERVE** amounting to 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 carried forward to the legal reserve. Only the annual financial statements of the parent company prepared in accordance with Austrian accounting principles are relevant for the formation of this reserve. No further allocation is required because the amount of the reserve already recognized is sufficient.

The **CURRENCY TRANSLATION RESERVE** mainly contains currency translation differences from the inclusion of financial statements of foreign 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 2023 in the amount of TEUR -1,794 (previous year: TEUR 2,717) 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 remeasurement of the net debt from defined benefit obligations. These will not be reclassified to the income statement in future periods. Furthermore, in financial year 2023 an amount of TEUR 2,100 (previous year: TEUR 1,258) was reclassified from **CAPITAL RESERVE** to **RETAINED EARNINGS** in connection with the fulfilment of the share based compensation program (see Note 29).

In the 2023 financial year a dividend of TEUR 31,459 (previous year: TEUR 11,797) was distributed relating to a share capital eligible for dividends of TEUR 15,729 (previous year: TEUR 15,729). Accordingly, the dividend per share amounted to EUR 2.00 (previous year: EUR 0.75).

Note 22

SALES REVENUES

Sales break down as follows:

IN TEUR	ADVANCED MANUFACTURING & SERVICES		OILFIELD EQUIPMENT		TOTAL	
	2023	2022	2023	2022	2023	2022
Product sales	305,072	225,932	123,391	114,839	428,463	340,771
Services and repairs	18,432	16,362	5,409	7,190	23,841	23,552
Rental revenue	5,183	6,378	128,384	130,538	133,567	136,916
Total	328,687	248,672	257,184	252,567	585,871	501,239
North America	142,935	112,724	161,156	189,007	304,091	301,731
Europe	60,461	51,698	7,723	8,732	68,184	60,430
Middle East	14,620	9,790	32,088	23,557	46,708	33,347
Asia	94,466	52,286	22,344	9,405	116,810	61,691
Central and South America	1,994	3,492	27,338	16,456	29,332	19,948
Other	14,211	18,682	6,535	5,410	20,746	24,092
Total	328,687	248,672	257,184	252,567	585,871	501,239

Revenues are allocated based on the customer's location. In 2023 sales revenues of TEUR 455,206 relate to performance obligations which were satisfied at a point in time (previous year: TEUR 366,761) and TEUR 130,665 to performance obligations which were satisfied over time (previous year: TEUR 134,478) (mainly rental revenue).

The Company rents out drilling tools under rental contracts with terms of generally less than a year. Apart from a few exceptional cases, rental income is charged according to use and is therefore variable.

Note 23

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 method):

IN TEUR	2023	2022
Cost of materials	245,607	211,792
Personnel expenses	158,534	140,930
Depreciation of property, plant and equipment including impairments	25,303	29,733
Amortization of other intangible assets including impairments	3,699	3,194

Note 24

OTHER OPERATING EXPENSES AND INCOME

The main items within OTHER OPERATING EXPENSES are:

IN TEUR	2023	2022
Research and development expenses	8,243	6,887
Exchange losses	12,987	8,042

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

The main items within OTHER OPERATING INCOME are:

IN TEUR	2023	2022
Exchange gains	6,042	13,310
Income from the disposal of fixed assets and assets held for sale	662	1,296

Note 25

INTEREST INCOME AND EXPENSES

INTEREST INCOME at TEUR 9,038 (previous year: TEUR 2,854) mainly relates to bank deposits and other loans.

INTEREST EXPENSES break down as follows:

IN TEUR	2023	2022
Loans	7,270	4,659
Effective interest on management interests and participation rights	931	705
Accrued interest on lease liabilities according to IFRS 16	343	328
Interest expenses	8,544	5,692

Note 26

INCOME TAXES

A reconciliation of income taxes applying the Austrian corporate tax rate to the reported Group tax rate is as follows:

IN TEUR	2023	2022
Consolidated tax expense at a presumed tax rate of 24 % (previous year: 25 %)	-22,610	-23,336
Foreign tax rate differentials	5,269	6,332
Change in domestic and foreign tax rates	-16	-30
Withholding and foreign taxes	-2,327	-2,150
Valuation of investments	-4,520	-134
Non-deductible expenses	-2,960	-2,072
Non-taxable income and tax allowances	554	628
Prior year adjustments	789	642
Unrecognized tax losses	-498	0
Utilization of tax losses not recognized in the previous year	337	1,366
Capitalization of tax losses not recognized in the previous year	2,683	900
Profit share of management interests	-51	-34
Other differences	715	-256
Consolidated tax expense / income	-22,635	-18,144
Profit / loss before tax	94,209	93,342
Consolidated tax rate	24.0 %	19.4 %

Based on the amendment to the Austrian Corporate Income Tax Act adopted in the 2022 financial year, which reduces the tax rate from 24 % in 2023 to 23 % starting from 2024, a tax rate of 23 % was applied to the Austrian companies when measuring the deferred taxes reported in the consolidated financial statements as of 31 December 2023, taking into account when timing differences will reverse.

INCOME TAXES break down as follows:

IN TEUR	2023	2022
Current taxes	-23,477	-14,533
Deferred taxes	842	-3,611
Total	-22,635	-18,144

The following income taxes were recognized in OTHER COMPREHENSIVE INCOME:

IN TEUR	2023	2022
Current taxes		
Currency translation adjustments	3	-214
Remeasurements IAS 19	111	-3
Deferred taxes		
Currency translation adjustments	533	-620
Total	647	-837

The net deferred tax assets reported in the balance sheet were reduced by TEUR 898 in the 2023 financial year due to currency translation effects (previous year: increased by TEUR 1,675).

The Company's dividend distribution to shareholders did not result in any income tax consequences for the company for either the 2023 financial year or the comparative period in 2022.

Note 27

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 steels and the high-precision manufacture of steels into special components for the oil, gas and other industries 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 as well as in the geothermal sector.

Management of the Company and the allocation of resources are based on the financial performance of these segments. Sales revenue, operating result and earnings before taxes of the business units are monitored separately by management 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 therefore be taken into account in order to achieve 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.

2023

IN TEUR	ADVANCED MANUFACTURING & SERVICES	OILFIELD EQUIPMENT	SBO-HOLDING & CONSOLIDATION	GROUP
External sales	328,687	257,184	0	585,871
Intercompany sales	130,589	37,167	-167,756	0
Total sales	459,276	294,351	-167,756	585,871
Profit / loss from operations	80,347	31,476	-9,545	102,278
Profit / loss before tax	82,873	33,544	-22,208	94,209
Capital expenditures	15,838	24,156	203	40,197
Depreciation and amortization	10,167	18,396	439	29,002
thereof impairments	0	0	0	0
Head count (average)	964	563	30	1,557

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	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

Referring to the results reported in column SBO-Holding & Consolidation for profit / loss from operations an amount of TEUR 592 (previous year: TEUR -653) and for profit / loss before tax an amount of TEUR 306 (previous year: TEUR -850) is attributable to consolidation effects.

Geographic information:

Sales break down as follows:

IN TEUR	2023	2022
Austria	5,214	3,896
USA	279,406	271,498
Rest of World	301,251	225,845
Total	585,871	501,239

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

For information on the most important customers, see Note 32.

Non-current assets break down as follows:

IN TEUR	2023	2022
Austria	35,688	33,061
USA	196,730	183,939
United Arab Emirates	28,770	29,125
Rest of World	26,667	24,175
Total	287,855	270,300

Assets are allocated to the location of the respective company.

Note 28

REMUNERATION OF THE EXECUTIVE AND SUPERVISORY BOARDS

The Executive Board's remuneration is composed as follows:

2023

IN TEUR	BASE SALARY	PENSION FUND CONTRIBUTIONS	SUBTOTAL	PERFORMANCE BASED REMUNERATION	TOTAL
Gerald Grohmann	820	431	1,251	1,395	2,646
Klaus Mader	519	156	675	565	1,240
Total	1,339	587	1,926	1,960	3,886

2022

IN TEUR	BASE SALARY	PENSION FUND CONTRIBUTIONS	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

The basic 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 financial year.

In addition, termination benefits at TEUR 3,937 were paid to the Chief Executive Officer in the course of his scheduled retirement in 2023 as well as a compensation for unused vacation at TEUR 66.

Expenses for pensions and severance payments for the two members of the Executive Board amounted to TEUR 3,031 (previous year: TEUR 1,597), which relates to expenses for defined contribution pension agreements of TEUR 604 (previous year: TEUR 725) and for defined benefit agreements amounting to TEUR 2,427 (previous year: TEUR 871). The share-based compensation program for the annual transfer of shares was terminated in 2022. See Note 29 for information on the voluntary severance and share-based payments.

The remuneration paid to the Supervisory Board in the 2023 financial year for the 2022 financial year amounted to TEUR 186 and was a flat reimbursement (previous year: TEUR 170).

No loans were granted to the members of the Executive or the Supervisory Board in the 2023 or 2022 financial years.

Note 29

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 starting from 2014. This agreement was terminated in 2022 and replaced by an adjustment of the fixed and variable remuneration components in an amount comparable in value at the time of termination. The amounts already paid out in 2023 and 2022 in this respect are included in the remuneration presented in Note 28. In connection with the termination of the program in 2022, an amount of TEUR 1,258 provided for in prior years for the planned future transfer of shares no longer needed was reclassified from **CAPITAL RESERVES** to **RETAINED EARNINGS** (see Note 21).

In addition, 30,000 SBO shares were transferred to the CEO in the course of his departure in December 2023 as part of a voluntary severance payment granted in the 2014 financial year. The market value at the time of transfer amounted to TEUR 1,241. At the time of the commitment in 2014, the value per share was calculated at EUR 70.00 based on the average price of the previous 36 months. As full provision had already been made for the transfer in previous years, this did not result in any further expense for the company in either 2022 or 2023. At the time of transfer in 2023 the provided amount of TEUR 2,100 was reclassified from **CAPITAL RESERVES** to **RETAINED EARNINGS** (see Note 21).

Note 30

TRANSACTIONS WITH RELATED PARTIES

As in previous years, in the 2023 financial year, the company rented property for residential purposes at arm's length conditions to the Chief Executive Officer who retired from the company as of 31 December 2023.

Note 31

FINANZINSTRUMENTE

Derivative financial instruments

FORWARD EXCHANGE CONTRACTS

The Austrian company hedges its receivables balances denominated in US dollars and CAN dollars by concluding forward exchange contracts. All transactions are short-term exposures (3 – 9 months).

FORWARD EXCHANGE CONTRACTS AS OF 31 DECEMBER 2023

IN TEUR	RECEIVABLES AT HEDGED RATE	RECEIVABLES AT REPORTING DATE RATE	FAIR VALUE
USD	36,475	35,665	810
CAD	1,758	1,773	-15

FORWARD EXCHANGE CONTRACTS AS OF 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

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

OTHER DERIVATIVE FINANCIAL INSTRUMENTS

The liability from the acquisition of non-controlling interest was settled in 2023 (see Note 18).

Overview of existing financial instruments

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

CLASSIFICATION OF FINANCIAL INSTRUMENTS

31.12.2023

IN TEUR	Carrying amount	No financial instrument	VALUATION METHOD ACC. TO IFRS 9			Carrying amount financial instrument
			Financial asset at amortized cost	Financial liability at amortized cost	At fair value through profit & loss	
Current assets						
Cash and cash equivalents	162,351	0	162,351			162,351
Trade receivables	132,519	0	132,519			132,519
Income tax receivable	3,178	3,178				0
Other receivables and other assets	11,518	10,708			810	810
Inventories	205,811	205,811				0
Total current assets	515,377	219,697	294,870	0	810	295,680
Non-current assets						
Property, plant and equipment	130,436	130,436				0
Goodwill	138,407	138,407				0
Other intangible assets	19,012	19,012				0
Long-term receivables and assets	3,551	1,539	2,012			2,012
Deferred tax assets	29,638	29,638				0
Total non-current assets	321,044	319,032	2,012	0	0	2,012
TOTAL ASSETS	836,421	538,729	296,882	0	810	297,692
Current liabilities						
Liabilities to banks	38,144	0		38,144		38,144
Current portion of long-term loans	41,638	0		41,638		41,638
Lease liabilities	2,378	0		2,378		2,378*
Trade payables	39,624	0		39,624		39,624
Income tax payable	18,932	18,932				0
Other liabilities	46,127	33,086		13,026	15	13,041
Other provisions	3,654	3,654				0
Total current liabilities	190,497	55,672	0	134,810	15	134,825
Non-current liabilities						
Long-term loans	174,839	0		174,839		174,839
Lease liabilities	6,589	0		6,589		6,589*
Provisions for employee benefits	5,988	5,988		0		0
Other liabilities	10,231	0		10,231		10,231
Deferred tax liabilities	260	260		0		0
Total non-current liabilities	197,907	6,248	0	191,659	0	191,659
Equity						
Share capital	15,759	15,759				0
Capital reserve	59,526	59,526				0
Legal reserve	785	785				0
Other reserves	19	19				0
Currency translation reserve	32,739	32,739				0
Retained earnings	339,189	339,189				0
Total equity	448,017	448,017	0	0	0	0
TOTAL LIABILITIES AND EQUITY	836,421	509,937	0	326,469	15	326,484

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

CLASSIFICATION OF FINANCIAL INSTRUMENTS

31.12.2022

IN TEUR

	Carrying amount	No financial instrument	VALUATION METHOD ACC. TO IFRS 9			Carrying amount financial instrument
			Financial asset at amortized cost	Financial liability at amortized cost	At fair value through profit & loss	
Current assets						
Cash and cash equivalents	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	412,278	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	32,891		21,281	99,600	120,881
Other provisions	3,832	3,832				0
Total current liabilities	293,553	47,750	0	146,203	99,600	245,803
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	479,512	0	323,985	99,600	423,585

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

Fair value of financial instruments

The Company uses the following hierarchy to determine and disclose 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 follows:

2023

IN TEUR	BALANCE SHEET ITEM	TOTAL	LEVEL 2	LEVEL 3
Assets				
Derivatives (FVTPL)	Other receivables and other assets	810	810	0
Liabilities				
Derivatives (FVTPL)	Other liabilities	-15	-15	0

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

There were no reclassifications between the individual measurement levels during the 2023 and 2022 reporting periods. If required, items are generally reclassified at the end of the reporting period.

■ CONSOLIDATED FINANCIAL STATEMENTS | Notes to the Consolidated Financial Statements

The derivatives assigned to level 3 as of 31 December 2022 exclusively related to the liability from the acquisition of non-controlling interest (see Note 18).

