

# STEICO SE

2021 Annual Report

The green share

# 2021

Surge in growth with exceptional strong earnings



**Natural** building products for **healthier living**

## Surge in growth with exceptional strong earnings

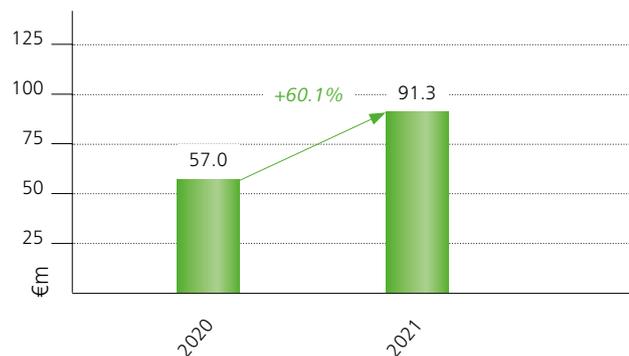
2021 Revenue growth in € millions



2021 Gross Earnings growth in € millions



2021 EBITDA growth in € millions



2021 EBIT growth in € millions



2021 EBT growth in € millions



2021 Profit for the Period growth in € millions



### ADDITIONAL KPIS

	2021	2020
1. Total operating revenue in € millions	€ 395.6 million	€ 306.9 million
2. EBITDA margin as a percentage of total operating revenue	23.1%	18.6%
3. EBIT margin as a percentage of total operating revenue	17.1%	10.9%
4. Equity ratio (as of 31 Dec.)	54.5%	53.0%

Percentage increases and margins calculated based on non-rounded figures.

2021 was characterised by constantly growing demand for STEICO's environmentally friendly insulation materials and construction products, resulting in sales surging by 25.7% to reach a new record-breaking figure of € 388.2 million.

Earnings also increased to a new record thanks to a high level of capacity uptake, an optimised product range and forward-looking price structures.

EBITDA was up 60.1% year-on-year at € 91.3 million and EBIT grew by 101.3% to € 67.6 million. Net income increased by 109.7% and totaled € 48.2 million.

The convergence of a series of positive effects meant that profitability was also exceptional in 2021. The EBITDA margin of 23.1% and the EBIT margin of 17.1% also broke new records.

The STEICO Group's constant increases to its capacity reserves mean that the Group is excellently positioned to continue its growth. Unless there are additional negative effects from developments in the economy, the COVID-19 pandemic and the Russia-Ukraine conflict, the Executive Board believes that in 2022 turnover will lift by more than 20% with an EBIT ratio of between 13% and 15% (in terms of total operating revenue).

### Company profile

STEICO develops, produces and markets ecological construction products made of renewable raw materials and is the global market leader for wood fibre insulation materials.

STEICO is positioned as a system provider for ecological residential construction and is the only manufacturer in the industry to offer an integrated wooden construction system in which innovative wooden construction components and ecological insulation material supplement each other.

Laminated veneer lumber and I-joists form the structural components of the system. The insulation materials include flexible and stable wood fibre insulation panels, facade insulation materials, as well as cavity wall insulation made of wood fibres and cellulose.

Sealing products for the building shell complete the overall system.

The STEICO Group offers its customers a unique range of products through to the prefabrication of complete components for timber element construction.

The Munich-based company's products are used in new construction and when renovating roofs, walls, ceilings, floors and facades. STEICO's products allow the construction of future-proof, healthy buildings with a particularly high quality of living and a healthy atmosphere. STEICO's products offer reliable protection against cold, heat and also noise, and they permanently improve the building's energy efficiency.

### Disclaimer

This document is a translated version of the German original document. The translation has been prepared with utmost care. However, only the German original document is binding.

Dear business partners,  
dear shareholders,



Udo Schramek

Chairman of the Executive Board

2021 was an extraordinary year for STEICO in many respects. Demand for our environmentally friendly products grew strongly throughout the year and allowed us to record a 25% increase in sales. The high level of capacity uptake in our plants and a range of other very pleasing circumstances made it possible to record the most profitable year in our company's history with an EBIT margin of 17.4%.

At the same time, we had increasing challenges to face in 2021. Although we have already substantially increased our production capacity, we were not able to prevent longer lead times for our products. In addition, as is also the case for all other manufacturers of construction materials, STEICO was hit by higher prices for key raw materials - from wood and energy through to consumables and supplies. That is why we would like to thank our customers and contractors, who mastered the challenges posed in 2021 with us.

We are continuing to take a positive view of 2022, even though there are significantly more uncertainties. These include the humanitarian catastrophe of the war between Russia and Ukraine, rising inflation and the clouding economic outlook. However, we are confident that the construction sector will continue to remain robust. Adding insulation makes the most sense when it comes to cutting the consumption of valuable heating energy in the property sector - and what is more the wood used to make STEICO's products also locks in a large amount of CO<sub>2</sub>, thus removing this from the atmosphere over the long term. This allows STEICO to make a dual contribution to climate protection.

That is why we are continuing to unrelentingly drive the expansion of our production capacity - both at our existing locations and also at our new plant in Gromadka (Poland). In 2022 STEICO will be the only manufacturer in this sector to realise notable increases in capacity. Our objective is and continues to be that STEICO's construction system is the best solution for retailers, processors and builders, thus allowing us to further increase our market share.

Being successful is always teamwork. Since our IPO in 2007 we have almost quadrupled our annual revenues and our EBIT has even grown ten-fold. That is why we would like to issue a huge vote of thanks to the entire STEICO team for this extraordinary success.

Yours sincerely,

A handwritten signature in green ink, consisting of a large, stylized 'U' followed by a long horizontal stroke that ends in a small loop.

Udo Schramek

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Dear business partners,  
dear shareholders,

2021 was characterised by dynamic growth with a simultaneous strong increase in costs. However, thanks to our forward-looking planning, we have still succeeded in not only recording the most successful year in our company's history in terms of sales, but also in terms of earnings.

At the same time, we have continued to drive the expansion of our production capacity. In addition to investments at existing locations in Poland and France, we started to build the STEICO's third plant in Poland at a new location in Gromadka.

The strong growth is also highly demanding for all of STEICO's employees. The Board of Directors would therefore like to extend its special thanks to the entire STEICO team for their extraordinary dedication last year.

### 1. MANAGEMENT AND MONITORING BY THE BOARD OF DIRECTORS

In 2021 the Board of Directors fully performed all of the tasks and obligations required by the law and the articles of association. It defined the fundamental principles of the company's activities and monitored their implementation by the managing directors. The Board of Directors was included directly in all decisions which were of fundamental importance for the company. To the extent that approval by the Board of Directors was required for decisions or activities by the company's management according to the law, the articles of association or the by-laws, the corresponding resolutions were only passed after these issues had been discussed in detail with the managing directors.

The managing directors reported regularly, in good time and in detail to the Supervisory Board according to Section 40 (7) of the SEAG in connection with Section 90 of the AktG on the course of business and the general position of the company and the group including the net assets, financial position and results of operations. In addition, in-depth discussions were held in particular concerning business policy and the company's strategic further development. The Board of Directors was also informed about the risk position and risk management.

The managing directors regularly submitted an in-depth report to the Board of Directors detailing the course of business, including the growth of revenues, earnings and liquidity, and also on the position of the company and the group companies. Differences in the course of business were discussed in detail. The Board of Directors discussed in detail

all business transactions of importance to the company on the basis of the reports of the managing directors and contributed its own ideas. The managing directors provided additional information at the Board of Directors' request. The Board of Directors was also consulted on special transactions which were of major importance for the company. In addition, the Chairman of the Board of Directors was in regular contact with the managing directors and received reports on the company's growth and he reported to the Board of Directors on the information obtained.

### 2. KEY AREAS OF DISCUSSION IN THE BOARD OF DIRECTORS

In fiscal year 2021 the Board of Directors held five face-to-face meetings and in one case it passed a resolution outside of a meeting. The attendance rate for meetings of the Board of Directors was 100%. The managing directors participated in the meetings of the Board of Directors to the extent not otherwise determined by the Chairman of the Board of Directors.

In the first meeting for the fiscal year, on 9 March 2021, the Board of Directors discussed and resolved the construction of a new production site in Gromadka, Poland. It also discussed the status of ongoing investment projects.

In its meeting on 27 April 2021 the Board of Directors dealt, in particular, with STEICO SE's annual financial statements, the dependent companies report and the consolidated financial statements as of 31 December 2020 as well as the respective management reports. This meeting also dealt with the report of the Board of Directors for fiscal year 2020. In addition the proposed resolutions for the company's ordinary general meeting on 24 June 2021 were passed. In this context, the Board of Directors instructed the Executive Board to organise a virtual general meeting, if necessary, in view of the specific requirements of the COVID-19 crisis.

## Report by the Board of Directors

At its meeting on 24 September 2021, the Board of Directors dealt in particular with the status of current investments in Czarna Woda, Casteljaloux and Gromadka.

In its meeting on 13 September 2021, the Board of Directors discussed a suggestion to redevelop a hotel located on the site of the company's plant in Czarnków. This building was previously used as a hotel and could be used as an office building in future. In addition the Board of Directors also dealt with various options regarding the future challenges to be met in the logistics sector.

The last meeting on 9 December 2021 dealt with issues including an in-depth discussion of the risk management report by the managing directors, which forms part of the early warning system set up according to Section 22 (3) of the SEAG. In so doing, the Board of Directors confirmed that risks which could endanger the company's continued existence can be recognised at an early stage, however that there were no such risks.

The resolution that was passed on 4 October 2021 outside the meetings concerned the renovation of a former hotel building in Czarnków already discussed in September.

### 3. AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements and the managing report as well as the consolidated financial statements and group management report as of 31 December 2021 were prepared by the managing directors according to the regulations of the Handelsgesetzbuch (HGB - German Commercial Code). The firm of auditors Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, audited the annual financial statements and management report of the company as well as the consolidated financial statements and group management report, discussed this in the audit reports and issued both the annual financial statements as well as the consolidated financial statements with an unlimited auditor's opinion. Performance of the audit and the audit reports correspond to the statutory requirements in Sections 317, 321 of the HGB. The company's annual financial statements and management report and the group's consolidated financial statements and group management report as well as the proposal by the managing directors for the use of the profits and the auditors reports by the auditors were passed on to the Board of Directors in good time. The auditors participated in the meeting to discuss the

financial statements and responded extensively to questions and reported in detail on the course and results of the audit of the annual financial statements and consolidated financial statements.

The Board of Directors reviewed the annual financial statements, the consolidated financial statements and the associated management reports. As there were no objections, the board concurred with the results of the audit by the auditors and approved the annual financial statements and consolidated financial statements. The annual financial statements were thus adopted. The Board of Directors also approved the management reports.

The Board of Directors reviewed the proposal for the appropriation of profits while considering the company's financial position and the expectations of shareholders and the capital market, and discussed this with the managing directors. It then concurred with the managing directors' proposals for the appropriation of profits.

### 4. AFFILIATED COMPANIES REPORT

The managing directors prepared the report on affiliated companies (dependent parties report) for fiscal year 2021. Accordingly, the company received reasonable compensation in each case for the transactions presented with affiliated companies.

The dependent parties report was audited by the auditor and issued with the following unqualified auditor's opinion:

"After our proper audit and assessment we confirm that

1. The facts in the report are correct and
2. The company's payments for the transactions listed in the report were not unreasonably high."

Both the dependent parties report and also the audit report were received by the Board of Directors in good time. As a result of its own review the Board of Directors concurred with the auditor's opinion and approved the dependent parties report.

Feldkirchen, 26 April 2022



Udo Schramek  
Chairman of STEICO SE's Board of Directors

## Growth of STEICO's shares

### A. SHARE PRICE GROWTH IN 2021

STEICO's shares started the year with a price of € 62.20 on 4 January (Xetra closing price) and recorded constant growth in the weeks that followed. The share price reached an interim high on 9 July followed by a short period of profit-taking, and went on to reach an all-time high on 12 August at €128.40. Growth in the share price varied for the remainder of the year. STEICO's shares closed at a price of € 105.80 in Xetra trading on 30 December 2021. This corresponds to an increase in value of 170.1% over the year as a whole.

STEICO's shares: Share price growth in 2021



### B. INVESTOR RELATIONS

As was the case in previous years, STEICO SE engaged in open and direct communication with the capital markets in 2021, and was also in close contact with its shareholders. In 2021, in addition to the transparency policies for the Basic Board and m:access, STEICO SE fulfilled its publication requirements, for example with end-to-end communication in German and English and the regular publication of quarterly reports. In addition, up-to-date press releases and financial reports are also always published on the Web site [www.STEICO.com/ir](http://www.STEICO.com/ir). Information on key events is disseminated via a well-known institution to comply with publicity obligations.