The forward exchange contracts are measured on the basis of observable spot exchange rates.

For fixed-interest rate loans received, the fair value was calculated by discounting the expected future cash flows using standard market interest rates. For variable-interest 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 predominantly have short residual terms. The carrying amounts therefore correspond to the fair values as of the reporting date.

For financial instruments measured at cost, the carrying amount and the different fair value are shown in the following table:

IN TEUR	LEVEL	2023		2022	
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Liabilities					
Loans and liabilities to banks	2	-254,621	-248,166	-253,294	-239,462

Net result from financial instruments

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

2023

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)	-1,474	-	-	-410	-	-1,884
At fair value through profit or loss						
Derivatives: Forward exchange contracts	-	-542	-	-	-	-542
Liability from the acquisition of non- controlling interest	-	-8,563	-	-	-	-8,563

2022

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)	-3,425	-	-	-48	-	-3,473
At fair value through profit or loss						
Derivatives: Forward exchange contracts	-	1,616	-	-	-	1,616
Liability from the acquisition of non- controlling interest	-	-	-	-	-	-

The total interest expense for financial liabilities not valued at fair value through profit or loss, determined using the effective interest rate method, was TEUR 8,544 (previous year: TEUR 5,692), the corresponding interest income was TEUR 9,038 (previous year: TEUR 2,854).

Note 32

RISK REPORT

The business activities of the SBO Group are exposed to a variety of risks that are inextricably linked to global entrepreneurial activity. Effective management and control systems are in place to identify, analyze and manage these risks. The management of the individual companies monitors the operational risks and reports on them to the Group management.

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

MACROECONOMIC 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 to be as flexible as possible.

The SBO Group's business risks have not changed fundamentally in the 2023 financial year. Starting in 2022, the Russian war of aggression in Ukraine had a strong impact globally, but particularly on the energy markets, and intensified activities in other regions such as the USA, North Africa and the Middle East. There were only limited bottlenecks in the supply chains, with no impact on production output overall. Economic activities with Russia are subject to increasing restrictions. Deliveries from the Group were shut down completely already in 2022 and will not be resumed in the foreseeable future. The subsidiary operating as a service and repair shop in Russia runs its operations autonomously. The reorganization measures of individual customers in the region did not lead to any significant reassessment of the market; in line with general expectations, existing activities were continued. 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 undergoing a long-term transformation with the aim of gradually replacing fossil fuels with renewable energies, a goal that is currently being driven forward in the European Union in particular. Tighter climate policy could trigger a decline in demand for oil within the EU and affect the SBO Group's core business due to the reduced need for oil drilling tools. As explained in note 4.18, the European Union represents only a small part of SBO's sales market. Furthermore, the energy transition can only be achieved by using crude oil and natural gas, as these are important raw materials for renewable energy technologies. Gas is also an indispensable component of the energy mix and plays an essential role in the coal phase-out. Nevertheless, the SBO Group is also preparing strategically for a changing environment with regard to climate change in order to exploit new opportunities. The economic activities and locations of the SBO Group are only exposed to a small extent to physical climate risks in terms of temperature changes, wind, precipitation or erosion, so that overall climate-related risks are classified as low.

Neither macroeconomic nor climate policy developments required the Group to make provisions in 2023.

SALES AND PROCUREMENT RISKS

The market for the SBO Group's products and services is determined to a large extent by the ongoing development and application of new technologies. Securing and maintaining the customer base therefore depends on the ability to offer customer-oriented new products and services.

In 2023, around 42.8 % of sales were generated with the three largest customers (these are global service companies in the directional drilling market) (previous year: 38.5 %). 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, in particular alloy surcharges for non-magnetic steel, are subject to strong price fluctuations, some of which are passed on to customers as agreed.

The Company procures high-alloy non-magnetic steel, which is by far the most important raw material, to a great extent from one supplier and is therefore exposed to risks such as delayed deliveries, capacity bottlenecks or outages. From today's perspective, the Company foresees no difficulty in continuing to purchase quality steel from this supplier. However, in the event of a failure by this supplier, there are only limited short-term replacement options.

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 that result directly from its business activities, such as trade receivables, cash and cash equivalents and short-term investments. On the other hand, financial instruments are used to finance the company's business activities, such as liabilities to banks and trade payables.

The company also has derivative financial instruments whose purpose is to hedge currency risks resulting from business activities and its sources of financing. No derivatives are used for trading or speculative purposes. For information on the liability from the acquisition of non-controlling interests, see Note 18.

The financial instruments mainly result in interest-related cash flow risks as well as liquidity, currency and credit risks for the Group.

Foreign currency risks

Foreign currency risks result from fluctuations in the value of financial instruments or cash flows due to exchange rate fluctuations.

Foreign currency risks arise in the SBO Group where balance sheet items as well as income and expenses exist or are 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.

On a long-term average, SBO invoices approximately 80 % of its sales in US dollars. This is due to the Company's customer structure which mainly comprises companies of the oil- and gas industry headquartered in the US that settle their global activities in US dollars. Also in the long term, only around 50 % – 60 % of costs are incurred in US dollars as important production facilities are not only located in the US. For cost and opportunity reasons, however, SBO does not hedge its entire net dollar exposure. In any case, SBO's results are dependent on the USD / EUR exchange rate.

Additional risks arise from the translation of the annual financial statements of the foreign companies into the Group currency. Sales, earnings, and carrying amounts of these companies are dependent on the applicable exchange rate. Due to the significant investments in the US, the main sales market and headquarters of important production facilities, changes in the US dollar have a significant impact on the consolidated financial statements.

The following table shows the impact of a reasonably possible change in the US dollar exchange rate on the consolidated financial statements only with regard to changes in the value of derivative instruments (forward exchange contracts), as there are no significant trade receivables or payables that are not denominated in the functional currency of the respective Group company:

IN TEUR	2023		2022	
Change in EUR / USD exchange rate	+10 cents	-10 cents	+10 cents	-10 cents
Change in profit / loss before tax	+3,368	-3,368	+2,443	-2,443

Interest rate risks

Interest rate risks result from fluctuations in market interest rates that lead to a change in value of financial instruments and interest rate-related cash flows.

The majority of the long-term loans existing on the balance sheet date have fixed interest rates and are therefore not subject to any interest rate risk. The market value of these long-term loans is therefore subject to fluctuations. The interest rates of the individual loans are disclosed in Note 15. With the exception of loans and lease liabilities, no other liabilities are interest bearing and therefore are not subject to any interest rate risk.

Furthermore, the interest rate risk is reduced by the portfolio of short-term interest-bearing investments held by the company. Depending on whether the company has a surplus of funds on the investment or borrowing side, interest rate risks can therefore result from both a rise and a decrease in interest rates.

The table below shows the impact of a reasonably possible change in interest rates (impact on the interest expense for variable-interest liabilities to banks or on the interest income for variable-interest bank balances) on consolidated earnings before taxes (there is no impact on consolidated equity):

IN TEUR	2023		2022	
Change in basis points	+100	+200	+10	+20
Change in profit / loss before tax	+1,430	+2,860	+172	+344

Credit risks

The credit risk arises from the non-fulfilment of contractual obligations by business partners and the resulting loss of assets. The maximum default risk results from the carrying amount of the receivables.

The credit risk for receivables from customers can be considered low, as there are long-standing, stable business relationships with all major customers. In addition, the creditworthiness of new and existing customers is checked on an ongoing basis and outstanding receivables are monitored regularly. Provision is made for default risks by recognizing valuation allowances (see Notes 4 and 5). Neither macroeconomic developments or the Russian war of aggression on Ukraine nor climate-related risks have led to observable or expected changes in the estimated default risk.

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

For other financial assets (cash and cash equivalents), the maximum credit risk in the event of counterparty default corresponds to the carrying amount of these financial instruments. However, the credit risk here can be considered low, as only banks with a high credit rating are selected.

Liquidity risks

Liquidity risk is the risk of not being able to raise the funds required to settle liabilities on time at all times.

Due to the Company's strong self-financing capability, the liquidity risk is relatively low. In addition to obtaining liquid funds through the operating business, external financing is obtained from banks as required. Due to the global diversification of financing options, there is no significant concentration of risk. Climate-related risks are currently not a relevant factor in the liquidity risk assessment. It is not foreseeable whether and to what extent such climate-related factors could become a risk in the future when taking out new credit lines for SBO's core business.

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 managed centrally on the basis of consolidated reports of the Group members.

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

31 DECEMBER 2023

IN TEUR	DUE ON DEMAND	2024	2025	2026	2027 or beyond
Liabilities to banks	40,047	-	-	-	-
Long-term loans	-	48,271	61,974	49,538	79,010
Lease liabilities	-	2,497	1,757	1,361	8,335
Management interests and participation rights	-	-	-	-	5,348
Trade payables	-	39,624	-	-	-
Derivatives	-	15	-	-	-
Other	-	46,112	3,982	-	1,296
Total	40,047	136,519	67,713	50,899	93,989

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

The derivatives shown in the above maturity structure as of 31 December 2022 relate to the liability from the acquisition of non-controlling interests (see Note 18).

CAPITAL MANAGEMENT

The company's primary objective is to ensure that it maintains a high credit rating and a solid equity ratio in order to support its business activities and maximize shareholder value.

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

Gearing amounted to 20.6 % as of 31 December 2023 (previous year: -8.1 %).

IN TEUR	31.12.2023	31.12.2022
Liabilities to banks	38,144	30,765
Long-term loans	216,477	222,529
Less: cash and cash equivalents	-162,351	287,764
Net liquidity (-) / net debt (+)	92,270	-34,470
Total equity	448,017	425,016
Gearing	20.6 %	-8.1 %

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 33

CONTINGENT LIABILITIES

There were no contingent liabilities on the part of the Company as of 31 December 2023 or 31 December 2022.

Note 34

OTHER OBLIGATIONS

Other obligations consist exclusively of short-term leases or low value leases (see Note 19) and purchase commitments for investments in property, plant and equipment and intangible assets (see Notes 8 and 9).

Note 35

CASH FLOW STATEMENT

The Company's cash flow 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 and cash equivalents correspond to the cash and cash equivalents in the consolidated balance sheet and exclusively comprise cash on hand and bank balances including short-term deposits. Due to current foreign exchange regulations as of 31 December 2023, cash and cash equivalents of the subsidiaries in Russia amounting to TEUR 7,413 (previous year: TEUR 6,509) are subject to restrictions on the general use within the Group.

Within the cash flow statement, cash flows are broken down into cash flows from operating activities, from investing activities and from financing activities.

The free cash flow shown in the cash flow statement is calculated as the sum of the cash flow from operating activities and the cash flow from investing activities.

The cash flows from foreign operations were calculated by using average foreign exchange rates.

Cash flow from operating activities is calculated using the indirect method. This calculation is based on profit before income taxes and adjusted for non-cash income and expenses. This result and the balance sheet changes in net current assets (excluding cash and cash equivalents) provide the cash flow from operating activities.

Dividend payments are reported as part of financing activities.

For payments in connection with the acquisition of non-controlling interests, see note 18; for payments in connection with the acquisition of subsidiaries, see note 36.

■ CONSOLIDATED FINANCIAL STATEMENTS | Notes to the Consolidated Financial Statements

In order to allow for a clearer presentation of inflows and outflows from interest receipts and payments and from income taxes within the cash flow from operating activities, the form of presentation was changed compared to the previous year. This results in the following changes to the presentation for 2022:

2022

IN TEUR	ADJUSTED PRESENTATION	REPORTED PRESENTATION	VARIANCE
Profit before / after tax	93,342	75,198	18,144
Interest result	2,838	0	2,838
Other non-cash expenses and revenues	-6,286	-5,808	-478
Change in deferred taxes	0	3,613	-3,613
Interest paid	-5,046	0	-5,046
Interest received	2,595	0	2,595
Income taxes paid	-9,079	0	-9,079
Income taxes received	4,058	0	4,058
Cash flow from profit	114,128	104,709	9,419
Change in other receivables and other assets	-3,640	39	-3,679
Change in other liabilities and provisions	12,590	18,330	-5,740

Financial liabilities were as follows during the 2023 and 2022 financial years:

2023

IN TEUR	1.1.2023	CASH CHANGES	NON-CASH CHANGES		31.12.2023
			FOREIGN CURRENCY EFFECTS	OTHER CHANGES	
Long-term loans including current portion	222,529	-6,052	0	0	216,477
Liabilities to banks	30,765	7,397	-18	0	38,144
Lease liabilities	9,356	-2,859	-118	2,588	8,967
Liability from acquisition of non-controlling interest	99,600	-118,990	-1,554	20,944	0
Deferred compensation business combination Praxis	0	0	-98	3,685	3,587
Other financial liabilities	5,342	-942	-68	1,016	5,348
Total liabilities from financing activities	367,592	-121,446	-1,856	28,233	272,523

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
Liability from acquisition of non-controlling interest	93,796	0	5,804	0	99,600
Other financial liabilities	5,402	-1,739	98	1,581	5,342
Total liabilities from financing activities	387,722	-32,685	6,011	6,544	367,592

Note 36

BUSINESS COMBINATIONS

The closing for the acquisition of 100 % of the shares in Praxis Completion Technology FZCO (now: The Wellboss Company FZE) und its subsidiary, Praxis Completion Technology Arabia for Maintenance (now: The WellBoss Company for Maintenance) took place on 9 October 2023. As a result, the companies' assets and income and expenses were consolidated by the Group starting from 1 October 2023.

The Dubai-based company with a branch in Saudi Arabia is a leading supplier of packer systems and completion products in the Middle East, which isolate the annulus from the production line, thereby enabling controlled production and increasing the production rate from the well. The acquisition not only strengthens SBO's market position in the Middle East, which is considered the market with the highest growth momentum in the energy sector, but also expands SBO's product offering with a meaningful well completion technology. In addition, the products Praxis is working on will also be used for Carbon Capture & Storage (CCS) applications. This bolt-on acquisition underlines SBO's activities in the company's attractive core business.

The purchase price allocation on the basis of the fair values determined at the time of acquisition is as follows:

	IN TEUR
Purchase price paid in cash	21,731
Deferred compensation	3,685
Total consideration	25,416
- Net assets	-16,696
Goodwill	8,720

The net assets acquired are made up as follows on the basis of the fair values determined at the time of acquisition:

	IN TEUR
Intangible assets	9,059
Property, plant and equipment	168
Inventories	2,910
Trade receivables	8,037
Other receivables and assets	203
Cash and cash equivalents	3,137
	23,514
Trade Liabilities	-4,578
Other liabilities and provisions	-1,425
Deferred tax liabilities	-815
Net assets	16,696

See note 9 for information on acquired intangible assets.