### C. CAPITAL MARKET DIARY 2021

7/8 January 2021	STEICO presented the company to institutional investors at the 24th Oddo Forum, held by ODDO BHF (online conference)
21 January 2021	STEICO presented the company to institutional investors (virtual roadshow with M.M. Warburg)
1 February 2021	Publication of provisional figures for 2020 (after stock-market closing)
17 March 2021	STEICO presented the company at the Berenberg DACH+Nordic Conference 2021 (online conference)
24 March 2021	STEICO presented the company at Metzler MicroCap Days (online conference)
27 April 2021	Publication of 2020 annual report together with the Q1 2021 report (after stock-market closing)
19 May 2021	STEICO presented the company to institutional investors at the Commerzbank Corporate Conference 2021, USA (online conference)
20 May 2021	STEICO presented the company to institutional investors at the CIC Market Solutions Forum (online conference)
9 June 2021	STEICO presented the company to institutional investors at the Warburg Highlights Conference (online conference)
24 June 2021	STEICO SE's 2021 Ordinary General Meeting
19 July 2021	Publication of the 2021 semi-annual report (after stock-market closing)
1 September 2021	STEICO presented the company to institutional investors at the Commerzbank Corporate Conference (online conference)
20 September 2021	STEICO presented the company to institutional investors at the Baader Investment Conference (Munich, Germany)
21 September 2021	STEICO presented the company at the Berenberg Goldman Sachs Tenth German Corporate Conference (online conference)
13 October 2021	Publication of the Q3 report 2021 (after stock-market closing)
14 October 2021	STEICO presented the company at Munich Stock Exchange's "Specialist Conference for Technology" (online conference)

# Group management report for financial year 2021

## STEICO SE, Feldkirchen

### A. FOUNDATIONS

#### I. STEICO SE'S BUSINESS MODEL

##### 1. OVERVIEW

STEICO develops, produces and markets ecological construction products made of renewable raw materials. According to its own estimates, STEICO is the global market leader in terms of sales revenues in the wood fiber insulation materials segment compared with its relevant competitors.

STEICO is positioned as a system provider for ecological residential construction and, compared to the relevant competitors, it is the only manufacturer in the industry to offer an integrated wooden construction system in which insulation material and wooden construction components supplement each other. These include flexible wood fiber insulation materials, stable wood fiber insulation boards, wood fiber insulation boards for facade insulation ("WDVS"), cavity insulation made of wood-fibre and cellulose as well as system products to insulate building shells. Construction elements comprise I-joists and laminated veneer lumber. In addition, the STEICO Group also produces Natural Fibre Boards and operates in the timber wholesale trade. The product range in the United Kingdom also include products for ceiling and floor construction.

The STEICO Group's production equipment can also be used to produce a wide variety of specialty products such as door panels, pin-boards, etc. which are sold to various industrial customers.

##### 2. THE STEICO GROUP'S PRODUCTS AND SERVICES

The STEICO Group is a system provider for natural construction products for insulation and construction. The core range comprises "natural wood-fibre insulation materials". In 2021 the bulk of revenues (68.1%) was recorded with ecological<sup>1</sup> wood-fibre insulation materials and cavity insulation for building and floor insulation.

The STEICO Group's current range of products and services comprises:

##### Wood-fibre insulation materials

STEICO insulation materials are made of fresh soft timber. They are used in new buildings and renovation work, protecting against the cold, heat and noise.

<sup>1</sup> We define ecological wood fibre insulating materials as products made from sustainably managed raw materials (wood). Reference is made to the certifications in the section on non-financial performance indicators.

Wood-fibre insulation materials are produced by the subsidiaries using various methods - both the wet and the dry method. Both methods break down timber into individual fibres using steam and mechanical treatment. The fundamental difference between the two methods is that wet fibres are processed (formed to make boards) in the wet method, and in the dry method the fibres are dried before forming the boards. The dry method can be used to produce fibres for cavity insulation, flexible (compressible) mats or stable insulation boards.

##### Cavity insulation

Cavity insulation is made of loose insulation fibres or insulation flakes which are blown into construction cavities at high pressure, where they then compress. The STEICO Group produces and sells cavity insulation material made of wood fibres and also cellulose flakes.

##### Construction products: LVL, Laminated Veneer Lumber

Laminated veneer lumber is a high-performance wood material and comprises several layers of wood laminate glued together. It is characterised by its particularly high rigidity and ability to bear loads, while simultaneously offering high dimensional stability. Laminated veneer lumber is used both in the construction industry and also in industrial applications (for example to produce doors and furniture). It is also a key component for I-joists (belt material).

##### Construction products: I-joists

I-joists are supporting components which are optically very similar to traditional double-T-joists. They comprise two "belts" (square timber posts made of laminated veneer lumber) which are connected using a fibreboard. Some of the bridge material is purchased (OSB: Oriented Strand Board), but the majority is produced in-house (Natural Fibre Boards). STEICO's I-joists offer an alternative to standard construction products such as construction lumber or laminated timber in terms of both their price and energy consumption.

##### Special products

The special products segment bundles all of the products that the group produces itself which are not directly allocable to the construction sector. These include, for example, fibreboards for pinboards or door fills, as well as other products for industrial applications.

### Timber wholesale

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The STEICO Group operates in timber product wholesale in Germany. These products stem from the company's former orientation and these operations are being continued with a lower number of employees. The company generates revenues with timber products which are mostly imported from south-eastern European countries and Poland. Clients are the timber wholesale trade and furniture industry in Germany. The range of merchandise spans sawn timber through to semi-finished products for furniture making (e.g. products cut to customer specifications).

STEICO UK Ltd. runs wholesale operations in the United Kingdom with timber and wooden composite boards to supplement its sales of I-joists. It has become standard practice on the UK market for construction companies to offer end-to-end ceiling systems - including planning, the supporting structure (I-joists) and wooden composite boards to construct the floor - all from a single source.

### Natural fibre boards

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The production of natural fibre boards is similar to the production of wood-fibre insulation materials made using the wet method. The difference is that wet fibres are pressed to form stable boards using particularly high pressure. Natural fibre boards are used in the furniture industry. Natural fibre boards are used in the furniture industry where they are used, for example, to form the backs of cupboards or the bottoms of drawers. In addition, they are used as standard construction boards on many markets, for example for roof boards. Within the STEICO Group, natural fibre boards are a key component in the production of I-joists, where they form the so-called web. Sales to external customers is no longer of any strategic importance due to the low margins.

### Miscellaneous

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Various activities are bundled in the Miscellaneous segment, including in particular services, element production and, for example, the trade in ETICS accessories.

### Element production / Prefabrication

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This involves refining individual STEICO products (construction materials and insulating materials) to form complete components such as roof, wall and ceiling elements according to customer specifications. These elements allow work on the construction site to progress particularly rapidly.

Automation and prefabrication of end-to-end components are ongoing trends in the construction industry.

Prefabrication / element production has been practised by STEICO SE's customers for a long time, but is often labour-

intensive manual work. STEICO's prefabrication is based on a high degree of automation, which is associated with increases in speed and precision. The offering is geared to construction companies (timber construction as well as hybrid construction and renovation companies), which can thus achieve advantages in terms of personnel deployment, economic efficiency and construction speed. STEICO SE will continue to refrain from acting as a house construction company itself.

### Services

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STEICO offers a range of supplementary services, such as its "STEICO Academy" seminars. These seminars train craftsmen, architects, trade representatives and also people building their own home in how to use the STEICO construction system. In addition STEICO has its own department for technical advice for craftsmen, planners and builders. As a rule services are performed free of charge.

## 3. PROCUREMENT

The fresh timber required to produce wood fibre products is mostly procured in Poland from the Polish State Forest. In France timber is procured on the free timber market. The timber is sourced from sustainably managed forests from the region surrounding the production facilities.

In 2021 STEICO SE purchased a small proportion of the raw materials needed to produce laminated veneer lumber in Russia. As a result of the war between Russia and Ukraine, suppliers in EU countries have been identified for these raw materials.

## 4. SALES AND CUSTOMERS

The STEICO Group's customers are mostly broken down into the customer groups of wood and construction materials traders, wood construction companies (such as pre-fabricated home construction companies) and DIY stores (in some cases via distributors) as well as industrial customers (e.g. manufacturers of laminated/parquet flooring, furniture manufacturers, construction material manufacturers). The STEICO Group aims to ensure a broad customer base in order to avoid dependencies on individual customers. 4.2% of revenues were generated with the largest customer in 2021 (previous year: 3.8%). 21.8% of revenues were generated with the ten largest customers (previous year: 22.0%). The company's management believes that it is thus not especially dependent on a single individual customer.

The STEICO Group sells its products worldwide, and focuses on European markets. Germany was the largest sales market in 2021 accounting for 40.5% of revenues (previous year 39.4%), followed by France (13.9% of revenues, previous

## Group management report for financial year 2021

### STEICO SE, Feldkirchen

year: 13.3%) and the UK and Ireland (8.9% of revenues, previous year: 8.4%). The largest non-European sales market is Australia (4.3% of revenues, previous year: 3.9%).

## II. CONTROL SYSTEM AND SHAREHOLDER SYSTEM

STEICO SE is responsible for sales management, marketing, investments, product development, finance and financial control in its position as the STEICO group's holding company. STEICO SE, as the central Group company, manages and coordinates an intensive Group-wide reporting system that supports the early detection of possible undesirable developments.

A detailed control system with reporting as well as strategy and planning processes that are uniform within the company is used to monitor and control the opportunities and risks of the operating business.

A differentiated internal reporting system is in place to monitor economic developments and risks. The sales strategy is adapted to new developments.

61.1% of shares are held by the CEO/managing director Mr. Udo Schramek, and the remaining 38.9% are in free float.

## III. RESEARCH AND DEVELOPMENT

R&D activities in fiscal year 2021 focused on optimising product characteristics for wood fibre insulation boards as well as developing new products as part of the product range, in particular:

- Supporting research work in parallel to operating the Group's own production line for laminated veneer lumber
- Research activities to develop binding agents and alternative adhesives for timber materials
- Further development of cellulose cavity insulation
- Developing and optimising wet method wood fibre insulation materials
- Developing and optimising dry method wood fibre insulation materials
- Research to optimise the fire and mouldering performance for STEICO's insulation materials
- Research to optimise the thermal conductivity for STEICO's insulation materials
- Research to optimise the emission behaviour for wood fibre insulation materials and wooden materials

- Development and pre-production of full wall, roof and ceiling elements produced using the STEICO construction system
- Development of foamable insulating materials based on wood and renewable raw materials
- Development of moulded parts based on mouldable wood-fibre mats

Future R&D work will continue to focus on building the integrated construction system - a combination of supporting timber products and environmentally friendly insulation materials, thus making it environmentally friendly construction projects simpler to execute and more efficient.

In 2021, three employees worked on research and development projects at STEICO SE, of which one was a full-time employee and two others were assigned to projects on a temporary basis. These employees were supported by five employees at the manufacturing subsidiaries, one of whom is assigned full-time to R&D and four others provided temporary project support.

## B. ECONOMIC REPORT

### I. OVERALL ECONOMIC AND INDUSTRY-SPECIFIC UNDERLYING CONDITIONS

#### 1. ECONOMIC TREND

The economy and business adapted to the restrictions imposed by the COVID-19 pandemic in 2021 and demonstrated in many cases a clear trend to recovery after the economic slump in the previous year. According to an initial estimate for the annual growth rate, based on quarterly data adjusted for seasonal and calendar influences, GDP lifted by 5.2% in the eurozone and in the EU.<sup>2</sup>

After production in the construction sector fell by 4.7% in 2020 as a result of the COVID-19 pandemic, experts from Euroconstruct (market research network) believe that growth of 5.6% will be recorded in 2021 in the eurozone and in the EU, and thus a full recovery. However, the growth differs widely at a national level. Countries such as Spain and the United Kingdom, which were particularly hard hit by the restrictions imposed by the COVID-19 pandemic, recorded stronger year-on-year growth rates in 2021 than was the case, for example, in Germany, where construction activities were hardly impacted in 2020.<sup>3</sup>

<sup>2</sup> Source: Eurostat, press release 20/2022, 15 February 2022

<sup>3</sup> Source: Euroconstruct, press release, 12 November 2021

Germany, STEICO SE's most important market, continued to enjoy positive growth. Current figures from DESTATIS, the German Federal Statistical Office for 2021 confirm that order intake in the construction sector in 2021 increased by 2.3% year-on-year (after calendar adjustment). In nominal terms (without price adjustment), order intake was 9.4% higher than in the previous year.<sup>4</sup>

The trend towards timber construction/prefabricated construction continued. Bundesverband Deutscher Fertigtbau e.V. (German Prefabricated Construction Association) reports that prefabricated construction accounted for 23% of the market in 2021. 5 years ago this share was 18%. The association aims to record a 25% market share over the medium term.<sup>5</sup>

## 2. COMPETITION

With regard to wood-fibre insulation materials, the most important competitors in 2021 in the opinion of the company's management were Gutex (Germany), Soprema with its Pavatex brand (France), bestwood Schneider (Germany), Hunton (Norway) and Fibris (Poland).

STEICO SE's management believes that in 2021 its key competitors for I-joists are Metsä (Finland), Masonite (Sweden), as well as James Jones (United Kingdom).

The most important competitors for laminated veneer lumber in 2021 were Metsä (Finland), Stora Enso (Finland), Pollmeier (Germany), as well as MLT/Taleon Terra (Russia).

As a result the competitive landscape did not change significantly in 2021. The company's management also does not expect any major changes in 2022 either, such as the market entry of further relevant competitors, which means that the intensity of competition should remain constant in principle. Announced capacity expansions by Soprema at the Golbey site (France) and by Gutex (new site south of Freiburg), the Ziegler Group (planned new market entry near Grafenwöhr, Germany) and Schillinger AG (planned new market entry near Lucerne, Switzerland) are not expected to lead to changes in the competitive situation until 2023 at the earliest, according to management estimates.

<sup>4</sup> Source: Destatis, press release 077, 25 February 2022

<sup>5</sup> Source: Bundesverband Deutscher Fertigtbau e.V., 14 March 2022

## II. COURSE OF BUSINESS

### 1. KEY EVENTS IN 2021

#### Creation of a further production site in Poland

On 9 March 2021, STEICO announced that it planned to develop the plot acquired in Gromadka (Poland) at the end of 2020. The company plans to build three production plants here. Two lines will be built for flexible wood fibre insulation mats, with a combined total annual capacity of over 1 million cbm. Another line with an annual capacity of around 500,000 cbm will produce stable wood fibre insulation boards using the dry process.

### 2. COURSE OF BUSINESS<sup>6</sup>

2021 was characterised, from beginning to end, by a dynamic increase in demand - both for STEICO's insulation materials and also STEICO's construction materials. As a result, production capacity was at 100% for many product groups. In addition, the market was also characterised by constant increases in the prices for energy and raw materials. Construction materials in all areas have thus become more expensive in all of Europe during the course of the year. The STEICO Group also increased its prices three times during the year to compensate for the constant increases in input costs.

The core markets of Germany, France and the United Kingdom drove growth in 2021. In Germany, revenues increased by 30.0% to € 157.4 million (previous year: € 121.1 million). In France, revenues grew by 31.5% to € 53.8 million (previous year: € 40.9 million). Revenues in the UK and Ireland lifted by 31.8% to € 34.4 million (previous year: € 26.1 million). A significant recovery was recorded in particular in the United Kingdom in 2021, after revenues on this market fell in the previous year due to COVID-19. This also applies to Australia, where revenues increased by 40.5% to € 16.6 million (previous year: € 11.9 million).

Revenues also increased on almost all of the sales markets. The Eastern Europe region (without Poland) grew by 15.6% to € 25.2 million (previous year: € 21.2 million). In the Other Western and Southern Europe region, revenues grew by 21.5% to € 23.7 million (previous year: € 19.7 million). In Poland revenues grew by 35.5% to € 21.6 million (previous year: € 16.0 million). In the Alpine region (AT, CH, LI), revenues grew by 16.0% to € 17.1 million (previous year: € 14.9 million). In Italy revenues lifted by 24.7% to € 12.2

<sup>6</sup> All information on the distribution of revenues by market and the rates of change compared with the previous year were determined on the basis of non-rounded figures.

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## STEICO SE, Feldkirchen

million (previous year: € 9.8 million) and the RoW region grew by 68.1% to € 2.3 million.

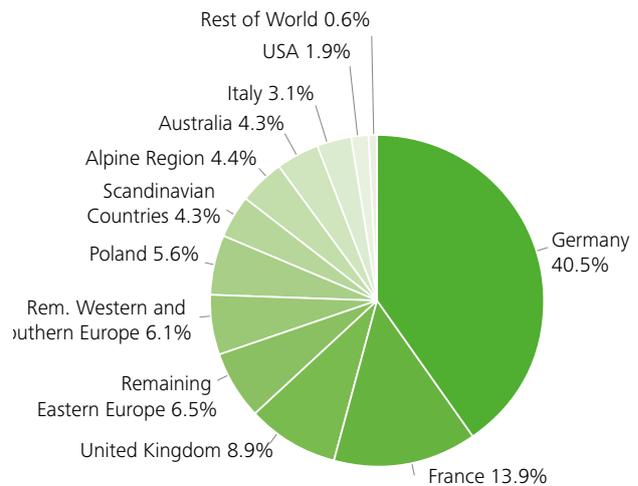
The increases in revenues are due to the continued positive growth in demand and the price adjustments successfully put in place.

Lower revenues were only recorded in the USA and in the Scandinavian region. In Scandinavia revenues fell by 5.6% to € 16.5 million (previous year: € 17.6 million). In the USA revenues fell by 11.1% to € 7.2 million (previous year: € 8.2 million). STEICO supplies a range of specialty products on these markets. This commitment has been scaled back in order to improve deliveries to key accounts on core markets (in particular Germany, France and the United Kingdom).

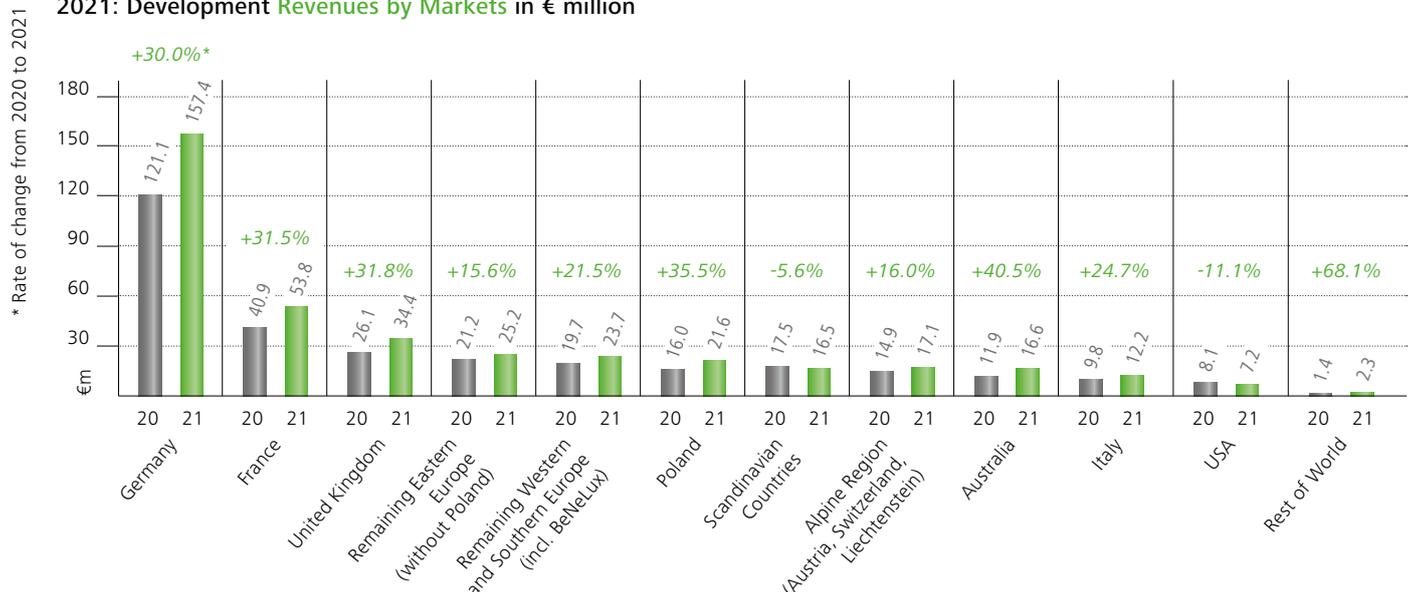
On the whole, the STEICO Group enjoyed a very pleasing fiscal year. Total revenues increased by 25.7% to € 388.2 million. (Previous year: € 308.8 million).

In 2021 the STEICO Group recorded around 59.5% of its adjusted revenues outside its home market of Germany (previous year: 60.6%).

### 2021 Revenues by Markets



### 2021: Development Revenues by Markets in € million



### 3. GROWTH IN THE PRODUCT SEGMENTS<sup>7</sup>

The sale of environmentally friendly insulation materials as well as cavity insulation and flooring constitutes STEICO's core business and contributed around 68.1% of the Group's total revenues in 2021 at € 264.3 million (previous year: € 204.6 million). This corresponds to an increase of 29.2%. In the opinion of the company's management, the high demand shows the increased value attached to environmentally friendly construction products as well as the favourable regulatory environment.

Sales of I-joists grew in 2021 with revenues of € 52.0 million (previous year: € 34.9 million). This corresponds to 13.4% of revenues and an increase of around 49.2%. The company's management believes that this increase is partially due to the strong increase in prices for traditional construction timber, which has thus allowed I-joists to become more competitive as a product.

The sale of laminated veneer lumber contributed around 9.7% to total revenues in 2021 (€ 37.7 million; previous year: € 37.9 million). This corresponds to a decrease of 0.6%. This downturn is due to technical production issues. Both plants for laminated veneer lumber were run at full capacity throughout 2021 due to the high demand. There was no additional capacity available in 2021 due to the high demand for I-joists.

The special products segment contributed around 3.6% to total revenues in 2021 (€ 13.9 million; previous year: € 16.3 million). This corresponds to a decrease of 14.8%. Deliveries to export markets were reduced in favour of supplying European key accounts.

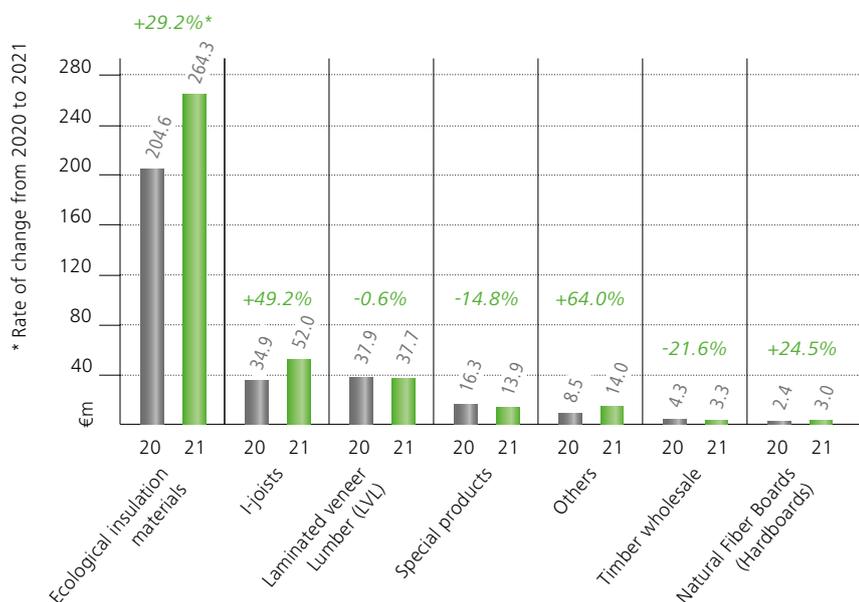
In the "Miscellaneous" segment - including services and element production - revenues of € 14.0 million were recorded in 2021 (previous year: € 8.5 million) This corresponds to 3.6% of revenues and an increase of around 64.0%.

Sales in the timber wholesale segment fell in 2021. Timber wholesale contributed € 3.3 million to total revenues in 2021 (previous year: € 4.3 million). This corresponds to a decrease of 21.6% and thus accounts for 0.9% of sales. The timber wholesale segment stems from the company's history and is operated without strategic importance and with little personnel expenditure.

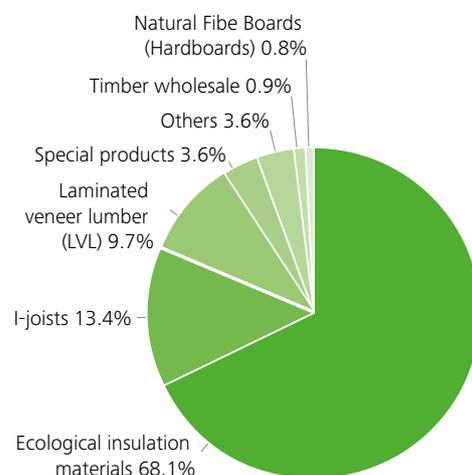
External sales of hardboard in 2021 increased substantially in 2021. Sales in this segment contributed around 0.8% to total revenues (€ 3.0 million; previous year: € 2.4 million). This corresponds to an increase of 24.5%.

<sup>7</sup> All information on the distribution of revenues by product segment and the rates of change compared with the previous year were determined on the basis of non-rounded figures.

2021: Development Revenues by Product Groups in € million



2021 Revenues by Product Groups



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#### 4. PRODUCTION

Due to changes in the allocation of individual products, there have been some minor changes in the previous year's figures.

##### Wood-fibre insulation materials

On 31 December 2021 the STEICO Group had a total of seven state-of-the-art production lines for the production of stable wood-fibre insulation materials using the wet method. The output quantity was 187,618t (previous year: 172,921t). This corresponds to an increase of 8.5%. Four of the lines are installed in Czarnków and three lines are installed in Czarna Woda. Another line is currently being built at the Czarna Woda site.

Two further lines produce stable insulation material using the dry method. In 2020 a total of 105,664t of these products were produced (previous year: 86,947t). This corresponds to an increase of 21.5%. These lines are installed in the Czarnków facility. New lines are being installed in the facilities in both Casteljaloux and Gromadka.

As of 31 December 2021 five lines produced flexible wood-fibre insulation boards as well as cavity insulation made of wood fibres. Three of these lines are installed in the Czarnków facility, two are located in Casteljaloux. Two lines produce cellulose cavity insulation at the facility in Czarnków. In 2021 a total of 87,373t of this cavity insulation material was produced (previous year: 83,632t). This corresponds to an increase of 4.5%.

In total, in 2021 390,830t of wood-fibre and cellulose insulation material was produced (previous year: 352,160t). This corresponds to an increase of 11.0% and proves the continuing trend to environmentally-friendly insulation materials.

##### Natural fibre boards

Two production lines in Czarna Woda continue to produce fibreboards. These lines primarily cover the requirements for fibreboards as a component of I-joists. In 2021, 23,423t were produced (previous year: 23,511t). This corresponds to a decrease of 0.4%.

##### I-joists

I-joists are produced in a production line in the Czarnków facility. Around 12,409trm (thousand running meters) were produced in 2021 (previous year around 9,366trm). This corresponds to an increase of 32.5%, which is due in particular to the recovery on the central markets in the United Kingdom and Australia.

##### Laminated veneer lumber

Laminated veneer lumber is produced on two lines in the Czarna Woda facility. In 2021 a total of 139,549 cbm of this lumber material was produced (previous year: 130,562 cbm). This corresponds to an increase of 6.9%.