Trade receivables and other receivables and assets corresponded to the fair value and were not impaired.

The cash outflow from the business combination amounted to:

	IN TEUR
Purchase price paid in cash	21,731
Cash and cash equivalents acquired with the company	-3,137
	18,594

The goodwill determined in the course of initial recognition is allocated to the "Oilfield Equipment" segment and results from the expected business development and employee know-how, taking into account the expected synergies from the business combination. The goodwill recognized is currently not deductible for tax purposes. The deferred compensation represents the discounted fixed agreed residual amount of the purchase price due in two years.

The acquisition increased reported consolidated revenue for the 2023 financial year by TEUR 5,251 and reported operating profit by TEUR 1,044. If the acquisition had taken place at the beginning of the year, consolidated revenue in 2023 would have been higher by further TEUR 16,752 and operating profit by further TEUR 3,509.

Transaction costs of TEUR 1,103 were paid in the 2023 financial year, which were recognized in administrative expenses.

Year 2022

No business combinations were carried out in 2022.

Note 37

EMPLOYEES

The average number of employees for the year and as of the reporting date was as follows:

	ANNUAL AVERAGE		REPORTING DATE	
	2023	2022	31.12.2023	31.12.2022
Blue collar	1,125	998	1,143	1,076
White collar	432	426	458	408
	1,557	1,424	1,601	1,484

Note 38

EVENTS AFTER THE REPORTING DATE

No events of particular significance occurred after the balance sheet date that would have led to a different presentation of the net assets, financial position and results of operations in the consolidated financial statements as of 31 December 2023.

Note 39

PROPOSED DIVIDEND

The Executive Board proposes distributing a dividend of EUR 2.00 (previous year: EUR 2.00) per share to shareholders for 2023. This results in a total distribution of MEUR 31.5 (previous year: MEUR 31.5).

Note 40

EXPENSES INCURRED FOR THE GROUP AUDITOR

The following expenses were incurred for the Group auditor, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (previous year: Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.):

IN TEUR	2023	2022
Audit fees	568	176
Other services	17	41

Audit fees for the years 2023 include the audit of the consolidated financial statements as well as the audits of the financial statements of the entities in Austria and the reporting packages of entities in the US (2022: financial statements of entities in Austria).

MANAGEMENT DISCLOSURES

EXECUTIVE BOARD:

Ing. Gerald Grohmann
(Chief Executive Officer until 31 December 2023)

Mag. Klaus Mader
(Chief Financial Officer, Chief Executive Officer
from 1 January 2024)

Campbell MacPherson
(Chief Operating Officer from 1 January 2024)

Gerald Grohmann's Executive Board contract expired as planned on 31 December 2023. Klaus Mader's existing Executive Board contract runs until 30 September 2028 and that of Campbell MacPherson until 31 December 2026.

SUPERVISORY BOARD:

Mag. Norbert Zimmermann
(Chairman)
Initial appointment: 1995
End of the current term of office: 2027

Mag. Brigitte Ederer
(Deputy Chairwoman)
Initial appointment: 2014
End of the current term of office: 2024

Mag. Dipl.-Ing. Dr. Helmut Langanger
Initial appointment: 2003
End of the current term of office: 2024

Dr. Wolfram Littich
Initial appointment: 2016
End of the current term of office: 2026

Mag. Sonja Zimmermann
Initial appointment: 2018
End of the current term of office: 2028

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

Each year, at least one member of the Supervisory Board retires at the end of the Annual General Meeting, thus ensuring that at least one member can be elected to the Supervisory Board at the Annual General Meeting. Insofar as the order of retirement is not determined by the term of office, this is decided by drawing lots. In the Supervisory Board meeting that takes place prior to the

SUSTAINABILITY COMMITTEE:

The duties of the Sustainability committee are performed by the Supervisory Board as a whole.

holding of an Annual General Meeting to discuss the proposed resolutions and nominations in accordance with Section 108 (1) Austrian Stock Corporation Act (Aktengesetz, 'AktG'), a lot shall be drawn to determine which member of the Supervisory Board shall retire at the end of the following Annual General Meeting. The retiring member is immediately eligible for re-election.

Ternitz, 1 March 2024

Klaus Mader

Campbell MacPherson

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 its subsidiaries ("the Group"), which comprise the Consolidated Balance Sheet as at 31 December 2023, and the Consolidated profit and loss statement, Consolidated statement of comprehensive income, Consolidated Cashflow statement and Consolidated Statement of Changes in Equity for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

BASIS FOR OUR OPINION

We conducted our audit in accordance with the EU Regulation 537/2014 ("AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on 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. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Recoverability of Goodwill

Refer to notes to the Consolidated Financial Statements "Note 4 - significant accounting principles, 9. Goodwill" and explanations to the balance sheet "Note 9 - Intangible assets" as well as general information on "Explanation 4 - significant accounting principles, 17. Estimates, judgements and assumptions".

Risk for the Consolidated Financial Statements

The recoverability of goodwill is of particular importance because in the consolidated financial statements of the company as this item reports a book value of MEUR 138.4. At least once a year and, if necessary, on an event-related basis, goodwill is subjected to an impairment test by SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft.

The impairment tests are based on assumptions and estimates. The recoverability of goodwill is essentially dependent on the management's assessment of future cash inflows and outflows, the discount rates applied, growth rates as well as the planning period considered and is therefore subject to significant estimation uncertainties.

For the consolidated financial statements, there is a risk that inappropriate assumptions and estimates may have a significant impact on the recoverable amount and thus the recoverability of goodwill in the consolidated balance sheet and the operating result in the consolidated income statement.

Our Response

We have assessed the recoverability of goodwill as follows:

- To assess the appropriateness of the underlying internal plans, we have gained an understanding of the planning process, discussed the assumptions about growth rates and operating results in conversations with the responsible senior persons in the company and reconciled the planning data used for the valuation with the current budget figures approved by the Supervisory Board and the medium-term planning released by the Executive Board.
- To assess the adherence to planning, we compared the actual cash flows that occurred

■ Auditor's Report

during the fiscal year in samples with the planning figures of the previous periods. We discussed any observed deviations with management.

- Our valuation specialists traced the methodology of the valuation models and assessed whether they comply with the relevant standards. The underlying assumptions in determining the cost of capital rates were compared by our valuation specialists with market and industry-specific benchmarks and the mathematical correctness of the valuation model was checked.
- The composition of the Cash Generating Unit (CGU) and the allocation of the assets, liabilities and cash flows to the CGU were reviewed.
- Additionally, we have assessed whether the disclosures in the notes with respect to the recoverability of goodwill are appropriate.

OTHER MATTER

The consolidated financial statements of SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft for the fiscal year ending on December 31, 2022, were audited by another auditor who issued an unqualified audit opinion on these financial statements on February 28, 2023.

OTHER INFORMATION

Management is responsible for other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report. We expect the annual report to be provided to us after the date of the auditor's report.

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

In conjunction with our audit, it is our responsibility to read this other information as soon as it becomes available, to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

RESPONSIBILITIES OF MANAGEMENT AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) 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.

Management is also 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

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 audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

■ Auditor's Report

Moreover:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
 - We 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.
 - We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of 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 audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit 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.
 - We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and 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, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal Requirements

GROUP MANAGEMENT REPORT

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

It is our responsibility to determine whether the consolidated non-financial statement has been prepared as part of the group management report, to read and assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

ADDITIONAL INFORMATION IN ACCORDANCE WITH ARTICLE 10 AP REGULATION

We were elected as auditors at the Annual General Meeting on April 27, 2023 and were appointed by the supervisory board on May 15, 2023 to audit the financial statements of the Company for the financial year ending on 31 December 2023.

We have been auditors of the Company, without interruption, since the consolidated financial statements at 31 December 2023.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of

our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

ENGAGEMENT PARTNER

The engagement partner is Ms Heidi Schachinger.

Vienna, March 4, 2024

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Heidi Schachinger

Wirtschaftsprüferin
(Austrian Chartered Accountant)

JAHRES- ABSCHLUSS

JAHRESABSCHLUSS

JAHRESABSCHLUSS	160
Bestätigungsvermerk	197
CORPORATE GOVERNANCE	204
STATEMENT OF ALL LEGAL REPRESENTATIVES	218

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

BILANZ zum 31. Dezember 2023

	31.12.2023		31.12.2022	
	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	824,84	2	16.000.000,00	16.000
II. Sachanlagen 1. Grundstücke, grundstücksgleiche Rechte und Bauten 2. andere Anlagen, Betriebs- und Geschäftsausstattung	9.049.660,51	9.288	-240.635,00	-271
III. Finanzanlagen 1. Anteile an verbundenen Unternehmen 2. Ausleihungen an verbundene Unternehmen	8.882.475,33 167.185,18	9.219 69	15.759.485,00	15.729
IV. Gewinnrücklagen 1. gesetzliche Rücklage 2. andere Rücklagen (freie Rücklagen)	237.204 58.244	237.204 58.244	71.315.982,03	70.247
V. Bilanzgewinn davon Gewinnvortrag EUR 2.916.510,23 (Vorjahr TEUR 1.732)	376.149.921,68 385.200.407,03	295.448 304.738	0,00	2.400
B. Umlaufvermögen				
I. Forderungen und sonstige Vermögensgegenstände 1. Forderungen aus Lieferungen und Leistungen 2. Forderungen gegenüber verbundenen Unternehmen davon mit einer Restlaufzeit von mehr als einem Jahr EUR 14.808.198,98 (Vorjahr TEUR 0,00) 3. sonstige Forderungen und Vermögensgegenstände davon mit einer Restlaufzeit von mehr als einem Jahr EUR 636.339,68 (Vorjahr TEUR 809)	414,18 16.822.435,77 647.042,85	0 15.399 1.014	785.314,64 10.347.713,24	785 9.345 10.130
II. Kassenbestand, Guthaben bei Kreditinstituten	17.589.892,80	16.413	47.243.388,63	34.375
C. Aktive latente Steuern			145.449.863,44	132.861
C. Verbindlichkeiten				
davon mit einer Restlaufzeit von bis zu einem Jahr EUR 85.092.169,09 (Vorjahr TEUR 103.161) davon mit einer Restlaufzeit von mehr als einem Jahr EUR 174.838.966,12 (Vorjahr TEUR 163.977)	22.598.592,48 40.168.485,28	90.521 106.934	108.487,00 15.074.025,00 5.031.288,66	1.599 8.691 3.049
1. Verbindlichkeiten gegenüber Kreditinstituten davon mit einer Restlaufzeit von bis zu einem Jahr EUR 41.571.428,57 (Vorjahr TEUR 58.287) davon mit einer Restlaufzeit von mehr als einem Jahr EUR 163.838.966,12 (Vorjahr TEUR 142.911)	225.908,00	1.686	195.410.394,69	201.198
2. Verbindlichkeiten aus Lieferungen und Leistungen davon mit einer Restlaufzeit von bis zu einem Jahr EUR 119.373,82 (Vorjahr TEUR 155)			119.373,82	155
3. Verbindlichkeiten gegenüber verbundenen Unternehmen davon mit einer Restlaufzeit von bis zu einem Jahr EUR 38.101.740,83 (Vorjahr TEUR 42.149)			38.101.740,83	42.149
4. sonstige Verbindlichkeiten davon mit einer Restlaufzeit von bis zu einem Jahr EUR 5.299.625,67 (Vorjahr TEUR 2.570) davon mit einer Restlaufzeit von mehr als einem Jahr EUR 21.000.000,00 (Vorjahr TEUR 21.066) davon aus Steuern EUR 2.993.950,11 (Vorjahr TEUR 176) davon im Rahmen der sozialen Sicherheit EUR 57.741,82 (Vorjahr TEUR 51)			26.299.625,87	23.636
			259.891.135,21	267.138
			425.594.800,31	413.366

Gewinn- und Verlustrechnung

FÜR DAS GESCHÄFTSJAHR VOM 1. JÄNNER BIS 31. DEZEMBER 2023

	2023	2022
	EUR	TEUR
1. Umsatzerlöse	9.223.199,86	9.155
2. sonstige betriebliche Erträge (übrige)	3.143.235,95	3.112
a) Erträge aus dem Abgang vom Anlagevermögen mit Ausnahme der Finanzanlagen	6.103,13	0
b) übrige	3.137.132,82	3.112
3. Personalaufwand		
a) Löhne	-184.781,15	-179
b) Gehälter	-6.533.414,05	-4.814
c) soziale Aufwendungen		
aa) Aufwendungen für Altersversorgung	-594.316,56	-721
bb) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiterversorgungskassen	-2.489.077,22	-898
cc) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-623.878,29	-466
dd) übrige	906,22	1
	-3.706.365,85	-2.084
	-10.424.561,05	-7.077
4. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	-439.370,41	-504
5. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Z 15 fallen	-180.617,60	-97
b) übrige	-7.543.283,21	-5.363
	-7.723.900,81	-5.460
6. Zwischensumme aus Z 1 bis 5 (Betriebserfolg)	-6.221.396,46	-774
7. Erträge aus Beteiligungen davon aus verbundenen Unternehmen EUR 37.528.347,29 (Vorjahr TEUR 33.374)	37.528.347,29	33.374
8. Erträge aus anderen Wertpapieren und Ausleihungen des Anlagevermögens davon aus verbundenen Unternehmen EUR 2.785.488,73 (Vorjahr TEUR 2.978)	2.785.488,73	2.978
9. sonstige Zinsen und ähnliche Erträge davon aus verbundenen Unternehmen EUR 1.048.345,57 (Vorjahr TEUR 428)	3.591.868,44	1.415
10. Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen	18.472.970,66	1.389
11. Aufwendungen aus Finanzanlagen	-985.993,76	0
a) davon Abschreibungen EUR -985.993,76 (Vorjahr TEUR 0)		
b) davon Aufwendungen aus verbundenen Unternehmen EUR -985.993,76 (Vorjahr TEUR 0)		
12. Zinsen und ähnliche Aufwendungen davon betreffend verbundene Unternehmen EUR -1.039.509,65 (Vorjahr TEUR -151)	-6.557.493,36	-4.408
13. Zwischensumme aus Z 7 bis 12 (Finanzerfolg)	54.835.188,00	34.748
14. Ergebnis vor Steuern (Zwischensumme aus Z 6 und Z 13)	48.613.791,54	33.974
15. Steuern vom Einkommen und vom Ertrag davon latente Steuern EUR -1.459.743 (Vorjahr TEUR -457)	-4.286.913,24	-1.331
16. Ergebnis nach Steuern = Jahresüberschuss = Jahresgewinn	44.326.878,30	32.643
17. Auflösung der Optionsrücklage	0,00	1.258
18. Zuweisung zu freien Rücklagen	0,00	-1.258
19. Gewinnvortrag aus dem Vorjahr	2.916.510,23	1.732
20. Bilanzgewinn	47.243.388,53	34.375

Anhang zum Jahresabschluss 2023

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. Weiters wird darauf hingewiesen, dass die nichtfinanzielle Berichterstattung gemäß §§ 243b bzw. 267a UGB zum 31. Dezember 2023 integraler Bestandteil des SBO-Konzernlageberichts ist.