##### Growth in production quantities for the STEICO Group

	2021	2020
<b>Insulation materials (total) [t]</b>	<b>390,830</b>	<b>352,160</b>
Wood-fibre products and insulation boards (wet method) [t]	187,618	172,921
Stable wood-fibre insulation boards (wet method) [t]	105,664	86,947
Wood fibres and flexible wood-fibre insulation boards (dry method) and cellulose cavity insulation [t]	87,373	83,632
Miscellaneous (t)	10,175	8,660
<b>Fibreboards [t]</b>	<b>23,423</b>	<b>23,511</b>
<b>I-joists (trm)</b>	<b>12,409</b>	<b>9,366</b>
<b>Laminated veneer lumber [cbm]</b>	<b>139,549</b>	<b>130,562</b>

### III. NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

#### 1. KEY PERFORMANCE INDICATORS

The following overview presents selected key performance indicators and their changes. With regard to the presentation of key financial indicators, please refer to Section IV

In € thousand	2021	2020
Revenues	388,179	308,771
Gross profits	192,970	146,607
Personnel expenses	62,880	53,797
EBIT	67,608	33,582
Financial result	-942	-1,183
Earnings before taxes	66,666	32,399
Consolidated net income	48,163	22,970
Net change in cash and cash equivalents	9,472	2,844
Net gearing	0.98	1.71
Gearing	0.38	0.51
Consolidated total assets	430,498	363,349

## 2. RESULTS OF OPERATIONS

As a production and marketing company for wood-fibre insulation materials the STEICO Group has been able to once again increase its revenues year-on-year. Revenues in the past fiscal year increased by 25.7% from € 308.8 million in 2020 to € 388.2 million. Total operating revenue was 29.3% higher than in the previous year (€ 306.9 million) at € 396.8 million.

The cost of materials increased by € 47.0 million to € 212.2 million as a result of the increased amount of merchandise purchased (previous year: € 165.7 million). The cost of materials ratio thus fell to 53.5%<sup>8</sup> (previous year: 54.0%). This is mostly due to the price increases in 2021 and an advantageous PLN/EUR exchange rate hedge. In fiscal year 2021 there was average hedging for the majority of goods purchased in PLN that was substantially higher than the exchange rate in calculations of PLN 4.30/€ and also higher than the average exchange rate for the year of approx. PLN 4.56/€ (ECB daily rates).

Personnel expenses increased in 2021 by € 9.1 million to € 62.9 million (previous year: € 53.8 million). This increase is due to the increase in the number of employees and also the increase in bonus payments. The personnel expenses ratio in 2021 was 15.9%<sup>9</sup> (previous year: 17.4%) and has thus fallen by 1.5 percentage points. This is due to factors including the above average growth in employee numbers compared to the company's growth.

Other operating expenses		
In € thousand	2021	2020
Write-downs of receivables	52	80
Building costs, rent, cleaning	1,631	1,457
Insurance, contributions, fees	4,126	3,756
Repairs and maintenance	6,759	5,999
Vehicle costs	3,835	3,126
Sales costs, advertising and travel expenses	2,888	3,228
Commission expenses	261	251
Operating costs	2,954	2,639
Administrative costs, IT	2,903	2,456
Telecommunication	216	397
Legal and consulting costs, court costs	961	1,056
Costs of preparing the annual financial statements	200	165
Currency translation and incidental costs for payments	4,817	5,581
Miscellaneous other operating expenses	7,179	5,599
<b>Total</b>	<b>38,906</b>	<b>35,790</b>

<sup>8</sup> Cost of materials to total operating revenue

<sup>9</sup> Personnel expenses to total operating revenue.

Other operating expenses amounted to € 38.9 million (previous year: € 35.8 million) and developed disproportionately to the increase in total operating revenue.

## 3. FINANCIAL POSITION AND NET ASSETS

Consolidated total assets increased substantially as of 31 December 2021 to around € 430.5 million compared to 31 December 2020 (€ 363.5 million). Property, plant and equipment has increased to € 302.9 million (previous year: € 256.6 million), which is mostly due to the ongoing investments in expanding capacity and increasing production efficiency.

The inventories item grew substantially. Inventories totalled € 44.3 million on 31 December 2021 (previous year: € 39.3 million). This is mostly due to the company's strong growth.

Trade receivables increased and totaled € 31.5 million (previous year: € 25.7 million), reflecting the high order book at the end of the year.

On 31 December 2021 the item cash in hand and bank balances amounted to € 32.7 million (previous year: € 23.1 million), which is due to factors including the positive cash flow.

On the equity and liabilities side, equity increased € 43.9 million to € 260.4 million (previous year: € 216.4 million). This increase is due to the higher total assets. In the opinion of the managing directors, this corresponds to an equity ratio of around 54.5% (previous year: 53.0%).

Liabilities to banks increased by € 121.2 million (previous year: € 117.4 million) which is due to drawing down liquidity from the syndicated credit line. Key capital expenditure projects in 2021 included setting up new production lines for wood-fibre insulation materials as well as establishing a new production location in Gromadka (Poland).

On the balance sheet date the group companies had free credit lines available of more than € 87.0 million at standard market conditions. In addition, a credit limit for currency forwards and derivatives was granted in order to be able to perform the hedging transactions required for operating business.

In connection with this syndicated loan agreement, certain financial covenants have been agreed upon, the failure of which generally entitles the lenders to terminate the loan without notice.

In addition, provisions increased to € 13.7 million as of 31 December 2021. This is due to an increase in provisions for taxes of € 7.8 million resulting from very positive earnings

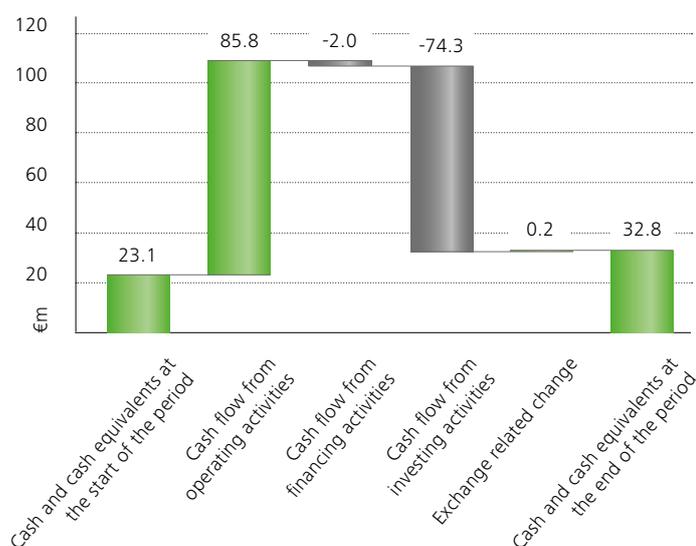
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growth. In addition, other provisions increased by € 5.5 million. This increase is mostly due to the increased provisions for customer bonuses which increased in line with revenue growth (increase by € 2.0 million).

#### 4. LIQUIDITY

##### 2021: Cash flows in € millions



##### Cash flow from operating activities

During the past fiscal year, the STEICO Group recorded a cash flow from operating activities of € 85.8 million (previous year: € 42.9 million). This increase is due to the strong increase in consolidated net income for the year, higher inventories, trade receivables as well as other assets not allocated to investing or financing activities, as well as an increase in trade payables and other liabilities not allocated to investing or financing activities.

##### Cash flow from investing activities

The cash flow from investing activities totaled € -74.3 million in 2021 (previous year: € -44.4 million) and is mostly due to payments made for investments in property, plant and equipment. The investments for the new production lines for wood-fibre insulation materials and establishing the new production location in Gromadka (Poland) account for the largest block of capital expenditure.

##### Cash flow from financing activities

The cash flow from financing activities is negative at € -1.9 million (previous year: € +4.5 million). The change is mainly due to lower borrowing from financial loans compared to

the previous year and the payment of a higher dividend to shareholders compared to 2020.

As of 31 December 2021 the STEICO Group's cash and cash equivalents totaled € 32.7 million (previous year: € 23.1 million), which are deposited in overnight money, fixed accounts and current accounts. The group pursues a risk-minimising investment approach which ensures that liquidity is guaranteed until it is used for further investments.

The planned total investment volume in 2022 amounts up to € 105 million. Of this total around € 33 million have been firmly contracted. In addition to existing liquid funds and cash inflows from the operating cash flow, bank loans will be used to finance these investments.

##### Summary of the economic position

In 2021 the STEICO Group's revenue growth was 25.7% and thus significantly higher than the original expectations of more than 15%. Similarly, total operating revenue growth of 28.9% was well above the expectation of 15% growth. The original expectation was based on a slightly lower pace of growth. Almost all of the markets enjoyed substantial growth and contributed to the pleasing overall result. In the view of the company's management, the growth is based on a combination of various effects. These include clients for whom buildings are being constructed becoming more environmentally aware, the fact that wood-fibre insulation materials are particularly climate friendly as they lock in CO<sub>2</sub>, the trend to timber construction as well as the friendly regulatory environment resulting from strict energy efficiency requirements for buildings and attractive subsidisation programs for energy-efficient construction and renovation.

In terms EBIT, growth of between 13% and 15% was originally forecast for 2021 (EBIT to total operating revenue) or between € 45 million and € 53 million. These expectations were clearly exceeded with an actual EBIT ratio of 17.1% respectively € 67.6 million. This increase in EBIT is mostly due to the price increases put in place as well as the continued higher demand for STEICO's products. In this connection, the company's management has also ascertained that the COVID-19 pandemic did not have a negative impact on construction activities on the key markets served by the company in 2021.

In summary, from the managing directors' perspective, STEICO Group is very well positioned for future growth, in particular as a result of its product range structure, its large, integrated production sites and the intensification of sales. Both the income statement and also the balance sheet show a sound group with continued growth potential.

In total the STEICO Group has a future-oriented business model and solid finances, and in the view of the company's management it will continue its on-track growth over the long term.

#### IV. FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

##### 1. THE STEICO GROUP'S FINANCIAL INDICATORS AT A GLANCE:

Revenues, total operating revenue and EBIT are used as indicators for the internal control of the group.<sup>10</sup>

In € thousand	2021	2020	Δ	%
Revenues	388,179	308,771	79,407	25.7%
Total operating revenue	395,588	306,861	88,726	28.9%
EBIT	67,606	33,582	34,025	101.3%
Debt-equity ratio <sup>11</sup>	0.98	1.71	0.38	-43%
Gearing	0.38	0.51	0.13	-25%

##### 2. NON-FINANCIAL PERFORMANCE INDICATORS

The following non-financial performance indicators are collected and evaluated, but are not used for detailed corporate management purposes.

###### Environmental protection

As a company with an extensive range of ecological products, the STEICO Group attaches great importance to a high level of environmental compatibility and conservation of natural resources. Therefore, the existence of recognised certifications for our raw materials and our own production processes represents a key non-financial performance indicator for the Group.

The wood from which STEICO's products are made originates from sustainably managed forests, which are mostly certified according to the well-known organisations FSC® (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification Schemes). Continuous certification in accordance with the FSC standards has already been agreed until 2025.

The IBR (Institute for Building Biology Rosenheim) seal means that STEICO's insulation materials have a recognised seal of quality for environmentally friendly, safe and functional construction products.

In addition, STEICO SE holds an environmental product declaration (EPD) for all of its key products, which offers additional proof of its dedication to sustainability.

STEICO is a member of DGNB (Deutsche Gesellschaft für nachhaltiges Bauen - German society for sustainable construction) and thus supports the development of sustainable construction solutions.

An environmental management system according to ISO 14001:2015 has been put in place at the Polish production plants.

Products from STEICO's range are tested regularly by the well-known consumer magazine ÖKO-TEST and have always received the grade of "very good" in the past.

The STEICO Group has also published an annual sustainability report since 2018, which is based on the internationally recognized GRI (Global Reporting Initiative) reporting standard since 2019, and which was most recently published in 2021 in line with the GRI core standard.

Protecting the environment is one of the key basic pillars of STEICO's corporate philosophy. STEICO SE uses its activities and awards to show that growth and sustainability can go hand in hand and thus reinforces its position as a provider of an environmentally friendly wooden construction system. STEICO SE therefore strives to continue and expand relevant environmental certifications.

<sup>10</sup> Reference is made to the analysis of the development in sections II.2 "Course of business", II.3 "Development of the product segments" and III. "Net assets, financial position and results of operations"

<sup>11</sup> Debt-equity ratio corresponds to net debt [liabilities to banks plus liabilities to affiliated companies, insofar as these exceed an amount of EUR 2,000 thousand, less cash and cash equivalents] divided by EBITDA (EBIT plus depreciation and amortisation)

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#### C. OPPORTUNITY AND RISK REPORT, FORECAST

The following comments in the forecast are, by their very nature, associated with a certain degree of uncertainty.

##### I. FUNDAMENTALS OF THE RISK MANAGEMENT SYSTEM

Entrepreneurial activities are always associated with risks. As a result, consciously entering into risks is a necessary pre-requisite for the company's overall success. This means that the STEICO Group has a risk management system which recognises risks at an early stage, allowing countermeasures to be put in place in good time. Risks from production and procurement are primarily to be found with the subsidiaries STEICO Spółka z o.o. (Poland), STEICO Joist Spółka z o.o. (Poland) and STEICO Casteljaloux S.A.S. (France), however these can have a direct impact on STEICO SE: Risks are primarily monitored and controlled at the subsidiaries. Changes or critical developments are reported to STEICO SE's management. The risk management system is constantly tested to make sure that this is up to date and adjusted if required.

##### II. RISKS OF FUTURE GROWTH

###### 1. DEPENDENCY ON THE ECONOMY AND THE GROWTH OF THE CONSTRUCTION AND CONSTRUCTION MATERIALS INDUSTRY.

As a company in the construction materials industry the STEICO Group depends on factors including overall economic development and also the growth of the European construction industry. The STEICO Group operates on a niche market which has proved to be robust in the past with regard to economic fluctuations - however in particular higher energy and construction prices, an ongoing recession on key markets or a longer-term downturn in construction activities could depress the STEICO Group's revenues and earnings to a great extent. The potential impact of this risk is considered to be high.

In general, the management sees positive conditions for the development of the construction industry. According to STEICO SE's managing directors, the trend towards timber construction<sup>12</sup> is continuing. In addition, there is a demand for housing in many markets and an increase in government subsidies for energy-efficient construction can be observed. There is also a significant backlog of orders in

the construction sector. The probability of a risk arising from a downturn in the industry is therefore currently considered to be low.

###### 2. RISKS DUE TO RESTRICTIONS ON PUBLIC LIFE

Unforeseen events, such as the outbreak of epidemics, serious political upheavals, disruptions to key infrastructure networks such as electricity and communications can lead to massive restrictions on public life at short notice. This may involve restrictions on the movement of people and goods as well as restrictions on business and production activities. This is also accompanied by an economic risk.

In 2021 the COVID-19 pandemic did not lead to any notable restrictions on construction activities or the transport of goods within Europe. Assuming that the continued development of the pandemic does not lead to a major increase in restrictions, and the current restrictions can be gradually reduced or removed over the course of the year, the risk is considered to be medium and it does not pose a threat to STEICO's business model.

###### 3. PRODUCTION RISKS

As a production and distribution company, the STEICO Group depends on the reliable operation of the installed production equipment and taking new production lines into operation smoothly at the manufacturing subsidiaries. Risks that could impact production include, in particular, force majeure as a result of fire or flooding, technical failure or the failure to obtain or withdrawal of licenses from the authorities to operate the equipment. Environmental pollution from emissions or disruptions to operations and thus the resulting downtime for equipment cannot be ruled out. In addition, a significant restriction on production could have a major impact on the STEICO Group's revenues and earnings.

The STEICO Group combats these risks with regular maintenance, precautionary construction and organisational activities and it has also concluded corresponding insurance policies. What is more, it is in close contact with the licensing authorities. For 2022, the investment plan provides for further investments, which are intended to increase production reliability. In the management's opinion, no significant change in risk is expected compared with the previous year, which means that the probability of occurrence remains low.

<sup>12</sup> Cf. Holzbau Deutschland: Management report 2021

#### 4. LOCATION RISKS

In 2021 the STEICO Group had manufacturing activities at three locations and thus used various location advantages. Depending on its position, the choice of a location can also be associated with risks, for example exchange rate fluctuations or regionally higher prices for raw materials and energy. As the STEICO Group produces light, high-volume insulation material, the proximity of its production facilities and sales markets is a key strategic success factor. Setting up new locations - by developing locations or making acquisitions - to ensure future growth can, however, also be associated with risks, for example with financing risks, personnel risks, production or organisational risks.

The management continuously evaluates the situation of the existing locations, makes investments to compensate for any disadvantages that may arise and examines the development of further locations. No material deterioration in the existing location advantages is predicted for 2022. The impact of the risk is considered to be minor.

#### 5. RISKS FROM COMPETITION WITH OTHER MANUFACTURERS AND RISKS FROM INVESTMENTS BY OTHER MANUFACTURERS

The STEICO Group operates in a dynamic market environment and constantly competes with other European manufacturers. Extensive new investments by competitors to build up additional capacity or new competitors entering the market could lead to price reductions over the medium term, which in turn would have a medium-scale negative impact on STEICO Group's returns.

However, STEICO has been able to establish substantial barriers to market entry in order to protect and expand its position on the market. These include, for example, an efficient sales organisation with access to the key sales markets and market entry barriers for its manufacturing subsidiaries such as production and development expertise, the most extensive product range in the industry, as well as a modern fleet of equipment which the managing directors believe offers the largest production capacity in the industry.

Currently, the management is aware of two major investment projects at competitors which, according to its own estimates, are not expected to be completed in 2022. Two new competitors have announced that they plan to enter the market. At the same time, STEICO is investing in expanding its production capacities and, according to management estimates, will achieve faster and greater capacity increases than its competitors. Management does not expect its direct competitors to significantly increase capacity in 2022 or for

new competitors to complete production lines this year. In the management's opinion, no significant change in risk is expected compared with the previous year, which means that the probability of occurrence in 2022 remains low.

#### 6. RISKS DUE TO QUALITY SHORTFALLS

Quality is a key factor for customers when purchasing the products offered by STEICO. A downturn in revenues or additional expenses can therefore arise due to quality deficiencies.

However, the risks are minimised by forward-looking production planning, a functioning logistics system, intensive quality management (ISO 9001:2015 certification of STEICO Spółka z o.o), an environmental management system in accordance with ISO 14001:2015 and intensive monitoring of market developments. In addition there is insurance in the event of product liability for all of the companies in the STEICO Group. The effects are therefore to be regarded as being minor.

The capital expenditure plan also includes implementing additional measures in 2022 to keep the STEICO product range attractive for customers, e.g. obtaining additional building inspectorate approvals, product tests, etc. In the management's opinion, no major change in the risk is expected compared to the previous year, meaning that the probability of this risk occurring remains low.

#### 7. RISKS OF DEPENDENCIES ON KEY CUSTOMERS

The risk of customer dependencies is limited by the large number of customers and their balanced share of total revenues. For example, no single customer accounts for more than 4.2% of the STEICO Group's total revenues. The STEICO Group recorded 21.8% of its revenues with its ten largest customers.

In 2021, there was a slight reduction in the concentration of the sales volume on large customers. These revenue percentages mean that the sales volume is highly diversified, and this means that there is also no dependency on a single customer in this regard. The loss of a top customer thus constitutes a risk with little impact.

The management does not expect any fundamental change in the concentration of revenues from individual customers in 2022. At the same time, the development of new customer groups and further market penetration will be actively promoted in order to counteract excessive concentration. In the management's opinion, no significant change in risk is expected compared with the previous year, which means that the probability of occurrence remains low.

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#### 8. RISKS FROM SUPPLIER DEPENDENCIES

In addition to the products it produces itself, the STEICO Group sells a range of merchandise, for example products for sealing the building shell. It is not possible to change suppliers quickly for all of the products. As a result, difficulties encountered by the manufacturer in making deliveries could impact the group's success.

STEICO constantly observes business relationships with its partners and if required it reviews alternatives, for example procuring replacements or producing the items in house. This aims to ensure that the loss of individual suppliers does not have any long-term negative impact.

The probability of this risk occurring is regarded as being low, and also the impact of the risk.

In the management's opinion, no significant change in risk is expected in 2021 compared with the previous year, which means that the probability of occurrence remains low.

#### 9. RISKS FROM LOST RECEIVABLES

Defaults on receivables constitute an additional operating risk which could restrict the group's liquidity. However, outstanding receivables are mostly hedged under a credit sale insurance policy, which minimises the probability of occurrence for this risk and the impact is to be regarded as being low. There were no notable receivables defaults in 2021. In the management's opinion, no significant change in risk is expected in 2022 compared with the previous year, which means that the probability of occurrence remains low.

#### 10. EXCHANGE RATE RISKS

There are exchange rate risks as the STEICO Group mostly produced its goods in 2021 in Poland and thus in the Zloty currency zone. As its products are sold internationally and thus invoiced in euros as well as in other currencies, for example sterling and US dollars, exchange rate fluctuations could thus have a negative impact on the STEICO Group. The STEICO Group observes and evaluates exchange rate fluctuations as part of its risk management system and performs exchange rate hedging on a regular basis with the aim of creating the most stable basis for calculations possible for the STEICO Group. STEICO SE observes and evaluates exchange rate fluctuations as part of its risk management system and performs exchange rate hedging on a regular basis with the aim of creating the most stable basis for calculations possible for STEICO SE. The Polish zloty in particular is hedged to a high degree.

In 2021 the exchange rate of the PLN/EUR currency pair

fluctuated in the upper single-digit percentage range and thus to a greater extent than in previous years due to the COVID-19 pandemic. As a result of the war in Ukraine and the fluctuations in the exchange rate, management believes that exchange rates will be more volatile over the short term in 2022. However, based on the stable data from the Polish economy<sup>13</sup>, management believes that the volatility in exchange rates will diminish over the medium term.

#### 11. RISKS FROM INTEREST AND EXCHANGE RATE HEDGES

Steico SE uses derivative financial instruments to hedge currency risks. These include structured currency forwards in PLN, sterling and US dollars with, interest rate swaps with an exchange rate option and six interest rate swaps for the three-month and six-month EURIBOR and a fixed interest rate. In the case of structured forward exchange contracts (so-called "TARF"), the long call or short put side (from the company's point of view), the nominal amount (with leverage) and the term are determined by the fulfilment of various contract criteria on the individual fixing dates.<sup>14</sup>

In the view of the managing directors, structured forward exchange transactions offer more favourable exchange rate hedging compared with traditional currency hedging financial instruments. At the same time, these can result in income and liquidity risks for STEICO SE in line with the complex structure of the contracts' content resulting from high uptake quantities.

Based on historical market analysis of the development of the Polish zloty exchange rate, the managing directors consider the probability of occurrence of the risks described above to be low. Due to the higher maximum purchase volume compared to previous years, the impact of the risk in the event of occurrence is estimated to be higher. However, this is offset by significantly higher quantities demanded, which result from strong growth and also the strong capital expenditure in Poland. For this reason, the risks from hedging transactions are currently classified as medium overall.

<sup>13</sup> See <https://ec.europa.eu/eurostat/cache/countryfacts/>

<sup>14</sup> We refer to the presentation in section "V. Other disclosures No. 1. Derivative financial instruments and valuation units" of the notes to the financial statements of Steico SE.

## 12. RISKS FROM THE USE OF FINANCIAL INSTRUMENTS

As a rule, management aims to use derivative financial instruments in order to minimise exchange rate and interest rate risks. In addition, risks from using original financial instruments should be avoided.

The financial instruments which were in place on the balance sheet date mostly include, on the assets side, financial assets (interests in affiliated companies and loans to associated companies), receivables and other assets as well as cash and cash equivalents. The managing directors constantly monitor the risks from financial investments are monitored as part of the monthly reporting by the subsidiaries.

The risk of default for receivables and other assets is mostly taken into account using credit sale insurance and an analysis of the age structure and corresponding write-downs.

The financial instruments in place on the balance sheet date mostly include, on the equity and liabilities side, the short and long-term liabilities to banks. Interest rate swaps are used in order to limit the risks from changes to the interest rate for long-term liabilities.<sup>15</sup>

In the management's opinion, the probability of occurrence for the risks detailed above remains low in 2022.

## 13. RISKS FROM FINANCING REQUIREMENTS

In order to realise the growth planned by management, financing is also required in addition to the profits recorded and the cash and cash equivalents available. The receipt of this financing is subject to various risks, such as creditworthiness and the capital markets risk. As a rule, investment projects are only released when financing has been secured. Delays in the procurement of suitable financing for investment projects in future could lead to delays in or the discontinuation of planned investment projects. The effects would weigh on sales and returns to a medium extent.

STEICO SE concluded a new syndicated loan agreement for around EUR 211 million with a bank consortium in 2019, thus securing its borrowing requirements over the medium term. In the management's opinion, no significant change in risk is expected compared with the previous year, which means that the probability of occurrence remains low.

However, in connection with this syndicated loan agreement, certain financial covenants have been agreed upon, the failure of which generally entitles the lenders to terminate the loan without notice. STEICO SE monitors the covenants on an ongoing basis as part of its risk management to ensure that

they are observed and complied with. Due to the excellent net assets, financial position and results of operations, management assumes that it will be able to comply with the covenants and therefore sees only a low risk.

## 14. DEPENDENCY ON PERSONS IN KEY POSITIONS

In order to reach its entrepreneurial targets, it is of key importance for the STEICO Group to acquire and retain qualified staff. This relates to both executive positions and also, in particular, qualified staff in the respective departments. The STEICO Group pursues a human resources strategy in which employees' qualifications, experience and contacts are also transferred to other employees. The loss of individual employees, including those in executive positions, therefore represents a risk with only minor effects. Management believes that the STEICO Group's employee fluctuation rate is low.

The STEICO Group constantly intensifies its contacts with various institutions, e.g. training institutions, to recruit qualified personnel and is constantly working on programs to improve employee satisfaction. In the management's opinion, no significant change in risk is expected in 2022 compared with the previous year, which means that the probability of occurrence remains low.

## 15. RISKS FROM THE ORGANISATIONAL AND WORK-FLOW STRUCTURE

As part of the constant expansion of its business and its internationalisation the STEICO Group believes that it is exposed to increasing complexity. This relates to both administration and also its organisational structures. In order to also ensure smooth business processes in future, responsibilities and work-flows are reviewed regularly and, if necessary, staff structures are realigned. This is coupled with increased administration requirements as part of the listing on the Frankfurt and Munich stock exchanges. This is associated with reporting and publication requirements. Failure to uphold these could result in, for example, penalisation under stock market law. In order to combat this risk, the STEICO Group has put the requisite organisational processes in place and created clear responsibilities. The probability of this risk occurring is regarded as being low, and also the impact of the risk.

In the management's opinion, no significant change in risk is expected in 2022 compared with the previous year, which means that the probability of occurrence remains low.

<sup>15</sup> Please refer to the comments in D.II.11 "Risks from interest and ".

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#### 16. RISKS FROM LITIGATION

Potential litigation could also constitute a risk for the operating result. However, there were no ongoing cases in 2021 which could have a negative impact on the course of the STEICO Group's business or which could have a future negative impact. The probability of this risk occurring is regarded as being low, and also the impact of the risk.

In the management's opinion, no significant change in risk is expected in 2022 compared with the previous year, which means that the probability of occurrence remains low.