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 Rechendifferenzen auftreten.

Wesentliche positive Auswirkungen auf das Ergebnis der SBO im Geschäftsjahr 2023 hatten Dividendenträge von Tochtergesellschaften sowie die Zuschreibung des Beteiligungsansatzes einer Tochtergesellschaft. Aus dem andauernden Russland-Ukraine-Konflikt waren im Geschäftsjahr 2023 weiterhin 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 3,50 %

(Vorjahr: 3,80 %), Gehaltssteigerung 4,50 % p. a. (Vorjahr: 4,50 %), Pensionseintrittsalter gemäß den aktuellen gesetzlichen Regelungen bzw. davon abweichenden einzelvertraglichen Vereinbarungen. Im Rahmen der Ermittlung der Abfertigungsrückstellung erfolgt die Verteilung des Dienstzeitaufwandes über den Zeitraum vom Eintritt in das Unternehmen bis zum Zeitpunkt des geplanten Pensionsantrittes des jeweiligen Dienstnehmers. Die Veränderungen der Abfertigungsrückstellungen (sowie auch der Jubiläumsgeldrückstellungen) werden im Personalaufwand erfasst.

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

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

Mit dem am 31. Dezember 2023 in Österreich in Kraft getretenen und ab 2024 anzuwendenden Mindestbesteuerungsgesetz („MinBestG“) wurden die OECD-Mustervorschriften sowie die entsprechende EU-Richtlinie zur Gewährleistung einer globalen Mindestbesteuerung für Unternehmensgruppen („Pillar Two“) im österreichischen Recht umgesetzt. Die SBO als oberste Muttergesellschaft iSd MinBestG evaluiert derzeit die möglichen Auswirkungen der Einführung der globalen Mindestbesteuerung auf den Konzern. Nachdem kurzfristig nicht mit einem Überschreiten der verankerten Umsatzgrenzen gerechnet wird, sind aktuell keine Anwendung bzw. Auswirkungen daraus auf die SBO zu erwarten.

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 31.12.2023 Wert-haltigkeitstests 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 2023 für die Foxano AG, Luzern, CH, zu einer Zuschreibung in Höhe von TEUR 17.500 geführt, die in den Erträgen aus dem Abgang von und der Zuschreibung zu Finanzanlagen ausgewiesen ist (Vorjahr: Zuschreibung von TEUR 535 für die Knust-SBD Pte Ltd., Singapur).

Die Zugänge bei den Anteilen an verbundenen Unternehmen betreffen mit TEUR 44.903 Kapitalerhöhungen bei der Schoeller Bleckmann America Inc., Wilmington, US, wovon TEUR 18.873 im Rahmen der Umwandlung einer Ausleihung zugebucht wurden. Weiters wurden Ausleihungen von TEUR 37.185 neu gewährt.

Die zum 31. Dezember 2023 bestehenden Ausleihungen betreffen ausschließlich Konzerngesellschaften. Die Ausleihungen mit einer Restlaufzeit von unter einem Jahr betragen TEUR 0,00 (Vorjahr TEUR 17.900).

UMLAUFVERMÖGEN

FORDERUNGEN UND SONSTIGE VERMÖGENSGEGENSTÄNDE

Die **FORDERUNGEN GEGENÜBER VERBUNDENEN UNTERNEHMEN** resultieren mit TEUR 16.203 aus Konzernfinanzierungen (Vorjahr: TEUR 15.399) und aus verrechneten Leistungen von TEUR 719 (Vorjahr: TEUR 0). Im Geschäftsjahr 2023 wurden Wertberichtigungen in Höhe von TEUR 1.599 aufgelöst.

Die in den **SONSTIGEN FORDERUNGEN** enthaltenen Erträge, welche nach dem Abschlussstichtag zahlungswirksam werden, betrafen mit TEUR 7 Zinsabgrenzungen (Vorjahr: TEUR 202).

AKTIVE LATENTE STEUERN

Die aktiven latenten Steuern wurden zum Bilanzstichtag im Wesentlichen für Sachanlagen und Personalrückstellungen gebildet (Vorjahr: zusätzlich Beteiligungen). 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 bereits im Jahr 2022, und damit unverändert im Jahr 2023, durchgängig mit einem Steuersatz von 23 %.

Die latenten Steuern entwickelten sich wie folgt:

IN TEUR	31.12.2023	31.12.2022
Stand am 1.1.	1.686	2.143
Erfolgswirksame Veränderung	-1.460	-457
Summe	226	1.686

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. 2023 hat die Gesellschaft so wie im Vorjahr von der Ermächtigung zum Erwerb eigener Aktien keinen Gebrauch gemacht.

Zum Bilanzstichtag 2023 hält die Gesellschaft 240.535 Stück eigene Aktien (Vorjahr: 270.535 Stück). Dies entspricht einem Anteil von 1,50 % (Vorjahr: 1,69 %) am Grundkapital mit einem Anschaffungswert von TEUR 7.798 (Vorjahr TEUR 8.771). Die Anzahl der im Umlauf befindlichen Aktien beträgt zum 31. Dezember 2023 somit 15.759.465 Stück (Vorjahr: 15.729.465 Stück).

Die **GEBUNDENE KAPITALRÜCKLAGE** betrug zum Bilanzstichtag TEUR 71.314 (Vorjahr: TEUR 70.247) und resultiert im Wesentlichen aus dem Agio bei der Ausgabe junger Aktien in 1997 und in 2005. Im Rahmen der Gewährung einer freiwilligen Abfertigung an den ehemaligen Vorstandsvorsitzenden durch Abgabe von 30.000 SBO Aktien wurde im Geschäftsjahr 2023 ein Betrag von TEUR 1.097 von der Optionsrücklage in die gebundene Kapitalrücklage umgegliedert.

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

Die **FREIE RÜCKLAGE** betrug zum Bilanzstichtag TEUR 10.348 (Vorjahr: TEUR 9.345). Die Veränderung in 2023 resultiert aus der Umgliederung aus der Optionsrücklage in Zusammenhang mit der Erfüllung des Aktienprogramms für den Vorstandsvorsitzenden.

Die **OPTIONSRÜCKLAGE** in Zusammenhang mit dem im Jahr 2014 vereinbarten und im Geschäftsjahr 2023 aufgrund Erfüllung nun vollständig beendeten Vorstandsvergütungsprogramm für die Abgabe von eigenen Aktien beträgt zum Bilanzstichtag TEUR 0 (Vorjahr: TEUR 2.400).

Gemäß dem Hauptversammlungsbeschluss vom 27. April 2023 wurden TEUR 31.459 vom Bilanzgewinn 2022 ausgeschüttet. Der Rest wurde auf neue Rechnung vorgetragen.

RÜCKSTELLUNGEN

In den **ÜBRIGEN RÜCKSTELLUNGEN** sind enthalten:

IN TEUR	31.12.2023	31.12.2022
Jubiläumsgeldrückstellungen	81	70
Rückstellungen für nicht konsumierte Urlaube	379	487
sonstige Personalarückstellungen	3.875	1.941
Bilanzveröffentlichung	220	230
Rechts-, Prüfungs- und Beratungskosten	269	134
Sonstige Rückstellungen	207	186
Summe	5.031	3.049

VERBINDLICHKEITEN

Der Gesamtbetrag der Verbindlichkeiten mit einer Restlaufzeit von mehr als fünf Jahren beträgt TEUR 1.250 (Vorjahr: TEUR 3.000). Davon entfallen auf Verbindlichkeiten gegenüber Kreditinstituten TEUR 1.250 (Vorjahr: TEUR 0) sowie auf sonstige Verbindlichkeiten TEUR 0 (Vorjahr: TEUR 3.000).

Die **VERBINDLICHKEITEN GEGENÜBER VERBUNDENEN UNTERNEHMEN** betreffen mit TEUR 37.349 (Vorjahr: TEUR 41.588) Konzernfinanzierungen, der Restbetrag betrifft Lieferungen und Leistungen.

In den **SONSTIGEN VERBINDLICHKEITEN** sind Aufwendungen in Höhe von TEUR 5.320 (Vorjahr: TEUR 2.256) enthalten, die nach dem Abschlussstichtag zahlungswirksam werden.

HAFTUNGSVERHÄLTNISSE

Haftungsverhältnisse bestanden in folgendem Ausmaß:

IN TEUR	31.12.2023		31.12.2022	
	GESAMTBETRAG	DAVON FÜR VERBUNDENE UNTERNEHMEN	GESAMTBETRAG	DAVON FÜR VERBUNDENE UNTERNEHMEN
Haftungen für Kredite und Kurssicherungen	39.073	39.073	33.122	33.122

Weiters hat die Gesellschaft gegenüber vier verbundenen Unternehmen (Vorjahr: vier) Patronatserklärungen abgegeben, die eine unwiderrufliche Zusicherung enthalten, das jeweilige 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	2023	2022
Verrechnete Holdingleistungen	6.970	7.044
Mieterträge	2.253	2.045

SONSTIGE BETRIEBLICHE ERTRÄGE

Die größten Posten sind:

IN TEUR	2023	2022
Kursgewinne	1.457	3.085
Auflösung von Wertberichtigungen	1.599	0

PERSONALAUFWAND

Im Posten **AUFWENDUNGEN FÜR ABFERTIGUNGEN UND LEISTUNGEN AN BETRIEBLICHE MITARBEITER-VORSORGEKASSEN** sind Leistungen an betriebliche Mitarbeiter-Vorsorgekassen in der Höhe von TEUR 43 (Vorjahr: TEUR 33) enthalten.

Von den Aufwendungen für Abfertigungen und Pensionen entfallen TEUR 3.031 (Vorjahr: TEUR 1.597) auf die Mitglieder des Vorstands. Versicherungsmathematische Verluste aus der Berechnung der Abfertigungsrückstellung dieses Geschäftsjahres betragen TEUR 88 (Vorjahr: Verluste von TEUR 605). In den Posten Löhne und Gehälter sind Aufwendungen für Rückstellungen für Jubiläumsgelder in Höhe von TEUR 11 (Vorjahr: TEUR 1) enthalten.

SONSTIGE BETRIEBLICHE AUFWENDUNGEN

Die größten Posten in den übrigen sonstigen betrieblichen Aufwendungen sind:

IN TEUR	2023	2022
Kursverluste	2.423	1.462
Rechts-, Prüfungs- und Beratungskosten	1.093	817
Dienstleistungen Konzern	879	742
Versicherungen	674	567

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

ERTRÄGE AUS DEM ABGANG VON UND DER ZUSCHREIBUNG VON FINANZANLAGEN

Zu den in diesem Posten enthaltenen Zuschreibungen des Jahres 2023 in Höhe von TEUR 17.500 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 2023 weist die Gesellschaft nach Verrechnung der Steuerumlagen an inländische Gruppenmitglieder in Höhe von TEUR 10.172 (Vorjahr: TEUR 6.681) einen Steueraufwand in Höhe von TEUR 4.287 (Vorjahr Steueraufwand: TEUR 1.331) aus. Darin sind Aufwendungen für Quellensteuern in Höhe von TEUR 20 (Vorjahr: TEUR 22) sowie ein auf Vorjahre entfallender Steueraufwand von TEUR 0 (Vorjahr: Steueraufwand von TEUR 14) enthalten.

BILANZGEWINN

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

IV. Sonstige Angaben

GESCHÄFTSFÄLLE MIT NAHESTEHENDEN UNTERNEHMEN UND PERSONEN

Für das Geschäftsjahr 2023 liegen keine sonstigen berichtspflichtigen Geschäftsfälle gemäß § 238 (1) Z 12 UGB vor.

AUFWENDUNGEN FÜR DEN ABSCHLUSSPRÜFER

Die Aufwendungen für den Abschlussprüfer 2023 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 2023 an folgenden Unternehmen beteiligt:

	ANTEIL IN PROZENT* ZUM 31.12.2023	EIGENKAPITAL IN TEUR ZUM 31.12.2023
SCHOELLER-BLECKMANN Oilfield Technology GmbH, Ternitz, AT	100,00	122.287
Schoeller Bleckmann America Inc., Wilmington, US	100,00	149.255
BICO Drilling Tools Inc., Houston, US	88,70	59.535
Schoeller-Bleckmann Oilfield Equipment (UK) Limited, Chesterfield, GB	100,00	33.215
Foxano AG, Luzern, CH	100,00	26.838
DSI FZE, Dubai, VAE	100,00	59.450
Schoeller-Bleckmann Oilfield Equipment Middle East FZE, Dubai, VAE	100,00	9.454
Knust-SBD Pte Ltd., Singapur, SG	51,50	19.321
Schoeller-Bleckmann Oilfield Equipment Vietnam Co., Ltd, Binh Duong, VN	100,00	31.864

Hinsichtlich der Angabe der Jahresergebnisse wird von den Bestimmungen gemäß § 242 Abs. 2 Z 2 UGB bzw. für die Angaben zu weiteren Beteiligungen gemäß § 242 Abs. 2 Z 1 UGB Gebrauch gemacht.

* Direkt gehaltene Anteile

VI. Angaben über Organe und Arbeitnehmer

Der durchschnittliche Personalstand gliedert sich wie folgt:

	2023	2022
Gehaltsempfänger	16	15
Lohnempfänger	5	6
Summe Mitarbeiter	21	21

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

IN TEUR	GRUNDGEHALT	PENSIONS- KASSENBEITRÄGE	ZWISCHEN- SUMME	ERFOLGSABHÄNGIGE VERGÜTUNG	GESAMT
2023	1.339	587	1.926	1.960	3.886
2022	1.242	714	1.956	630	2.586

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

Darüberhinaus wurden an den Vorstandsvorsitzenden im Rahmen seines planmäßigen Ausscheidens in 2023 Abfertigungen in Höhe von TEUR 3.937 sowie eine Urlaubsabfindung in Höhe von TEUR 66 ausbezahlt.