#### 17. RISKS FROM ACTS OF WAR AND THE IMPOSITION OF SANCTIONS

Acts of war can have a massive impact on access to sales markets or their economic power. In addition, the imposition of economic sanctions could make existing or future business relationships more difficult or impossible. In addition, production lines or the necessary infrastructure could be damaged or destroyed as a result of armed conflict. Acts of war also bring the danger of economic risks as well as price increases for or the non-availability of capital equipment.

If it is not possible to guarantee deliveries of goods in crisis-hit regions, and to the extent that deliveries are legally possible, STEICO makes deliveries exclusively against advance payment to minimise the risk of default. All of the STEICO Group's sites are located in NATO-Group countries, thus significantly reducing the risk of closure requirements or damage as a result of armed conflict.

In addition, as a result of the war between Russia and Ukraine, there is also the risk of further substantial increases to the costs of energy, namely if the embargo of Russian oil and gas deliveries, already discussed in the EU, should be put in place. This risk is already being countered on the procurement side via the high percentage of self-produced energy and also the longer-term supply agreements with local energy providers. On the sales side, higher energy prices could impact the construction economy on the key sales markets for the company and the group.

The potential impact of the risk, in particular the war between Russia and Ukraine, is currently regarded as being medium. The STEICO Group has a low level of sales on both markets via its Polish sales company; however there is no particular dependency in economic terms. In addition, to date, only a small amount of semi-finished products have been procured from these countries. The accompanying effects, such as higher energy prices, potentially higher prices for timber or negative effects on the economy, could, however, impact the STEICO Group's success.

In total, in the opinion of the company's management, STEICO will not be able to fully escape the impact of the war between Russia and Ukraine in 2022.

### III. OPPORTUNITIES FROM FUTURE GROWTH

Based on the broad product range and the ongoing product developments the STEICO Group is planning to further expand its revenues and market shares in the coming years. STEICO expects to be able to implement price increases on the market as a result current high demand. In so doing, in the opinion of the company's management, it can benefit from the following central development opportunities:

#### 1. OPPORTUNITIES DUE TO GROWING DEMAND FOR NATURAL INSULATION MATERIALS

As the global market leader for environmentally friendly insulation materials made of wood fibres the STEICO Group is benefiting to a particularly great extent from the continued increase in demand for environmentally friendly insulation materials. The wide ranging physical advantages for construction such as protection from summer heat, vapour permeability and protection from damage from damp are being focused on by builders. In addition, throughout Europe, requirements for energy efficiency in buildings are constantly being heightened. The company's management believes that there is particular market potential in the increasing energy-related renovation of existing buildings. In addition, there is also government support for energy-efficient construction and renovation. Economies such as Germany and France have launched corresponding support programmes. At European level, too, comprehensive support programmes for greater energy efficiency in the building sector are being prepared with the Green Deal and the renovation wave. Management assumes that this will stimulate sales for years to come. The impact on revenues and returns due to rising demand can therefore be regarded as particularly high.

The managing directors assume that the market share of natural insulating materials has increased continuously in recent years.<sup>16</sup> This trend is expected to continue in 2022, not least because of the ongoing climate debate. This makes it highly likely that demand will continue to grow.

#### 2. OPPORTUNITIES DUE TO GROWING DEMAND FOR CONSTRUCTIVE BUILDING PRODUCTS

The Board of Directors expects an increase in timber construction activity throughout Europe.<sup>17</sup> For Germany, for example, the regular publications of the Bundesverband Deutscher Fertigbau e.V. (Federal Association of German Prefabricated Construction) show a continuous increase in the timber construction quota.

<sup>16</sup> Cf. Holzbau Deutschland: Management report 2021

<sup>17</sup> Cf. Holzbau Deutschland: Management report 2021

The STEICO Group also operates on the market for constructive building elements by selling I-joists and laminated veneer lumber. These products are used as replacements for structural timber and glued laminated timber and are an economic alternative - for both timber frame construction and also in concrete structures, for example for ceiling constructions or for facade renovation. As a result of their product characteristics (including reducing thermal bridges, dimensional stability, low own weight and excellent static properties) STEICO's construction products are used in walls, roofs, ceilings and floors. At the same time, they are designed to be used with STEICO's insulation products, which means that we can offer customers an optimised construction and insulation system - almost the entire building shell from a single source.

STEICO has a unique position in the industry with its own construction system comprising construction materials and insulation materials, and it develops new sales markets and at the same time it reduces its dependency on individual segments. There are additional advantages for customers, such as the possibility to optimise freight thanks to mixed loads of insulation and construction materials.

Demand for STEICO's construction products enjoyed very positive growth in 2021. Sales of I-joists increased substantially as a result of the available capacity reserves, and the production lines for laminated veneer lumber were already running at full capacity. For the future, the company's management believes that demand for construction products will continue to increase.

#### 3. OPPORTUNITIES DUE TO EXTENSIVE VERTICAL INTEGRATION

The STEICO Group sells merchandise as a supplement to the goods it produces itself on several markets. At present these products are air sealant films and components for composite thermal insulation systems. STEICO checks these goods constantly for their revenue and earnings growth as well as their importance in the STEICO construction system. Wherever it appears to be pertinent over the long term, STEICO invests in its own production, as is the case, for example, for laminated veneer lumber, in order to reduce dependencies and improve margins. Depending on the respective product area, the positive effects on revenues and returns range from low to high.

At the same time, the STEICO Group is also making targeted investments to increase its vertical integration within its existing production range. In the "Element Production" division, for example, STEICO products are refined into complete building components (entire wall, roof or ceiling

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elements), which is associated with a significant increase in vertical integration.

Sales of pre-fabricated elements enjoyed positive growth in 2021. Management expects further market penetration in 2022. However, the effects on revenues and returns are likely to be minor.

#### 4. OPPORTUNITIES DUE TO THE LAUNCH OF NEW PRODUCTS.

As an innovative, high-growth company STEICO constantly further develops its product range. In addition to further developing its integrated construction and insulation system the focus is also on specialty and industrial products which can be produced using STEICO's production equipment. In the opinion of the company's management, this opens up further areas of application, allowing the product range to be supplemented by additional, high-margin products. Depending on the respective product area, the positive effects on revenues and returns range from low to high.

In 2022, management plans to continue on its innovation course, which means that the probability of a further increase in revenues from innovations is high. The effects would weigh on sales and returns to a medium extent.

#### 5. OPPORTUNITIES FROM FURTHER INTERNATIONALISATION

In addition to expanding the product range, internationalisation also offers opportunities for increasing revenues. Although the German domestic market was the fastest-growing single market in 2021, overall the international share of sales has increased in recent years. In 2021 the STEICO Group recorded around 59.5% of its revenues outside its home market of Germany. The positive effects of further internationalisation are considered to be high.

The management intends to further accelerate internationalisation in 2022, so that the probability of further sales increases is high. The effects would weigh on sales and returns to a medium extent.

#### 6. OPPORTUNITIES FROM PROCESS OPTIMISATION AND INCREASES TO EFFICIENCY

The STEICO Group constantly reviews its processes for procurement, administration and sales and optimises these to generate further improvements in efficiency as well as to gain synergy effects. In the same way, optimisation at the manufacturing subsidiaries and foreign sales companies is being driven forward. For example, STEICO constantly invests

in automating production and in digitalisation, process optimisation and making its administrative structures even leaner, with the aim of establishing STEICO as the industry-wide cost leader. The impact on revenues and returns due to rising demand can therefore be regarded as particularly high.

The investment plan provides for further measures to optimize processes and increase efficiency in 2022, so that the probability of further sales increases is high. The effects would weigh on sales and returns to a medium extent.

#### Summary of the risk and opportunity situation

The assessment of the overall risk and opportunity situation is the result of the consolidated consideration of all of the group's significant risks and opportunities. The STEICO Group's overall risk and opportunity situation remains largely unchanged year-on-year. The STEICO Group has set up a risk management system to control the described and unforeseeable risks.

The managing directors of the STEICO SE do not believe that the continued existence of the company is at risk. As in the previous year, the current risks are considered to be manageable, but - similar to the opportunities - if they materialise, they may affect the underlying financial key performance indicators, which could consequently deviate from the forecast. The Group's financial position is stable; the liquidity requirement is currently covered by existing liquidity and available credit lines.

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#### IV. FORECAST

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The forecast for the 2022 business year is based on an internal bottom-up analysis of sales. This analysis is condensed into an overall forecast by the Executive Board, taking into account the expected production capacities and the overall economic situation in the most important sales markets.

According to the Euroconstruct press release of 12 November 2021, construction activity in Germany, the company's most important market, is expected to grow by 1.1% in 2022. The Zentralverband Deutsches Baugewerbe (Central Association for the German Construction Sector) is forecasting real growth of 1.5% for construction (5.5% nominal). In terms of the construction sector, these forecasts are also in line with the economic forecast (spring) 2022 from the Ifo Institut.

The Executive boards continues to assume that the increased ecological awareness as well as national and European programmes that combine climate protection with economic promotion will lead to a positive development in demand for ecological insulation materials and a further strengthening of timber construction.

In addition to this, the Directorate has taken the following points into account for the forecast:

- Current press reports from April 2022 on the construction industry in Germany as STEICO's most important sales market, which consider a decline in construction activity possible for the calendar year 2023,
- uncertainties regarding the overall economic development in Germany and other important sales markets for the STEICO Group, which is due in particular to the Russia-Ukraine war,
- the results achieved in the first quarter of 2022,
- the development of incoming orders and order backlog in the first quarter of 2022.

Taking the above into account, the management assumes that the aforementioned uncertainties will not have a significant negative impact on demand for STEICO products in the key sales markets in the 2022 financial year. The company's management continues to assume that it will largely be able to pass on rising procurement prices (especially energy and raw material prices) to the market.

Unless there are additional negative effects from developments in the economy, the COVID-19 pandemic and the Russia-Ukraine conflict, the Executive Board believes that in 2022 turnover and total operating revenues will lift by more than 20% with an EBIT ratio of between 13% and 15% (in terms of total operating revenue) based on the above assumptions. Thus, the Executive Board is forecasting revenues of around € 465 million, total operating revenues of about € 475 million and an EBIT of between € 60 million and € 70 million.

In terms of currencies, the operational forecast for 2022 is for goods to be purchased in the Polish facilities with an average PLN/€ exchange rate of 4.50 to 4.60. Currency hedges ensure that the requisite quantities of PLN can be acquired at an average exchange rate that is higher than this exchange rate, even if the Zloty increases in value, which is not currently to be expected.

Feldkirchen, 26 April 2022

Udo Schramek    Uwe Klaus Lange    Thorsten Leicht  
Dr. David Meyer    Milorad Rusmir    Tobias Schindler

## Group consolidated income statement for fiscal year 2021

### Consolidated financial statements STEICO SE, Feldkirchen

	2021	2020
	€	€
1. Revenues	388,178,597.02	308,771,398.08
2. Increase in finished goods and work in progress	7,088,353.43	-2,019,351.38
3. Other own work capitalised	321,178.69	109,866.07
	<b>395,588,129.14</b>	<b>306,861,912.77</b>
4. Other operating income - of which from currency translation: € 3,743 thousand (previous year: € 3,698 thousand)	9,092,317.34	5,486,462.76
	<b>404,680,446.48</b>	<b>312,348,375.53</b>
5. Cost of materials		
a) Cost of raw materials, consumables and supplies and for purchased goods	-211,114,828.20	-165,329,579.66
b) Cost of purchased services	-595,459.97	-411,590.01
<b>6. Gross profits</b>	<b>192,970,158.31</b>	<b>146,607,205.86</b>
7. Personnel expenses		
a) Wages and salaries	-51,917,936.66	-43,643,162.17
b) Social security and expenses for retirement benefits - of which for retirement benefits: € 541 thousand (previous year: € 527 thousand)	-10,962,190.56	-10,153,892.72
8. Amortisation of intangible fixed assets and depreciation of tangible fixed assets	-23,698,542.61	-23,437,260.37
9. Other operating expenses - of which from currency translation: € 4,335 thousand (previous year: € 5,247 thousand)	-38,783,820.06	-35,790,490.88
<b>10. EBIT</b>	<b>67,607,668.42</b>	<b>33,582,399.72</b>
11. Other interest and similar income	518,018.33	540,468.77
12. Amortisation of financial assets and current securities	-8,748.87	0.00
13. Interest and similar expenses	-1,450,920.48	-1,723,285.26
<b>14. Financial result</b>	<b>-941,651.02</b>	<b>-1,182,816.49</b>
<b>15. Earnings before taxes (EBT)</b>	<b>66,666,017.40</b>	<b>32,399,583.23</b>
16. Income taxes	-15,775,296.10	-6,967,060.42
<b>17. Earnings after taxes</b>	<b>50,890,721.30</b>	<b>25,432,522.81</b>
18. Other taxes	-2,728,361.41	-2,461,925.16
<b>19. Consolidated net income</b>	<b>48,162,359.89</b>	<b>22,970,597.65</b>
20. Profit carried forward from previous year	86,170,576.36	67,425,018.21
<b>21. Consolidated profits</b>	<b>134,332,936.25</b>	<b>90,395,615.86</b>