Im Geschäftsjahr 2014 wurde dem Vorstandsvorsitzenden Ing. Gerald Grohmann für Vorstandstätigkeiten eine jährliche Übertragung von jeweils 6.000 Stück SBO Aktien ab 2014 zugesagt. Diese 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 2023 und 2022 bereits ausbezahlten Beträge sind in den in oben dargestellten Bezügen enthalten. In Zusammenhang mit der Beendigung des Programmes in 2022 wurden die auf Basis der Bewertung bei Programmstart bzw. den jeweiligen Verlängerungen bewerteten und in Vorjahren vorgesorgten Beträge in Höhe von TEUR 1.258 für ursprünglich geplante und nicht mehr zu erfolgende Übertragungen von Aktien von der Optionsrücklage im Vorjahr in die freien Rücklagen umgegliedert.

Weiters wurden dem Vorstandsvorsitzenden im Rahmen des Ausscheidens im Dezember 2023 im Rahmen einer im Geschäftsjahr 2014 zugesagten freiwilligen Abfertigung 30.000 Stück SBO Aktien übertragen. Der Kurswert zum Übertragungszeitpunkt betrug TEUR 1.241. Zum Zeitpunkt der Zusage im Jahr 2014 wurde der Wert je Aktie mit EUR 70,00 auf Basis des Durchschnittskurses der vorhergehenden 36 Monate ermittelt. Nachdem für die Übertragung bereits in Vorjahren vollständig vorgesorgt wurde, ergab sich für die Gesellschaft daraus sowohl in 2022 als auch in 2023 kein weiterer Aufwand. Die den Nennbetrag der Aktien übersteigende Differenz zwischen den dafür in Vorjahren vorgesorgten Beträgen und den Anschaffungskosten der in 2023 übertragenen Aktien in Höhe von TEUR 1.097 wurden von der Optionsrücklage in die gebundenen Kapitalrücklagen umgegliedert.

Die ausbezahlten Vergütungen an den Aufsichtsrat betragen im Geschäftsjahr 2023 für das Geschäftsjahr 2022 TEUR 186 als pauschale Aufwandsentschädigung (Vorjahr: TEUR 170).

AUFSICHTSRAT:

Mag. NORBERT ZIMMERMANN

Vorsitzender seit 10.04.1995

Mag. Brigitte EDERER

Mitglied seit 23.04.2014, stellvertretende Vorsitzende
seit 24.04.2018

Mag. Dipl.-Ing. Dr. 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 von 03.10.2001 bis 31.12.2023

Mag. KLAUS MADER

seit 01.10.2015
Vorsitzender seit 01.01.2024

CAMPBELL MACPHERSON

seit 01.01.2024

Ternitz, am 1. März 2024

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand

Mag. KLAUS MADER

CAMPBELL MACPHERSON

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Anlagenspiegel gemäß § 226 (1) UGB per 31.12.2023

Beträge in EURO	Anschaffungs- bzw. Herstellungskosten		kumulierte Abschreibungen				Buchwert			
	Vortrag 01.01.2023	Zugänge	Abgänge	Stand 31.12.2023	Vortrag 01.01.2023	Zugänge	Abgänge	Stand 31.12.2023	Buchwert 31.12.23	Buchwert 31.12.22
I. Immaterielle Vermögensgegenstände										
KonzeSSIONen, gewerbliche Schutzrechte und										
1. ähnliche Rechte										
	68.836,60	0,00	0,00	68.836,60	66.597,76	1.414,00	0,00	68.011,76	824,84	2.238,84
Summe immaterielle Vermögensgegenstände	68.836,60	0,00	0,00	68.836,60	66.597,76	1.414,00	0,00	68.011,76	824,84	2.238,84
II. Sachanlagevermögen										
Grundstücke, grundstücksgleiche Rechte und										
Bauten, davon Grundwert EUR 3.560.935,26 (2022:										
1. TEUR 3.560,9)										
	20.066.043,77	56.481,92	-401.313,58	19.721.212,11	10.846.552,41	393.497,95	-401.313,58	10.838.736,78	8.862.475,33	9.219.491,36
2. andere Anlagen, Betriebs- und Geschäftsausstattung	697.437,40	135.888,32	-122.089,44	711.236,28	628.586,52	33.757,15	-118.292,57	544.051,10	167.185,18	68.850,88
3. geringwertige Wirtschaftsgüter	0,00	10.701,31	-10.701,31	0,00	0,00	10.701,31	-10.701,31	0,00	0,00	0,00
Summe Sachanlagen	20.763.481,17	203.071,55	-534.104,33	20.432.448,39	11.475.138,93	437.956,41	-530.307,46	11.382.787,88	9.049.660,51	9.288.342,24
III. Finanzanlagen										
1. Anteile an verbundenen Unternehmen										
	256.169.036,73	44.902.828,17	0,00	301.071.864,90	18.965.000,00	0,00	0,00	-17.500.000,00	1.465.000,00	237.204.036,73
2. Ausleihungen an verbundenen Unternehmen										
	58.244.257,12	37.185.088,78	-17.900.295,36	77.529.050,54	0,00	985.993,76	0,00	985.993,76	76.543.056,78	58.244.257,12
Summe Finanzanlagen	314.413.293,85	82.087.916,95	-17.900.295,36	378.600.915,44	18.965.000,00	985.993,76	0,00	-17.500.000,00	2.450.993,76	295.448.293,85
SUMME ANLAGEVERMÖGEN	335.245.611,62	82.290.988,50	-18.434.399,69	399.102.200,43	30.506.736,69	1.425.364,17	-530.307,46	13.901.793,40	385.200.407,03	304.738.874,93

LAGEBERICHT

FÜR DAS GESCHÄFTSJAHR 2023

1) Bericht über den Geschäftsverlauf und die wirtschaftliche Lage

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO) fungiert als konzernleitende Holdinggesellschaft 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 2023 MEUR 9,2 (Vorjahr: MEUR 9,2). Bei den von SBO ausgewiesenen Umsatzerlösen handelt es sich im Wesentlichen 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 1,5 (Vorjahr: MEUR 3,1). Die **SONSTIGEN BETRIEBLICHEN AUFWENDUNGEN** enthalten Kursverluste in Höhe von MEUR 2,4 (Vorjahr: MEUR 1,5). Die Kurseffekte ergaben sich in erster Linie aus dem gegen Jahresende 2023 schwächer werdenden USD.

Das **ERGEBNIS VOR STEUERN** betrug im Geschäftsjahr 2023 MEUR 48,6 (Vorjahr: MEUR 34,0). Darin enthalten sind **ERTRÄGE AUS BETEILIGUNGEN** in Höhe von MEUR 37,5 (Vorjahr: MEUR 33,4). Die **ERTRÄGE AUS DEM ABGANG VON UND DER**

ZUSCHREIBUNG ZU FINANZANLAGEN in Höhe von MEUR 18,5 resultieren mit MEUR 17,5 aus Beteiligungszuschreibungen sowie mit MEUR 1 aus Kurseffekten (im Vorjahr MEUR 0,5 Beteiligungszuschreibung und MEUR 0,9 aus Kurseffekten). Die **AUFWENDUNGEN AUS FINANZANLAGEN**, resultieren mit MEUR 1,0 aus Kurseffekten (Vorjahr: MEUR 0,0).

In den Jahren 2023 und 2022 gab es keine nennenswerten **ZUGÄNGE ZU SACHANLAGEN UND IMMATERIELLEN VERMÖGENSGEGENSTÄNDEN**.

Die Zugänge zu Finanzanlagen betragen MEUR 82,1 (Vorjahr: MEUR 0,0) und betrafen mit MEUR 44,9 Anteile an verbundenen Unternehmen (Vorjahr: MEUR 0,0) und mit MEUR 37,2 Ausleihungen an verbundenen Unternehmen (Vorjahr: MEUR 0,0). Die **ABGÄNGE AUS FINANZANLAGEVERMÖGEN** betragen MEUR 17,9 und betrafen Ausleihungen an verbundenen Unternehmen.

Die **BILANZSUMME** ist im Geschäftsjahr mit MEUR 425,6 gegenüber dem Vorjahr (MEUR 413,4) um 2,9 % gestiegen. Dies ist in erster Linie auf die Zugänge zu Finanzanlagen in Höhe von MEUR 82,1 und um MEUR 67,9 reduzierte Guthaben bei Kreditinstituten zurückzuführen.

Die **EIGENKAPITALQUOTE** ist trotz leicht gestiegener Bilanzsumme auf Grund des positiven Jahresergebnisses auf 34,2 % gestiegen (Vorjahr: 32,1 %).

Ebenso ist das **LANGFRISTIG GEBUNDENE VERMÖGEN** (überwiegend Finanzanlagen) auf 90,5 % der Bilanzsumme gestiegen (Vorjahr: 73,7 %).

Es bestehen keine Zweigniederlassungen der SBO.

MITARBEITER

Der **PERSONALSTAND** der SBO zum 31. Dezember 2023 betrug 21 Mitarbeiter (16 Gehaltsempfänger und 5 Lohnempfänger). Im Vorjahr belief sich die Mitarbeiteranzahl auf 21 (15 Gehaltsempfänger und 6 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 ach-

ten wir darauf, dieses Auf und Ab bestmöglich abzufedern. Während wir im Abschwung aktiv Maßnahmen setzen, um das Knowhow im Unternehmen zu halten, bauen wir im Aufschwung unsere Mannschaft schrittweise aus. Ein ansprechendes Arbeitsumfeld und attraktive Bonifikationsmodelle bringen neue Fachkräfte an Bord und halten unsere Experten langfristig im Unternehmen. An unserem Standort in Ternitz haben wir eine spezifische Lehrlingsausbildung implementiert und bilden damit junge Menschen zu den Facharbeitern von morgen aus. Durch diesen Fokus auf unser Experten-Team gewährleisten wir Top-Qualität in der Produktion.

Marktumfeld des SBO-Konzerns

Die globale Wirtschaftsleistung stieg 2023 um 3,1 %, nach einem Plus von 3,5 % im Jahr 2022. Diese Entwicklung vollzog sich unterschiedlich über die Regionen: Die Wirtschaftsleistung der Industrienationen lag nach einem Wachstum von 2,6 % in 2022 bei 1,6 % in 2023, jene der Schwellenländer kam auf 4,1 %, nach einem Anstieg von 4,1 % in 2022.¹

Trotz anhaltender Herausforderungen gab es vor allem zu Beginn des Jahres 2023 positive Entwicklungen für das weltweite Wirtschaftswachstum. So erklärte die WHO im Mai 2023, dass COVID-19 keine glo-

bale Gesundheitsnotlage mehr darstellte, Lieferketten hatten sich deutlich erholt und auch Transportkosten und Lieferzeiten erreichten größtenteils wieder ihr Vor-Pandemie-Niveau.

Die gesamtwirtschaftliche Entwicklung war jedoch durch mehrere Faktoren belastet. Einige resultierten aus dem Angriffskrieg Russlands in der Ukraine und zunehmenden geopolitischen Spannungen. Andere waren zyklischer Natur, darunter die Effekte der geldpolitischen Straffung zur Bekämpfung der Inflation sowie die Aufhebung fiskaler Unterstützungsmaßnahmen.

¹ International Monetary Fund (IMF), World Economic Outlook Update, Jänner 2024.

Unser Energiemarkt heute: Weiterhin hohe Erdöl- und Gasnachfrage

Trotz der fortwährenden Unsicherheiten der Weltwirtschaft zeigten sich die Energiemärkte im Jahr 2023 robust. Diese Widerstandsfähigkeit lässt sich einerseits auf das gesteigerte Bewusstsein hinsichtlich Energiesicherheit und speziell in der Oilfield-Service-Industrie auf die wachsende Nachfrage nach Öl- und Gasressourcen zurückführen. Andererseits wurden die weltweiten Ausgaben für Exploration und Produktion (E&P-Ausgaben) im Jahr 2023 um weitere 11 % gesteigert.² Langfristige internationale und Offshore-Projekte erhielten Auftrieb und bilden auch eine solide Grundlage für zukünftige Branchenaktivität. Der US-Markt blieb durch Ausgabendisziplin der Industrie und niedrige Gaspreise belastet.

Im Jahr 2023 blieb die Erdgasnachfrage weitgehend stabil. Der weltweite Erdgasverbrauch kam bei 4.071 Milliarden Kubikmetern (bcm) zu stehen. Die strukturellen Nachfragerückgänge, die in Europa und Zentralamerika verzeichnet wurden, fanden einen Ausgleich durch eine gesteigerte Nachfrage in den aufstrebenden Märkten Asiens und des Nahen Ostens. China allein verursachte fast die Hälfte des Anstiegs der globalen Gasnachfrage, wobei der Energiesektor, die industrielle Produktion und städtische Gasnetze die Hauptverbraucher waren.³

Die durchschnittliche globale Ölnachfrage verzeichnete laut der Internationalen Energieagentur (IEA) im

Jahr 2023 ein Wachstum von 2,3 Millionen Barrel pro Tag (mb/d) oder 2,2 % auf 101,8 mb/d (2022: 99,5 mb/d), ein neuer Höchstwert.⁴ Die erhöhte Nachfrage reflektierte sich allerdings nicht durchgehend in der Anzahl der weltweiten Bohranlagen für Öl und Gas (Rig Count), die im Verlauf des Jahres 2023 um 5,2 % auf 1.739 Anlagen abnahm (Dezember 2022: 1.834 Anlagen), wobei international ein Anstieg von 6,1 % auf 955 Anlagen verzeichnet wurde (Dezember 2022: 900 Anlagen). Der Rig Count in den USA hingegen fiel um 20,0 % auf 623 Anlagen (Dezember 2022: 779 Anlagen), in Kanada stieg der Rig Count leicht um 3,9 % auf 161 Anlagen (Dezember 2022: 155).⁵

Die Energiepreise gaben im Jahr 2023 nach. Der Gaspreis Henry Hub begann das Jahr 2023 mit USD 4,5/MMBtu (million British thermal units), erreichte damit seinen Höchststand und schloss Ende Dezember mit einem Kurs von USD 2,5/ MMBtu, ein Minus von 44,4 % seit Jahresbeginn.⁶ Die europäische Rohölsorte Brent startete bei USD 85,9 pro Barrel ins Jahr 2023, erreichte im September 2023 einen Höchststand von über USD 96,5 und lag am letzten Handelstag bei USD 77,0, seit Jahresbeginn eine Reduktion von 10,3 %. WTI begann das Jahr mit USD 80,3 pro Barrel, nach einem Höchststand von USD 93,6 sank der Kurs zu Jahresende auf einen Preis von USD 71,6, was einem Minus von 10,8 % im Vergleich zum Jahresbeginn entspricht.⁷

² Evercore ISI report, Energy | Oilfield Services, Equipment & Drilling, December 2023.