# Consolidated balance sheet as of 31 December 2021

## Consolidated financial statements STEICO SE, Feldkirchen

### ASSETS

	31.12.2021	31.12.2020
	€	€
<b>A. NON-CURRENT ASSETS</b>		
<b>I. Intangible assets</b>		
1. Acquired concessions, industrial property rights and similar rights and assets as well as licenses for such rights and assets.	4,000,656.22	908,582.39
2. Advance payments made	8,000.00	85,072.50
	<b>4,008,656.22</b>	<b>993,654.89</b>
<b>II. Property, plant and equipment</b>		
1. Land, land rights and buildings including buildings on third-party land	86,454,680.03	82,855,524.17
2. Technical plant and machinery	129,050,118.86	125,661,746.98
3. Other assets, operating and office equipment	1,828,415.31	2,100,348.15
4. Advances made and assets under construction	85,564,064.16	45,940,008.24
	<b>302,897,278.36</b>	<b>256,557,627.54</b>
<b>III. Financial assets</b>		
1. Interests in affiliated companies	1,942.60	1,958.47
2. Loans to affiliated companies	17,838.11	13,597.37
3. Other loans	10,750.00	8,000.00
	<b>30,530.71</b>	<b>23,555.84</b>
	<b>306,936,465.29</b>	<b>257,574,838.27</b>
<b>B. CURRENT ASSETS</b>		
<b>I. Inventories</b>		
1. Raw materials, consumables and supplies	25,150,293.05	19,976,968.08
2. Work in progress	1,992,215.51	1,974,698.60
3. Finished goods and merchandise	16,321,292.86	16,321,540.42
4. Advance payments made	875,751.85	979,974.34
	<b>44,339,553.27</b>	<b>39,253,181.44</b>
<b>II. Receivables and other assets</b>		
1. Trade receivables	31,525,743.58	25,715,665.87
2. Receivables from affiliated companies	835.12	1,810.48
3. Other assets	13,815,381.10	15,485,407.52
	<b>45,341,959.80</b>	<b>41,202,883.87</b>
<b>III. Securities</b>		
Other securities	265,551.91	221,861.43
<b>IV. Cash in hand and bank balances</b>		
	<b>32,728,591.08</b>	<b>23,088,258.59</b>
	<b>122,675,656.06</b>	<b>103,766,185.33</b>
<b>C. DEFERRED INCOME</b>		
	<b>591,512.63</b>	<b>1,563,567.31</b>
<b>D. DEFERRED TAX ASSETS</b>		
	<b>294,324.14</b>	<b>444,188.11</b>
	<b>430,497,958.12</b>	<b>363,348,779.02</b>

# Consolidated balance sheet as of 31 December 2021

## Consolidated financial statements STEICO SE, Feldkirchen

### EQUITY AND LIABILITIES

	31.12.2021	31.12.2020
	€	€
<b>A. EQUITY</b>		
I. Subscribed capital	14,083,465.00	14,083,465.00
II. Additional paid-in capital	104,911,923.60	104,911,923.60
III. Retained earnings		
Other retained earnings	7,050,000.00	7,050,000.00
IV. Difference in equity from currency translation	-25,782,745.71	-23,946,507.38
V. Consolidated profits	134,332,936.25	90,395,615.86
	<b>234,595,579.14</b>	<b>192,494,497.08</b>
<b>B. PROVISIONS</b>		
1. Provisions for pensions and similar obligations	3,377,578.16	2,912,987.22
2. Provisions for taxes	8,019,404.03	272,794.24
3. Other provisions	17,470,898.48	12,007,297.63
	<b>28,867,880.67</b>	<b>15,193,079.09</b>
<b>C. LIABILITIES</b>		
1. Liabilities to banks	121,219,964.96	117,433,921.00
2. Advance payments received on account of orders	847,342.99	288,120.82
3. Trade payables	26,241,075.67	22,925,590.95
4. Liabilities to affiliated companies	3,007,500.00	5,018,750.00
5. Other liabilities		
- of which from taxes: € 4,784 thousand (previous year: € 2,896 thousand)		
- of which for social security: € 3,539 thousand (previous year: € 2,919 thousand)	11,383,972.29	8,903,614.42
	<b>162,699,855.91</b>	<b>154,569,997.19</b>
<b>D. DEFERRED INCOME</b>	<b>3,419,781.77</b>	<b>130,833.54</b>
<b>E. DEFERRED TAX LIABILITIES</b>	<b>914,860.63</b>	<b>960,372.12</b>
	<b>430,497,958.12</b>	<b>363,348,779.02</b>

## Group consolidated cash flow statement for fiscal year 2021

### Consolidated financial statements STEICO SE, Feldkirchen

	2021	2020
	€	€
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
1. Earnings for the period (consolidated net income/loss)	48,162,359.89	22,970,597.65
2. +/- Amortization/depreciation of non-current assets	23,698,542.61	23,437,260.37
3. +/- Increase/decrease in provisions	6,010,651.31	2,515,986.10
4. +/- Other non-cash expense/income	-321,178.69	-109,866.07
5. +/- Increase/decrease in inventories, trade receivables and other assets that are not allocated to investing or financing activities	-8,297,083.56	-1,519,030.68
6. +/- Increase/decrease in trade payables and other liabilities that are not allocated to investing or financing activities	7,632,762.99	-2,090,705.33
7. +/- Gains/losses from the disposal of non-current assets	89,110.71	-230,006.33
8. +/- Interest expense/income	932,902.15	1,182,816.49
9. +/- Income tax expense/income	15,775,296.10	6,967,060.42
10. +/- Income tax payments	-7,924,333.83	-10,304,188.28
<b>11. = Cash flow from operating activities</b>	<b>85,759,029.68</b>	<b>42,819,924.34</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
1. - Payments made for investments in intangible non-current assets	-6,607,623.05	-2,019,956.54
2. + Proceeds received from disposals of items of property, plant and equipment	358,366.41	4,115,365.60
3. - Payments made for investments in property, plant and equipment	-68,576,472.23	-47,244,083.35
4. + Proceeds received from disposals of financial assets	0.00	167,228.47
5. - Payments made for investments in financial assets	-7,124.43	0.00
6. + Interest received	518,018.33	540,468.77
<b>7. = Cash flow from investing activities</b>	<b>-74,314,834.97</b>	<b>-44,440,977.05</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>		
1. + Proceeds received from taking out (financial) loans	13,000,373.96	22,335,514.00
2. - Payments made from redeeming (financial) loans	-9,214,330.00	-12,675,108.00
3. - Interest paid	-1,533,380.00	-1,674,852.49
4. - Dividends paid to shareholders of the parent company	-4,225,039.50	-3,520,866.25
<b>5. = Cash flow from financing activities</b>	<b>-1,972,375.54</b>	<b>4,464,687.26</b>
<b>IV. CASH AND CASH EQUIVALENTS</b>		
1. Net change in cash and cash equivalents	9,471,819.17	2,843,634.55
2. +/- Exchange-rate related change in cash and cash equivalents	168,513.32	-1,877,261.16
3. + Cash and cash equivalents - start of period	23,088,258.59	22,121,885.20
<b>4. = Cash and cash equivalents - end of period</b>	<b>32,728,591.08</b>	<b>23,088,258.59</b>

## Group consolidated statement of changes for fiscal year 2021

### Consolidated financial statements STEICO SE, Feldkirchen

	Subscribed capital	Reserves		Difference in equity from currency translation	Consolidated profits	Consolidated equity
		Additional paid-in capital	Other retained earnings			
	€	€	€	€	€	€
<b>On 1 January 2020</b>	14,083,465.00	104,911,923.60	7,050,000.00	-6,687,627.14	70,945,884.46	190,303,645.92
Dividends paid					-3,520,866.25	-3,520,866.25
Currency translation				-17,258,880.24		-17,258,880.24
Consolidated net income					22,970,597.65	22,970,597.65
<b>On 31 December 2020</b>	14,083,465.00	104,911,923.60	7,050,000.00	-23,946,507.38	90,395,615.86	192,494,497.08
<b>On 1 January 2021</b>	14,083,465.00	104,911,923.60	7,050,000.00	-23,946,507.38	90,395,615.86	192,494,497.08
Dividends paid					-4,225,039.50	-4,225,039.50
Currency translation				-1,836,238.33		-1,836,238.33
Consolidated net income					48,162,359.89	48,162,359.89
<b>On 31 December 2021</b>	14,083,465.00	104,911,923.60	7,050,000.00	-25,782,745.71	134,332,936.25	234,595,579.14

### I. GENERAL INFORMATION ON THE CONSOLIDATED FINANCIAL STATEMENTS

#### 1. LEGAL FOUNDATIONS

STEICO SE is registered in the commercial register at Munich Local Court with number HRB 195871. The company's registered office is Otto-Lilienthal-Ring 30, 85622 Feldkirchen.

The Company's shares have been traded on the over-the-counter market of the Munich Stock Exchange in the M:access market segment since 25 June 2007; the Company is not considered to be "listed" or "capital market-oriented" within the meaning of the German Commercial Code (HGB) or the German Stock Corporation Act (AktG).

#### 2. GROUP STRUCTURE AND GROUP OF CONSOLIDATED COMPANIES

STEICO SE is obliged to prepare consolidated financial statements. With regards to consolidation STEICO SE follows the provisions of Sections 290 ff of the HGB. The balance date for the consolidated financial statements is the balance date for the annual financial statements for the parent company (Section 299 (1) of the HGB). The annual financial statements for the companies included in the consolidated financial statements were also prepared as of the 31 December 2020 (Section 299 (2) of the HGB). The consolidated financial statements were prepared using the annual financial statements for the companies included in consolidation. Seven (previous year: seven) subsidiaries are fully consolidated in the consolidated financial statements in addition to the parent company. Seven (previous year: seven) affiliated companies were not included in consolidation.

Further information on the group companies can be found in section V. item 10. below.

#### 3. CONSOLIDATED ACCOUNTING AND VALUATION METHODS

The Group applies the principles of the German Commercial Code for its accounting and valuation methods. According to Section 308 (1) of the HGB, the assets and liabilities included on the consolidated balance sheet are subject to a uniform valuation in line with the valuation methods which apply for the parent company's annual financial statements.

The consolidated balance sheet and consolidated income statement are classified according to Sections 266, 275 (2) of the HGB in connection with Section 298 of the HGB.

#### The following individual accounting and valuation methods were applied:

Internally generated intangible assets are capitalised at cost and subject to scheduled amortisation over their expected useful lives. The option to recognise internally generated intangible fixed assets in accordance with section 248 (2) sentence 1 HGB is not exercised. Patents, concessions, licenses and software are written down over 2-5 years, rights of usufruct are written down over 20 years in line with the duration of the contract.

Property, plant and equipment is valued at cost according to Section 253 of the HGB in connection with Section 255 of the HGB, less scheduled depreciation. Movable fixed assets are depreciated over their useful lives of 3-19 years and buildings and outdoor facilities over 19 and 33 years, respectively.

Depreciation is mainly calculated on a straight-line basis. Some of the assets are depreciated using the declining balance method. Low-value items of property, plant and equipment with acquisition costs of up to € 800 are written off immediately without affecting the statement of changes in non-current assets.

As a rule, financial assets are carried at cost or, in the event of anticipated permanent impairment, at their lower fair value on the balance sheet date in line with Section 253 (3) Sentence 5 of the HGB.

If the reasons for maintaining a lower carrying amount no longer apply, these are written up according to Section 253 (5) sentence 1 of the HGB.

Raw materials, consumables and supplies and merchandise included in inventories were carried at cost using the average cost method in accordance with Section 256 Sentence 2 HGB in conjunction with Section 240 (4) or, if applicable, at the lower fair value.

Finished goods and work in progress are valued at production cost in accordance with Section 255 (2) of the HGB. Production costs include direct material costs, direct labour costs and special direct production costs as well as appropriate portions of material overheads, production overheads and the consumption of fixed assets to the extent that this is caused by production. General administration costs are included to an appropriate extent. Borrowing costs are not included in the cost of production

Items with impaired marketability are written down to their lower fair value.

## Notes to the consolidated financial statements for fiscal year 2021

### Consolidated financial statements STEICO SE, Feldkirchen

As a rule, receivables and other assets are carried at nominal value.

In order to cover the risk of default, individual and lump-sum write-downs are formed for receivables to the extent required. When forming individual write-downs, the company takes into account the fact that some receivables are covered by commercial credit insurance.

Securities under current assets are carried at acquisition cost or at their lower fair value.

Cash in hand and bank balances are carried at face value.

Expenses prior to the balance sheet date that relate to expenses for a limited period after the balance sheet date are carried as prepaid expenses. The accounting option offered in Section 250 (3) Sentence 1 of the HGB for taking out a guarantee has been used. The item is reversed using the straight-line method in line with time.

Deferred taxes on differences between the carrying amounts in the individual financial statements of the consolidated companies, taking into account consolidation adjustments where necessary, and the tax valuations of assets, liabilities and prepaid expenses and deferred income were formed taking into account loss carryforwards that can be taken into account and are expected to be reduced in the future, if a tax burden can be assumed overall in future financial years. Deferred tax assets and liabilities are carried on the balance sheet and are not netted using the option set out in Section 274 (2) Sentence 3 of the HGB. In the case of German companies (STEICO SE), deferred taxes were calculated on the basis of the corporation tax rate of 15% (plus solidarity surcharge of 5.5%) and the trade tax rate of 11.55%. For foreign subsidiaries, the tax rate applicable in the respective country, which ranges from 15% to 33%, was used.

Provisions for pensions are calculated on the balance sheet date in line with Section 253 (2) of the HGB using the projected unit credit method based on an average market interest rate and an assumed lump-sum residual period of 15 years. This is announced by Deutsche Bundesbank in line with the corresponding legal provisions.

Provisions for taxes and all other provisions are formed for all recognizable risks and uncertain liabilities and are carried in the amount required for fulfillment according to prudent commercial judgement. The amount required for fulfillment is calculated taking future price and cost increases into account.

Provisions with a remaining term of more than one year are discounted over their remaining term in line with the average

market interest rate for the past seven fiscal years (Section 253 (2) Sentence 1 of the HGB).

Liabilities are included at their repayment amounts.