³ International Energy Agency (IEA), Medium-Term Gas Report 2023. Including the Gas Market Report, Q4-2023, Oktober 2023.

⁴ International Energy Agency (IEA), Oil Market Report, Februar 2024.

⁵ Baker Hughes Rig Count.

⁶ Bloomberg, NG1 Natural Gas (Nymex).

⁷ Bloomberg, CO1 Brent Crude (ICE) and CL1 WTI Crude (Nymex).

Der Energiemarkt im Wandel

Die weltweite Energielandschaft erlebt eine tiefgreifende Veränderung im Übergang zu nachhaltigeren Energieoptionen. Weltweit stiegen die erneuerbaren Stromkapazitäten im Jahr 2023 auf über 500 Gigawatt (GW), der höchste absolute Zuwachs, den es je gab.⁸

Dennoch erfolgt die Transformation des Energiesystems in einem anspruchsvollen makroökonomischen und geopolitischen Kontext. Unsicherheiten bezüglich der Widerstandsfähigkeit neuer Energieversorgungsketten sowie Risiken hinsichtlich der Sicherheit und Bezahlbarkeit im Übergang zu nachhaltigen Energielösungen bleiben weiter bestehen. Grüne Energieprojekte sahen sich 2023 in einigen Märkten mit Herausforderungen wie Kostensteigerungen und Lieferproblemen konfrontiert. Trotzdem stellen alternative Energieträger aktuell den dynamischsten Bereich der globalen Energieinvestitionen dar.⁹

Wasserstoff

Im Jahr 2023 erhöhte sich die weltweite Wasserstoffproduktion um 10 %. Dieser Anstieg wurde maßgeblich von China vorangetrieben, das für mehr als 70 % der globalen Nettoneuzugänge zwischen 2023 und 2024 verantwortlich sein soll.¹⁰ Der Ausbau von

emissionsarmem Wasserstoff setzt sich weiter fort, wobei Investitionen bereits im Jahr 2022 die Marke von USD 1 Milliarde erreicht haben. Weltweit werden neue Richtlinien eingeführt, um das Vertrauen in die Technologie zu stärken. Im Mai 2023 wurde mit einer 260-Megawatt-Anlage in China ein neuer Rekord für die größte betriebsbereite Elektrolyseanlage aufgestellt. Bei erfolgreicher Umsetzung aller angekündigten Projekte könnten bis 2030 mehr als 400 GW Elektrolyse-Anlagen in Betrieb sein.¹¹

Geothermie

Inmitten des weltweiten Übergangs zu nachhaltigen Energiequellen eröffnet die Geothermie eine weitere vielversprechende Perspektive, um Kohlenstoffemissionen zu reduzieren und die Zuverlässigkeit der Energieversorgung zu verbessern. Dabei soll die Geothermie als Grundlastquelle fungieren und sowohl zur Strom- als auch zur Wärmeerzeugung genutzt werden. Der Markt für die geothermische Stromerzeugung befindet sich in einem Aufschwung.

Im Jahr 2023 soll die Stromerzeugung 95,63 Milliarden Kilowattstunden (mKWh) erreicht haben. Bis 2030 soll sich die installierte Kapazität in etwa verdoppeln.¹²

⁸ International Energy Agency (IEA), Renewables 2023, Jänner 2024.

⁹ International Monetary Fund (IMF), World Energy Outlook, Oktober 2023.

¹⁰ International Energy Agency (IEA), Renewables 2023, Jänner 2024.

¹¹ International Monetary Fund (IMF), World Energy Outlook, Oktober 2023.

¹² International Monetary Fund (IMF), World Energy Outlook, Oktober 2023.

Geschäftsentwicklung des SBO-Konzerns

SBO verzeichnete im Jahr 2023 eine ausgezeichnete Umsatz- und Ergebnisentwicklung mit einem Allzeithoch im Umsatz, nach einem bereits sehr guten Vorjahr. Das Unternehmen konnte das Ergebnis durch die hervorragende Performance der AMS-Division weiter

steigern. Neben der Ertragsstärke konnte auch der operative Cashflow verbessert werden. Die solide Bilanz besticht weiterhin durch eine gute Finanzlage und eine hohe Eigenkapitalquote.

Umsatz und Ergebnis

Der Umsatz der SBO-Gruppe stieg um 16,9 % auf ein Rekordniveau von MEUR 585,9 (2022: MEUR 501,2). Der Auftragseingang erreichte MEUR 543,7 dank der anhaltend hohen Nachfrage vor allem in den internationalen Märkten (2022: MEUR 646,0). Der Auftragsstand lag Ende des Jahres 2023 weiterhin auf einem hohen Niveau von MEUR 225,4 (2022: MEUR 265,0).

Das Ergebnis vor Zinsen, Steuern und Abschreibungen (EBITDA) erhöhte sich auf MEUR 131,3 (2022: MEUR 129,1). Das Betriebsergebnis EBIT konnte SBO auf MEUR 102,3 steigern (2022: MEUR 96,2). Aufgrund von Währungseffekten wurden die Margen im Vergleich zu 2022 negativ beeinflusst: die

EBITDA-Marge lag in 2023 bei 22,4 % (2022: 25,8 %), die EBIT-Marge erreichte 17,5 % nach 19,2 % in 2022.

Das Finanzergebnis betrug MEUR minus 8,1 (2022: MEUR minus 2,8), vor allem durch einen einmaligen Aufwand von MEUR 8,6 in Zusammenhang mit der Beilegung eines Rechtsstreits betreffend den Erwerb von Minderheitsanteilen. Das Ergebnis vor Steuern in Höhe von MEUR 94,2 lag leicht über dem des Vorjahres (2022: MEUR 93,3), das Ergebnis nach Steuern kam auf MEUR 71,6 (2022: MEUR 75,2). Das Ergebnis pro Aktie (EPS) beträgt EUR 4,55 (2022: EUR 4,78).

Segmentergebnisse

Das Geschäft der SBO-Gruppe gliedert sich in die beiden Segmente „Advanced Manufacturing & Services“ (AMS) und „Oilfield Equipment“ (OE). Der Umsatz im AMS-Segment stieg kräftig auf MEUR 328,7 (2022: MEUR 248,7). Das Betriebsergebnis (EBIT) verbesserte sich aufgrund des hohen Umsatzes und der gesteigerten Produktivität dank hoher Kapazitätsauslastung auf MEUR 80,3 (2022: MEUR 48,3). Die

OE-Division verzeichnete insgesamt solide Ergebnisse trotz einer Reduktion der Bohr- und Komplettierungsaktivitäten im US-Markt im Jahr 2023. Der Umsatz stieg leicht auf MEUR 257,2 (2022: MEUR 252,6), nach einem starken Finish zum Jahresende. Das Betriebsergebnis (EBIT) der OE-Division von MEUR 31,5 und 12,2 % vom Umsatz lag unter dem des Vorjahres (2022: MEUR 50,1; 19,9 %).

Bilanzkennzahlen und Cashflow

Das Eigenkapital der SBO-Gruppe belief sich zum 31. Dezember 2023 auf MEUR 448,0 (2022: MEUR 425,0). Durch die reduzierten kurzfristigen sonstigen Verbindlichkeiten erhöhte sich die Eigenkapitalquote auf 53,6 % zum Jahresende 2023 im Vergleich zu 47,1 % im Vorjahr. Der Bestand an liquiden Mitteln kam auf MEUR 162,4 (2022: MEUR 287,8), nach einmaligen Kapitalabflüssen für die Akquisition der Praxis Completion Technology von MEUR 21,7 und für den Erwerb von Minderheitsanteilen von MEUR 119,0 nach der Beilegung eines Rechtsstreits. Die Nettoverschuldung lag bei MEUR 92,3 (2022: Nettoliquidität von MEUR 34,5), das Gearing hielt bei 20,6 % (2022: minus 8,1 %).

Der Cashflow aus der laufenden Geschäftstätigkeit (operativer Cashflow) konnte sich im Vergleich zum Vorjahr um MEUR 34,1 steigern und betrug MEUR 86,5 (2022: MEUR 52,4), vor allem dank eines reduzierten Wachstums an Umlaufvermögen und eines etwas höheren Cashflows aus dem Ergebnis. Die Investitionen in Sachanlagevermögen und immaterielle Vermögenswerte (CAPEX) stiegen auf MEUR 37,5 (2022: MEUR 31,0). Am 31. Dezember 2023 betrug das Bestellobligo für Sachanlagen MEUR 9,7 (2022: MEUR 5,6).

Dividendenvorschlag

Der Vorstand wird der Hauptversammlung am 25. April 2024 vorschlagen, für das Geschäfts-

jahr 2023 eine Dividende von EUR 2,00 pro Aktie auszuschütten (2022: EUR 2,00 pro Aktie).

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

Ausblick des SBO-Konzerns

Nach einem globalen Anstieg der Wirtschaftsleistung um 3,1 % im Jahr 2023 wird für das Jahr 2024 ein gleichbleibendes weltweites Wirtschaftswachstum von 3,1 % prognostiziert. Die Wirtschaft der Industriestaaten soll dabei um 1,5 % wachsen, nach einem Anstieg

von 1,6 % in 2023. Für das Wirtschaftswachstum in den Schwellen- und Entwicklungsländern erwartet der IWF für 2024 einen Anstieg um 4,1 %, ähnlich wie im Vorjahr (2023: 4,1%).¹³

Die Entwicklung des Energiemarkts bringt viele Chancen mit sich

Der weltweite Gesamtenergiebedarf soll laut aktuellen Prognosen der Internationalen Energieagentur (IEA) im Stated Policy Scenario (STEPS-Szenario) von etwa 630 Exajoule (EJ) im Jahr 2022 auf 670 EJ bis 2030 steigen. Dies entspricht einer durchschnittlichen jährlichen Wachstumsrate von 0,7 %. In den Schwellen- und Entwicklungsländern soll die Nachfrage getrieben von wirtschaftlichem Wachstum stark ansteigen, während der Bedarf in den Industrieländern zurückgeht. Fossile Brennstoffe, die aktuell etwa 80 % des Gesamtenergiebedarfs abdecken, werden weiterhin eine wichtige Rolle spielen, wobei der Kohleanteil stark abnehmen wird. Der Erdölanteil wird bis 2030 auf anhaltend hohem Niveau erwartet, die Nachfrage nach

Erdgas sollte sogar weiter zunehmen, vorangetrieben durch den erwarteten Ausbau der LNG-Produktionsstätten, welche benötigt werden, um die Umstellung der Industrie von Kohle auf Gas in China zu beschleunigen und um süd- und südostasiatische Länder in ihrem Wirtschaftswachstum zu unterstützen.¹⁴

Gleichzeitig werden Technologien für erneuerbare Energieträger immer wichtiger, um die wachsende Nachfrage nach Energie abzudecken. Wasserstoff, Carbon Capture & Storage und Geothermie nehmen hierbei eine maßgebliche Position ein, was für die SBO-Gruppe wesentliches Geschäftspotenzial birgt.

¹³ International Monetary Fund (IMF), World Economic Outlook Update, Jänner 2024.

¹⁴ International Monetary Fund (IMF), World Energy Outlook, Oktober 2023.

Wasserstoff

Bei der Umsetzung der EU-Ziele, bis 2030 die Produktion von 10 Millionen Tonnen erneuerbarem Wasserstoff zu erreichen, spielt die EU Wasserstoffbank, die mit einem milliardenschweren Fördertopf dotiert ist, eine zentrale Rolle. Volkswirtschaften wie Australien und Lateinamerika verfolgen ebenfalls neue industrielle Ansätze, bei denen emissionsarme Wasserstofftechnologien eine wichtige Stellung einnehmen.¹⁵ Die Pipeline an Projekten enthält über 400 GW neuer Elektrolysekapazitäten für Wasserstoff, die bis 2030 operativ sein sollen.¹⁶

Geothermie

Auch der Ausbau der Geothermie ist im Energiemix von entscheidender Bedeutung, da sie eine stetige und kontinuierliche Energiequelle bietet, unabhängig von Witterungsbedingungen oder Tageszeiten. Die USA, Indonesien, die Philippinen und die Türkei sind derzeit für etwa 60 % der Gesamtinstallationskapazität verantwortlich. Aktuelle Prognosen zufolge soll die installierte Kapazität für die geothermische Stromerzeugung im Jahr 2024 99,73 Milliarden Kilowattstunden (KWh) betragen.¹⁷

Carbon Capture & Storage (CCS)

Im Bereich Carbon Capture and Storage (CCS) nimmt die Zahl der Projekte weltweit rasant zu. Das Investitionsvolumen im Jahr 2022 erreichte USD 3 Milliarden mit sehr positiven Wachstumserwartungen für die

Zukunft. Allein in den USA wurden durch großzügige Steueranreize und Finanzierungsprogramme mehr als 100 neue Projekte angekündigt. Auch in anderen Ländern wie Kanada und China gibt es nennenswerten Fortschritt mit Investitionen in Großprojekte sowie wichtige regulatorische Schritte zur Förderung von CCS-Anwendungen in Kanada, Dänemark, Indonesien, Japan und Malaysia. In Summe rechnet man mit über 400 Mt CO₂ Speicherkapazität, die bis 2030 operativ sein wird.¹⁸

Erdgas und Erdöl

Auch für Öl und Gas sind die erwarteten Marktdaten überzeugend. Die IEA rechnet für das Jahr 2024 mit einem steigenden Gas- und Ölbedarf: So soll die Nachfrage nach Gas um 64 Milliarden Kubikmeter (bcm) auf 4.135 bcm steigen¹⁹, jene nach Öl um 1,2 Millionen Barrel pro Tag (mb/d) auf einen neuen Rekordwert von 103,0 mb/d.²⁰ Durch den Ausbau der LNG-Verflüssigungskapazitäten in den Jahren 2025-2026 wird ein robustes LNG-Angebot erwartet, was den Druck auf den Markt mildern und die Nachfrage in den aufstrebenden asiatischen Märkten ankurbeln sollte. Das weltweite LNG-Angebot wird zwischen 2022 und 2026 um voraussichtlich 25 % steigen.²¹

Im Jahr 2024 rechnet man mit einem Anstieg der Ausgaben für Exploration und Produktion (E&P) von insgesamt 5 % auf USD 515 Milliarden, nach einem Wachstum von 11 % im Jahr 2023. Die internationalen Aktivitäten sollen 2024 mit 10 % zunehmen, die Wachstumsrate in den USA wird mit 2 % prognostiziert.²²

¹⁵ International Energy Agency (IEA), Global Hydrogen Review 2023, September 2023.

¹⁶ International Monetary Fund (IMF), World Energy Outlook, Oktober 2023.

¹⁷ Statista, Geothermie weltweit, Jänner 2024.

¹⁸ International Monetary Fund (IMF), World Energy Outlook, Oktober 2023.

¹⁹ International Energy Agency (IEA), Medium-Term Gas Report 2023. Including the Gas Market Report, Q4-2023, Oktober 2023.

²⁰ International Energy Agency (IEA), Oil Market Report, Februar 2024.

²¹ International Energy Agency (IEA), Medium-Term Gas Report 2023. Including the Gas Market Report, Q4-2023, Oktober 2023.

²² Evercore ISI report, Energy | Oilfield Services, Equipment & Drilling, December 2023.

Positiver Unternehmensausblick

Basierend auf diesen erwarteten positiven Marktentwicklungen bleibt SBO im Hinblick auf den Öl- und Gassektor zuversichtlich. Die zu Grunde liegenden Fundamentaldaten des Marktes unterstützen eine nachhaltige, mehrjährige Zunahme der weltweiten Investitionen in Exploration und Produktion. Die Industrie und unsere Kunden blicken optimistisch in das Jahr 2024, getragen von dem anhaltenden Bedürfnis nach Energiesicherheit und den erhöhten Investitionen vor allem in internationalen Märkten und in Offshore-Projekten.

Zeitgleich wird ein weiterer dynamischer Anstieg im Bereich der alternativen Energieträger prognostiziert. Dies stellt für die SBO-Gruppe das größte mittel- und langfristige Wachstumspotential dar.

Trotz der aktuell positiven Einschätzung der zukünftigen Marktentwicklung werden wirtschaftliche Prognosen und Unsicherheiten sowie geopolitische Risiken immer mit Vorsicht und strategischem Weitblick beobachtet.

Für das Jahr 2024 ist SBO zuversichtlich dank gut gefüllter Auftragsbücher, der Integration der Praxis-Akquisition sowie neuer Produktinnovationen. Mit Fokus auf die wachsenden Märkte im Nahen Osten und in Asien werden die Kapazitäten während des Jahres weiter ausgebaut und die lokale Präsenz verstärkt, um Wachstumschancen optimal zu nutzen.

Zum Aufbau des neuen Geschäftsbereichs im Green Tech Energy-Sektor arbeitet SBO mit hohem Elan an Initiativen für organisches Wachstum sowie strategischen Investitionen außerhalb des bestehenden Kerngeschäfts. Einerseits wird die Weiterentwicklung des vorhandenen Produktportfolios vorangetrieben, um neue Märkte, vor allem in der Geothermie und im Bereich des Carbon Capture & Storage zu erschließen. Andererseits plant SBO Unternehmenszukäufe, um in neue Technologie-Bereiche vorzustoßen und am prognostizierten Marktwachstum alternativer Energieträger teilzuhaben.

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.

Der Großteil der zum Bilanzstichtag bestehenden langfristigen Bankverbindlichkeiten wird fix verzinst und unterliegt daher keinem Zinsänderungsrisiko.

Aufgrund der derzeitig konzernweit verfügbaren liquiden Mittel bestehen aus heutiger Sicht keine signifikanten Liquiditätsrisiken.

Die Gesellschaft verwendet keine derivativen Finanzinstrumente.

3) Bericht über die Forschung und Entwicklung im SBO-Konzern

Hoch-innovative Technologie sichert unsere Marktführerschaft

Der Grundstein zum Erfolg der SBO-Gruppe liegt seit Jahren in intensiver, marktorientierter Forschung und Entwicklung (F&E). Stets am Puls der Zeit, ist unser innovatives Produktportfolio am Energiemarkt sehr gefragt und sichert und verstärkt dadurch unsere marktführende Position. Unsere hoch-innovativen Produkte sind weltweit anerkannt und die hervorragende Qualität unserer Fertigung ist ein angesehenes Differenzierungsmerkmal im Markt.

Ein Beispiel unserer aktuellen Forschungs- und Entwicklungsarbeit ist der **3D-Druck von hochlegierten Metallen (DMLS)**. SBO baut seine additiven Fertigungsmöglichkeiten kontinuierlich aus und hat das Produktportfolio im 3D-Druck mittlerweile auf verschiedenste Metalle erfolgreich erweitert (Inconel, Kupfer, Titan, und andere). Damit haben wir ein breiteres Spektrum für die kundenorientierte Fertigung von Bauteilen geschaffen. Unser Fokus liegt dabei auf der Herstellung von Bauteilen mit geringen Wandstärken, komplexen Geometrien und großen Überhängen. Darüber hinaus können wir alle gedruckten Schichten mit einer integrierten Qualitätskontrollsoftware einzeln auf Fehler überprüfen, was ein äußerst hohes Qualitätsniveau gewährleistet.

Im Bereich der **Bohrwerkzeuge** investieren wir in die Steigerung der Performance und der Anwendungsmöglichkeiten unserer Tools. Dazu gehören vor allem die Integration von Kommunikationssystemen, welche die Wirtschaftlichkeit des Bohrbetriebs erheblich verbessern. Diese Systeme ermöglichen effizientes, kostengünstiges Bohren, da sie Informationen real-time zur Verfügung stellen, wodurch rasche Entscheidungen während des Bohrens getroffen werden können.

Auch im Bereich der Bohrlochkomplettierungslösungen gibt es innovative Weiterentwicklungen unseres Produktportfolios. **Dissolvable Plugs** sind eine wichtige Ergänzung unserer Produktpalette, und werden stetig weiterentwickelt. Unser Baby Boss Plug (by WellBoss) hat sich in den vergangenen Jahren bereits stark auf dem Markt etabliert. Im Jahr 2024 werden wir einen weiteren, Dissolvable HPHT Frac Plug auf den Markt bringen.

Für den **Geothermiemarkt** werden einige unserer erfolgreichen Bohrmotoren, Rotary Steerable Tools, Circulation Tools und auch Plugs weiterentwickelt. So werden zum Beispiel bestehende Bohrmotoren und Circulation Tools durch Materialadaption für die Anwendung bei den hohen Temperaturen der Geothermie-Bohrungen (bis zu 300°C) angepasst. Außerdem arbeiten wir an der Weiterentwicklung unseres Plug-Portfolios, um die Plugs auf die Besonderheiten der Geothermiebohrlöcher abzustimmen.

Ein weiteres Beispiel für Forschungs- und Entwicklungsinitiativen zum Zweck der Diversifikation unseres Geschäfts ist die Adaption des Packerportfolios der 2023 akquirierten Praxis Completion Technology. Hier investieren wir aktiv in die Anpassung von Packern für die Verwendung in **Carbon Capture & Storage** Anwendungen.

Wir sind stolz auf unsere branchenführenden Kompetenzen in der Technologieentwicklung und Fertigung sowie auf die moderne Ausstattung unserer Betriebsstätten, die nicht nur hoch-innovatives Equipment hervorbringen, sondern auch den höchsten Qualitätsanforderungen unserer Kunden gerecht werden.

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 hat 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 wesentlichen operativen Gesellschaften 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.

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 2023 wie auch zum 31. Dezember 2022 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. 2023 hat die Gesellschaft so wie im Vorjahr von der Ermächtigung zum Erwerb eigener Aktien keinen Gebrauch gemacht.

Zum Bilanzstichtag 2023 hält die Gesellschaft 240.535 Stück eigene Aktien (Vorjahr: 270.535 Stück). Dies entspricht einem Anteil von 1,50 % (Vorjahr: 1,69 %) am Grundkapital mit einem Anschaffungswert von TEUR 7.798 (Vorjahr TEUR 8.771). Die Anzahl der zum 31. Dezember 2023 im Umlauf befindlichen Aktien beträgt somit 15.759.465 Stück (Vorjahr: 15.729.465 Stück).

Zum 31. Dezember 2023 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, 1. März 2024

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

Der Vorstand

Mag. Klaus Mader

Campbell MacPherson

BESTÄTIGUNGSVERMERK

Bericht zum Jahresabschluss

PRÜFUNGSURTEIL

Wir haben den Jahresabschluss der [SCHOELLER- BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft](#), Ternitz, bestehend aus der Bilanz zum 31. Dezember 2023, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Geschäftsjahr und dem Anhang, geprüft.

Nach unserer Beurteilung entspricht der Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage zum 31. Dezember 2023 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 AP-VO) und mit den österreichischen Grundsätzen ordnungsgemäßer 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 unternehmens- und berufsrechtlichen Vorschriften und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise bis zum Datum dieses Bestätigungsvermerkes ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu diesem Datum zu dienen.

BESONDERS WICHTIGE PRÜFUNGSSACHVERHALTE

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.

Bewertung von Anteilen an verbundenen Unternehmen sowie Ausleihungen an verbundene Unternehmen

Siehe Anhang „II. Bilanzierungs- und Bewertungsmethoden“ sowie „1. Erläuterungen zur Bilanz“ im Abschnitt „III. Erläuterungen zu den Posten der Bilanz und der Gewinn- und Verlustrechnung“

Das Risiko für den Abschluss

Die SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft weist im Jahresabschluss zum 31. Dezember 2023 Anteile an verbundenen Unternehmen in Höhe von TEUR 299.607 sowie Ausleihungen gegenüber verbundenen Unternehmen in Höhe von TEUR 76.543 aus. Im Geschäftsjahr erfolgte eine Wertaufholung der Anteile an der Foxano AG in Höhe von TEUR 17.500.

Im Rahmen der Aufstellung des Jahresabschlusses werden Anteile an verbundenen Unternehmen sowie Ausleihungen an verbundene Unternehmen von der Gesellschaft einer Werthaltigkeitsüberprüfung unterzogen. Hierbei beurteilt die Gesellschaft, ob Anhaltspunkte für einen wesentlich gesunkenen beizulegenden Wert und damit für außerplanmäßige Abschreibungen vorliegen. Für jene Finanzanlagen, die in den Vorjahren außerplanmäßig abgeschrieben wurden, wird überprüft, ob die Gründe für die Abschreibung weggefallen sind und somit eine Zuschreibung erforderlich ist. Im Anlassfall wird eine Bewertung auf Basis von diskontierten Netto-Zahlungsmittelzuflüssen, die im Wesentlichen von zukünftigen Umsatz- und Margenerwartungen abhängig sind, sowie auf Basis von abgeleiteten Diskontierungszinssätzen ermittelt.

Die Bewertung von Anteilen an verbundenen Unternehmen sowie Ausleihungen gegenüber verbundenen Unternehmen stellen aus unserer Sicht einen besonders wichtigen Prüfungssachverhalt dar, da hierfür Annahmen und Schätzungen, wie zukünftige Einzahlungsüberschüsse oder die Festlegung von Diskontierungszinssätzen, notwendig sind.

Für den Jahresabschluss besteht das Risiko, dass nicht angemessene Schätzungen eine wesentliche Auswirkung auf den beizulegenden Wert der Anteile an verbundenen Unternehmen sowie Ausleihungen an verbundene Unternehmen und damit auf deren Bewertung und das Finanzergebnis in der Gewinn- und Verlustrechnung haben können.

Unsere Vorgehensweise in der Prüfung

Wir haben die Bewertung der Anteile an verbundenen Unternehmen sowie der Ausleihungen gegenüber verbundenen Unternehmen wie folgt beurteilt:

- Zur Beurteilung der Angemessenheit der zugrunde gelegten internen Planungen haben wir uns ein Verständnis über den Planungsprozess verschafft, die Annahmen über Wachstumsraten und operative Ergebnisse in Gesprächen mit den zuständigen leitenden Personen im Unternehmen erörtert und die der Bewertung zugrunde gelegten Planungsdaten mit den aktuellen, vom Aufsichtsrat genehmigten, Budgetzahlen sowie der vom Vorstand freigegebenen Mittelfristplanung, abgeglichen.
- Zur Beurteilung der Planungstreue haben wir die im Geschäftsjahr tatsächlich eingetretenen Zahlungsmittelströme in Stichproben mit den Planungszahlen der Vorperioden verglichen. Dabei beobachtete Abweichungen haben wir mit dem Management besprochen.
- Unsere Bewertungsspezialisten haben die Methodik der durchgeführten Bewertungsmodelle nachvollzogen und beurteilt, ob diese den entsprechenden Standards entsprechen. Die zur Festlegung der Kapitalkostensätze herangezogenen Annahmen haben unsere Bewertungsspezialisten mit markt- und branchenspezifischen Richtwerten abgeglichen und die rechnerische Richtigkeit des Bewertungsmodells überprüft.

SONSTIGER SACHVERHALT

Der Jahresabschluss der SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft für das am 31. Dezember 2022 endende Geschäftsjahr wurde von einem anderen Abschlussprüfer geprüft, der am 28. Februar 2023 ein uneingeschränktes Prüfungsurteil zu diesem Abschluss abgegeben hat.

SONSTIGE INFORMATIONEN

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen umfassen alle Informationen im Jahresfinanzbericht, ausgenommen den Jahresabschluss, den Lagebericht und den Bestätigungsvermerk. Der Jahresfinanzbericht wird uns voraussichtlich nach dem Datum des Bestätigungsvermerks zur Verfügung gestellt.

Unser Prüfungsurteil zum Jahresabschluss erstreckt sich nicht auf diese sonstigen Informationen, und wir werden keine Art der Zusicherung darauf geben.

Im Zusammenhang mit unserer Prüfung des Jahresabschlusses haben wir die Verantwortlichkeit, diese sonstigen Informationen zu lesen, sobald sie vorhanden sind, und dabei zu würdigen, ob die sonstigen Informationen wesentliche Unstimmigkeiten zum Jahresabschluss oder unseren bei der Abschlussprüfung erlangten Kenntnissen aufweisen oder anderweitig falsch dargestellt erscheinen.

VERANTWORTLICHKEITEN DER GESETZLICHEN VERTRETER UND DES PRÜFUNGSAUSSCHUSSES 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 AP-VO und mit den österreichischen Grundsätzen ordnungsgemäßer 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 AP-VO und mit den österreichischen Grundsätzen ordnungsgemäßer 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.

■ BESTÄTIGUNGSVERMERK

- 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 uns mit ihm über alle Beziehungen und sonstigen Sachverhalte austauschen, 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 zutreffenden 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 haben wir keine wesentlichen fehlerhaften Angaben im Lagebericht festgestellt.

ZUSÄTZLICHE ANGABEN NACH ARTIKEL 10 AP-VO

Wir wurden von der Hauptversammlung am 27. April 2023 als Abschlussprüfer gewählt und am 15. Mai 2023 vom Aufsichtsrat mit der Abschlussprüfung der Gesellschaft für das am 31. Dezember 2023 endende Geschäftsjahr beauftragt.

Wir sind ohne Unterbrechung seit dem Jahresabschluss zum 31. Dezember 2023 Abschlussprüfer der Gesellschaft.

Wir erklären, dass das Prüfungsurteil im Abschnitt „Bericht zum Jahresabschluss“ mit dem zusätzlichen

Bericht an den Prüfungsausschuss nach Artikel 11 der AP-VO in Einklang steht.

Wir erklären, dass wir keine verbotenen Nichtprüfungsleistungen (Artikel 5 Abs 1 der AP-VO) erbracht haben und dass wir bei der Durchführung der Abschlussprüfung unsere Unabhängigkeit von der geprüften Gesellschaft gewahrt haben.

AUFTRAGSVERANTWORTLICHE WIRTSCHAFTSPRÜFERIN

Die für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüferin ist Frau Mag. Heidi Schachinger.

Wien, 4. März 2024

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Heidi Schachinger

Wirtschaftsprüferin

CORPORATE GOVERNANCE

“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) and complies with the C-rules (Comply). 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 financial year 2023, 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 Commercial Code), these reports may be merged into one report. Therefore, this report contains the data required 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 set out in subchapter "Diversity Concept".

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 aspects of sustainability, and associated opportunities and risks relating to the environment, social issues and corporate governance into account.

The Executive Board meets regularly 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 financial year 2023, 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 (CEO)	1953	3 October 2001	31 December 2023
Klaus Mader Chief Financial Officer (CFO)	1970	1 October 2015	30 September 2028

As per 31 December 2023, Gerald Grohmann held a Supervisory Board mandate each at Berndorf AG and Berndorf Immobilien AG.

■ Corporate Governance Report

Starting in January of the financial year 2024, the Executive Board was composed of the following members:

	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT	END OF CURRENT TERM OF OFFICE
Klaus Mader Chief Executive Officer (CEO)	1970	1 October 2015	30 September 2028
Campbell MacPherson Chief Operating Officer (COO)	1974	1 January 2024	31 December 2026



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. As of January 2024, the areas of responsibility allocated to the members of the Executive Board have been stipulated as follows, notwithstanding the collective responsibility of the Executive Board:

Klaus Mader Chief Executive Officer (CEO)	Strategy, Public Relations / Investor Relations, ESG & Sustainability, Compliance, Finance and Accounting, Human Resources, Legal Matters and Digitalization
Campbell MacPherson Chief Operating Officer (COO)	Production, Supply Chain Management, Sales and Marketing, Product and Market Strategy, R&D and Innovation Management

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 financial year 2023, 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	2028

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	-	-
Brigitte Ederer	Marinomed Biotech AG	Deputy Chairwoman of the Supervisory Board
	ams-OSRAM AG	Member of the Supervisory Board
Helmut Langanger	-	-
Wolfram Littich	-	-
Sonja Zimmermann	Bank für Tirol und Vorarlberg Aktiengesellschaft	Deputy Chairwoman of the Supervisory Board

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

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 situations of 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 them about the development of business and the situation of the company and the Group companies. The main focus of discussion was on the strategic orientation and development of the Group, on major business and legal transactions and measures taken. As part of the Group strategy, the changing energy market 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 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 2023, in which topics relating 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 accordance with Article 16 of Regulation (EU) No. 537/2014 (statutory audit regulation) in 2022, which resulted in a proposal by the Supervisory Board to the 2023 Annual General Meeting.

The effectiveness of the risk management system was assessed by the auditor. 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 proposals to the Supervisory Board 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 two meetings.

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 minor 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 financial year 2023, the share of men, women and diverse on the Executive Board and Supervisory Board was as follows:

EXECUTIVE BOARD AND SUPERVISORY BOARD	2023						2022					
	GENDER						GENDER					
	WOMEN		MEN		DIVERSE		WOMEN		MEN		DIVERSE	
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
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 of 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 and female employees. With Brigitte Ederer and Sonja Zimmermann on the Supervisory Board, the quota has been achieved (40 %).

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.

LEADERSHIP.

/'li:.də.ʃɪp/ (noun)

Vision; inspiration; responsibility; driving change with organizational skill; teamwork; **lead.**

Diversity Concept

The dynamic nature of our core business is a constant challenge to the Executive Board and Supervisory Board and of the subsidiaries included in consolidation. The cyclical nature of our industry and subsequent changes in the demand of our products require vast managerial expertise and understanding of the market dynamics 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 energy service industry. Instead, the two qualitative criteria of “key competence” and “experience” 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. There is a special focus on diversity in the workforce. The aim is to achieve a female quota of 25 % among the company's executives.

In the financial year 2023, 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 recruited employees aged between 30 to 50 years was the highest at 54 %, followed by 34 % of those under 30. The share of new employees over the age of 50 was 12 %.



**NEW HIRES
BASED ON GENDER AND AGE¹**

2023

	AGE						TOTAL	
	< 30		30 – 50		> 50			
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	171	36 %	252	52 %	56	12 %	479	88 %
Women	14	21 %	43	65 %	9	14 %	66	12 %
Diverse	0	0 %	0	0 %	0	0 %	0	0 %
Total	185	34 %	295	54 %	65	12 %	545	

¹ New hires including permanent hires and personnel taken on from other SBO companies.

**NEW HIRES
BASED ON GENDER AND AGE¹**

2022

	AGE						TOTAL	
	< 30		30 – 50		> 50			
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	214	35 %	331	54 %	67	11 %	612	88 %
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	

¹ New hires including permanent hires and personnel taken on from other SBO companies.

**TOTAL NUMBER OF EMPLOYEES
BY GENDER AND AGE****2023**

	AGE						TOTAL	
	< 30		30 – 50		> 50			
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	231	17 %	823	59 %	336	24 %	1,390	87 %
Women	36	17 %	122	58 %	53	25 %	211	13 %
Diverse	0	0 %	0	0 %	0	0 %	0 %	0 %
Total	267	17 %	945	59 %	389	24 %	1,601	

Total number each as of 31 December.

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

	AGE						TOTAL	
	< 30		30 – 50		> 50			
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
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 of 31 December.

The low attractiveness of the industry to women is clearly reflected in terms of the respective activity. Women accounted for 28 % of white-collar employees and 7 % of blue-collar employees (including apprentices). In yearly comparison, the quota of women slightly increased.

Regarding the international appointment of executives, professional and corporate culture aspects play a key role. All managing directors at SBO's subsidiaries have many years of experience in the industry.

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

2023

	TYPE OF EMPLOYMENT							
	WHITE COLLAR		BLUE COLLAR		APPRENTICES		TOTAL	
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	330	72 %	1,037	93 %	23	88 %	1,390	87 %
Women	128	28 %	80	7 %	3	12 %	211	13 %
Diverse	0	0 %	0	0 %	0	0 %	0	0 %
Total	458	29 %	1,117	69 %	26	2 %	1,601	

Total number each as of 31 December.

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

2022

	TYPE OF EMPLOYMENT							
	WHITE COLLAR		BLUE COLLAR		APPRENTICES		TOTAL	
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
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 of 31 December.

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.

EVENTS AFTER THE BALANCE SHEET DATE

The changes in the composition of the Executive Board starting from 1 January 2024 have been outlined in the chapters above.

REPORT OF THE SUPERVISORY BOARD ON THE FINANCIAL YEAR 2023

Activity of the Supervisory Board

In 2023, the Supervisory Board performed its duties as required by law and the Articles of Association. The Board was regularly informed about the business development and the situation of the Company and Group companies as well as significant business transactions at five Supervisory Board meetings and by means of several oral and written reports by the Executive Board. In addition, the Supervisory Board was informed semi-annually about cyber security and other compliance-related topics.



The communication between the Supervisory Board and the Executive Board also focused on the strategic orientation and further development of the Group. The Supervisory Board was presented core projects pursued

as part of implementing the Strategy 2030 and other important measures of the Group. In the course of these presentations, the Supervisory Board actively discussed the financial and non-financial impact of inorganic growth opportunities and the impact of various new rules and regulations in connection with the transformation of the energy sector and associated opportunities and risks.

Update on the composition of the Supervisory Board and Executive Board

The 2023 Annual General Meeting was held physically. At the 2023 Annual General Meeting, Sonja Zimmermann was confirmed for a further five-year term of office and subsequently elected member of the Audit Committee and the Nomination and Remuneration Committee. As a result, both the Supervisory Board and the Executive Board remained unchanged in the financial year 2023.

At the end of 2023, Gerald Grohmann retired well-deserved after 22 years of service as the Group's Chief Executive Officer. We thank Gerald again for his immense contribution to the successful development of the Company over the years and wish him all the best for the future.

Effective 1 January 2024, Klaus Mader was appointed Chief Executive Officer (CEO) and Campbell MacPherson Chief Operating Officer (COO) of the Company. Both have been successfully with the company for many years, and together they will ensure continuity in our core business while pushing boundaries and expanding into new areas.

Activities of Committees

As in previous years, the Supervisory Board of SBO had an Audit Committee and a Nomination and Remuneration Committee in 2023 in place. In addition, SBO has a Sustainability Committee in place, the duties of which are fulfilled by the entire Supervisory Board.

At two meetings in 2023, the Nomination and Remuneration Committee dealt with matters of remuneration, including, but not limited, to the changes in the Executive Board at year end, and the report on the remuneration of the members of the Supervisory Board and the Executive Board pursuant to Section 78c in conjunction with Section 98a of the Austrian Stock Corporation Act (AktG) (remuneration report). The remuneration report was adopted by the 2023 Annual General Meeting.

The Audit Committee held two meetings in the financial year 2023 to discuss the Company's financial reporting (consolidated financial statements and annual financial statements) and performed the tasks incumbent on it pursuant to Section 92 (4a) of the Austrian Stock Corporation Act (AktG). Representatives of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. as the auditor of the company's annual financial statements and consolidated financial statements, attended the meeting of the Audit Committee, which dealt with the preparation of the adoption of the 2022 annual and consolidated financial statements, the management report including the non-financial statement, and the corporate governance report. Furthermore, the auditing process was reported on.

During the financial year 2022, the Audit Committee had conducted a selection procedure in accordance with Article 16 of Regulation (EU) No. 537/2014 (statutory audit regulation) for financial and non-financial audit services, the latter of which will be applicable in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) starting with the financial year 2024, and submitted a reasoned recommendation for the appointment of auditors to the Supervisory Board at its meeting on 23 November 2022. The 2023 Annual General Meeting followed the recommendation and appointed KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft as auditor for the 2023 annual and consolidated financial statements.

On 21 November 2023, the Audit Committee held a meeting with representatives of KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft to discuss in detail the planning of the audit of the 2023 annual and consolidated financial statements. The Supervisory Board was kept informed of the results of the meetings of the Audit Committee on an ongoing basis.

Annual Financial Statements Consolidated Financial Statements

The annual financial statements as of 31 December 2023 and the management report were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

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 2023 and of the earnings situation of the Company for the financial year from 1 January 2023 to 31 December 2023. 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. The Corporate Governance Report required pursuant to Section 243c Austrian Commercial Code (UGB) has been prepared in accordance with the provisions of Section 251 (3) Austrian Commercial Code (UGB).

The consolidated financial statements as of 31 December 2023, 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 KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

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 2023 and of the earnings situation and the cash flows of the Group for the financial year 2023. The consolidated management report has been prepared according to the applicable legal requirements, contains accurate information pursuant to

Section 267 (3a) Austrian Commercial Code (UGB) and is consistent with the consolidated financial statements. 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) have been prepared.

As the audits did not give rise to any objections, the auditors issued unqualified audit opinions both for the annual financial statements 2023 and the consolidated financial statements 2023.

Approval and appropriation of net profit

At its meeting of 19 March 2024 and after discussion and review by the Audit Committee, the Supervisory Board reviewed the submitted annual financial statements as of 31 December 2023 and the management report as well as the consolidated financial statements as of 31 December 2023 and the consolidated management report including the consolidated non-financial statement and the consolidated Corporate Governance Report.

The final results of these reviews did not give rise to any objections.

Therefore, the Supervisory Board approved the annual financial statements as of 31 December 2023, which have thus 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 2023.

Appreciation to the Executive Board, employees and all stakeholders

On behalf of the entire Supervisory Board I would like to thank the Executive Board and all employees of the SBO Group for their strong commitment and extremely successful work in the financial year 2023. I would also like to give special thanks to all of SBO's shareholders as well as to all customers and partners for their continued trust.

Ternitz, 19 March 2024

For the Supervisory Board

A handwritten signature in black ink, appearing to read 'b. Zimmermann N.' with a period at the end.

Mag. Norbert Zimmermann

Chairman

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, 1 March 2024

Executive Board

Mag. Klaus Mader

Campbell MacPherson

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 20 March 2024

FOR FURTHER INFORMATION:

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft

A-2630 Ternitz / Austria, Hauptstrasse 2

Tel.: (+43) 2630 315 0

Fax: (+43) 2630 315 501

E-Mail: investorrelations@sbo.co.at

Internet: www.sbo.at

Privacy policy available at www.sbo.at/privacypolicy

IMPRINT:

Publisher and responsible for the content: SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft, Ternitz

In cooperation with: Metrum Communications GmbH, Vienna

Concept and graphic design: freecomm Werbeagentur GmbH, Graz

Photos: SBO, Cover-Image: Adobe Stock



www.sbo.at