Valuation units are formed if the statutory conditions in Section 254 of the HGB are met. The so-called freeze-in method is used to show the effective parts of the valuation units formed in the balance sheet. The effectiveness of hedges is ascertained prospectively on each balance sheet date using the critical terms match method.

Revenue is recognized when the risk of loss or damage has been transferred in the case of deliveries. In the case of service contracts, revenue is recognized at the time the service is rendered. Expenses are recognised in the income statement on an accrual basis.

#### 4. CURRENCY TRANSLATION

Receivables and liabilities denominated in foreign currencies are translated using an exchange rate close to the actual date (prior-day rate) or the exchange rate on the date of the transaction. According to Section 256a of the HGB, assets and liabilities denominated in foreign currencies with a residual period of less than one year are subsequently valued on the balance sheet date using the average spot exchange rate on the balance sheet date, and otherwise valued on a pro rata basis taking into account the acquisition costs or highest cost principle.

Foreign statements prepared in foreign currencies for the Group's subsidiaries in Poland and England are translated using the "modified balance sheet date method" set out in Section 308a of the HGB.

- With the exception of equity, items on the balance sheet are translated using the average exchange rate on the balance sheet date;
- Items in the income statement are translated using the average exchange rate for the fiscal year;
- Equity is translated using historical exchange rates.

The parent company's functional currency is the group's currency (euros).

Differences in the consolidation of liabilities resulting from exchange rates are taken directly to equity under Currency translation differences.

#### The exchange rates for PLN/€ are:

Closing rate on 30 June 2021:	4.59690
Average rate in 2021:	4.57202

**The exchange rates for GBP/€ are:**

Closing rate on 30 June 2021:	0.84028
Average rate in 2021:	0.85840

**5. CAPITAL CONSOLIDATION (SECTIONS 301, 309 OF THE HGB)**

The capital of STEICO Sp. z o.o., SW Solar Czarna Woda Sp. z o.o., STEICO CEE Sp. z o.o., STEICO France SAS and STEICO UK Ltd. was consolidated according to Section 301 (1) No. 1 of the HGB according to the so-called book-value method. The capital of STEICO Casteljaloux SAS and STEICO JOIST Sp. z o.o was consolidated according to Section 310 (1) sentence 2 of the HGB according to the so-called revaluation method.

**6. CONSOLIDATION OF INTERCOMPANY BALANCES (SECTION 303 OF THE HGB)**

For the consolidation of intercompany balances the receivables and liabilities between the group companies were netted. Any exchange rate differences occurring during the consolidation of debt were taken directly to equity.

**7. TREATMENT OF INTERCOMPANY PROFITS (SECTION 304 OF THE HGB)**

Intercompany profits from deliveries and services which are not realised from a Group perspective are eliminated in the consolidated financial statements.

**8. CONSOLIDATION OF INCOME AND EXPENSE**

As part of the consolidation of income and expense all of the intra-group revenues from deliveries effected and services provided and other performance relationships are eliminated.

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**Notes to the consolidated financial statements** for fiscal year 2021  
Consolidated financial statements STEICO SE, Feldkirchen

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# Notes to the consolidated financial statements for fiscal year 2021

## Consolidated financial statements STEICO SE, Feldkirchen

### II. INFORMATION ON THE CONSOLIDATED BALANCE SHEET

#### 1. NON-CURRENT ASSETS

The changes in non-current assets in fiscal year 2021 can be seen in the groups's statement of changes in non-current assets below (Section 313 (3) of the HGB).

Statement of changes in non-current assets		Acquisition and historical cost					Exchange rate diff. 2021	As of 31 December 2021
		As of 1 January 2021	Additions 2021	Disposals 2021	Reclassifications 2021	€		
<b>I. INTANGIBLE ASSETS</b>								
2.	Acquired concessions, industrial property rights and similar rights and assets as well as licenses for such rights and assets.	14,276,785.74	6,574,983.05	441,654.33	126,284.15	-94,527.81	20,441,870.80	
3.	Advance payments made	85,072.50	32,640.00	0.00	-109,712.50	0.00	8,000.00	
	<b>Total intangible assets</b>	<b>14,361,858.24</b>	<b>6,607,623.05</b>	<b>441,654.33</b>	<b>16,571.65</b>	<b>-94,527.81</b>	<b>20,449,870.80</b>	
<b>II. PROPERTY, PLANT AND EQUIPMENT</b>								
1.	Land, land rights and buildings including buildings on third-party land	108,797,689.60	964,805.92	166,460.93	7,097,613.19	-770,457.40	115,923,190.38	
2.	Technical plant and machinery	249,834,569.43	0.00	360,606.85	19,728,536.03	-1,942,792.23	267,259,706.38	
3.	Other assets, operating and office equipment	7,146,216.30	647,410.63	231,610.45	2,527.65	-24,634.56	7,539,909.57	
4.	Advances made and assets under construction	45,940,008.24	67,285,434.37	373,390.73	-26,845,248.52	-442,739.19	85,564,064.17	
	<b>Total property, plant and equipment</b>	<b>411,718,483.57</b>	<b>68,897,650.92</b>	<b>1,132,068.96</b>	<b>-16,571.65</b>	<b>-3,180,623.38</b>	<b>476,286,870.50</b>	
<b>III. FINANCIAL ASSETS</b>								
1.	1. Investments in affiliated companies	503,619.32	4,374.43	0.00	417.96	-4,020.51	504,391.20	
2.	Loans to affiliated companies	35,871.73	0.00	0.00	-417.96	-250.35	35,203.42	
3.	Other loans	8,000.00	2,750.00	0.00	0.00	0.00	10,750.00	
	<b>Total financial assets</b>	<b>547,491.05</b>	<b>7,124.43</b>	<b>0.00</b>	<b>0.00</b>	<b>-4,270.86</b>	<b>550,344.62</b>	
	<b>Total non-current assets</b>	<b>426,627,832.86</b>	<b>75,512,398.40</b>	<b>1,573,723.29</b>	<b>0.00</b>	<b>-3,279,422.05</b>	<b>497,287,085.92</b>	

## Notes to the consolidated financial statements for fiscal year 2021

### Consolidated financial statements STEICO SE, Feldkirchen

As of 1 January 2021	Accumulated amortization/depreciation			As of 31 December 2021	Carrying amounts	
	Additions 2021	Disposals 2021	Exchange rate diff. 2021		Carrying amount 31 December 2021	Carrying amount 31 December 2020
€	€	€	€	€	€	€
13,368,203.35	3,589,463.64	441,582.33	-74,870.08	16,441,214.58	4,000,656.22	908,582.39
0.00	0.00	0.00	0.00	0.00	8,000.00	85,072.50
<b>13,368,203.35</b>	<b>3,589,463.64</b>	<b>441,582.33</b>	<b>-74,870.08</b>	<b>16,441,214.58</b>	<b>4,008,656.22</b>	<b>993,654.89</b>
25,942,165.43	3,885,656.46	157,933.10	-201,378.44	29,468,510.35	86,454,680.03	82,855,524.17
124,172,822.45	15,355,033.57	341,908.62	-976,359.88	138,209,587.52	129,050,118.86	125,661,746.98
5,045,868.15	868,388.94	184,822.12	-17,940.71	5,711,494.26	1,828,415.31	2,100,348.15
0.00	0.00	0.00	0.01	0.01	85,564,064.16	45,940,008.24
<b>155,160,856.03</b>	<b>20,109,078.97</b>	<b>684,663.84</b>	<b>-1,195,679.02</b>	<b>173,389,592.14</b>	<b>302,897,278.36</b>	<b>256,557,627.54</b>
501,988.59	0.00	0.00	-3,943.69	498,044.90	6,346.30	1,630.73
21,946.62	0.00	0.00	-177.61	21,769.01	13,434.41	13,925.11
0.00	0.00	0.00	0.00	0.00	10,750.00	8,000.00
<b>523,935.21</b>	<b>0.00</b>	<b>0.00</b>	<b>-4,121.30</b>	<b>519,813.91</b>	<b>30,530.71</b>	<b>23,555.84</b>
<b>169,052,994.59</b>	<b>23,698,542.61</b>	<b>1,126,246.17</b>	<b>-1,274,670.40</b>	<b>190,350,620.63</b>	<b>306,936,465.29</b>	<b>257,574,838.27</b>

## 2. FINANCIAL ASSETS

The disclosure of interests in affiliated companies as well as loans to affiliated companies relates to several affiliated wind farm companies in Poland.

## 3. CURRENT ASSETS

### Inventories

The standard industry reservation of ownership applies to the stocks of raw materials, consumables and supplies and merchandise.

### Receivables and other assets

All receivables and other assets have a residual term of less than one year, as was also the case last year.

Other assets in the amount of € 13,815 thousand (previous year: € 15,485 thousand) includes VAT receivables in the amount of € 13,046 thousand (previous year: € 14,487 thousand), receivables from tax refunds in the amount of € 238 thousand (previous year: € 470 thousand), receivables from employees in the amount of € 322 thousand (previous year: € 306 thousand) and other assets in the amount of € 209 thousand (previous year: € 222 thousand).

## 4. PREPAID EXPENSES

Prepaid expenses include a difference according to Section 250 (3) of the HGB in the amount of € 330 thousand (previous year: € 514 thousand).

## 5. DEFERRED TAXES

On the balance sheet, deferred tax assets of € 294 thousand (previous year: € 444 thousand) were disclosed. In addition, there were deferred tax liabilities of € 915 thousand (previous year: € 960 thousand). These resulted from losses carried forwards and temporary differences to the tax base for the consolidated individual companies and are reflected in the following items on the balance sheet:

Balance sheet items in € thousand	Deferred tax assets	Deferred tax liabilities
Land	0	605
Buildings	0	272
Technical plant and machinery	21	0
Inventories	48	0
Trade receivables	4	1
Provisions for pensions	73	36
Other provisions	67	0
Other liabilities	32	0
Trade payables	14	1

Balance sheet items in € thousand	Deferred tax assets	Deferred tax liabilities
Tax loss carried forward	35	0
<b>Total</b>	<b>294</b>	<b>915</b>

Deferred tax liabilities fell during the course of 2021 by EUR 45 thousand. This downturn is due to the reversal of differences between the carrying amounts in the tax base and the commercial financial statements for land and buildings and trade payables.

## 6. EQUITY

STEICO SE's share capital on 31 December 2020 totaled € 14,083,465. It comprises 14,083,465 no-par value bearer shares, each with an interest of € 1 in the share capital.

The Annual General Meeting held on 21 June 2018 resolved to cancel Authorised Capital 2015/I in the amount of €5,121 thousand and to create new Authorised Capital 2018/I in the amount of €7,042 thousand.

The managing directors are authorised, with the approval of the Board of Directors, to increase the share capital of STEICO SE through to 20 June 2023 by a total of up to € 7,042 thousand via one or several issues of no-par value bearer shares with a theoretical interest of € 1.00 in the share capital against cash and/or non-cash contributions.

This authorisation has not been used to date. Thus authorised capital 2018/I totaled an unchanged € 7,042 thousand on 31 December 2020.

### Information on the majority shareholder according to Section 160 (1) No. 8 of the AktG.

In 2006 STEICO SE received the following notice from Schramek GmbH, Feldkirchen:

"According to Section 20 (1) and (4) of the AktG, we herewith inform you that we hold a direct majority interest in your company."

### Difference in equity from currency translation

The difference in equity from currency translation in the amount of € -25,783 thousand (previous year: € -23,924 thousand) comprises the accumulated currency translation effects from the single entity financial statements of the Polish subsidiaries and the UK subsidiary according to the modified closing price method as well as netting differences from the consolidation of intercompany balances.

## Notes to the consolidated financial statements for fiscal year 2021

### Consolidated financial statements STEICO SE, Feldkirchen

#### 7. PROVISIONS

##### Provisions for pensions

Provisions for pensions mostly relate to the pension obligations for the production facilities in Poland. The amount of provisions disclosed as of 31 December 2021 was calculated using the projected unit credit method according to the expert opinion. The interest rate, which results from the corresponding average market interest rates from the past ten years, was 1.35%. In the case of the subsidiaries for which this type of pension commitment exists, the salary trend was set at 2.0% or 2.5%. In addition, the standard national mortality tables were used as a basis.

##### Provisions for taxes

Provisions for taxes were formed in the amount of the anticipated tax payments and relate to income taxes for financial year 2021.

##### Other provisions

Other provisions in the amount of € 17,471 thousand (previous year: € 12,007 thousand) includes a provision for anniversary payments in the amount of € 255 thousand (previous year: € 320 thousand), provisions for bonus payments to customers in the amount of € 7,515 thousand (previous year: € 5,478 thousand), provisions for vacation entitlements in the amount of € 1.133 thousand (previous year: € 1.217 thousand), provisions for outstanding invoices in the amount of € 1.591 thousand (previous year: € 1.383 thousand) and the provision for preparation of the financial statements in the amount of € 121 thousand (previous year: € 94 thousand).

#### 8. LIABILITIES

In € thousand (previous year)	Total			
	31.12.2021	Thereof with a remaining term of up to 1 year	from 1 - 5 years	of more than 5 years
Liabilities to banks	121,220	817	120,288	114
(Previous year)	117,434	14,214	100,362	2,857
Advance payments received from orders	847	847	0	0
(Previous year)	288	288	0	0
Trade payables	26,241	26,241	0	0
(Previous year)	22,925	22,925	0	0
Liabilities to affiliated companies	3,008	3,008	0	0
(Previous year)	5,019	5,019	0	0
Other liabilities	11,384	11,245	139	0
(Previous year)	8,904	8,781	123	0
<b>Total</b>	<b>162,700</b>	<b>42,159</b>	<b>120,427</b>	<b>114</b>
<b>(Previous year)</b>	<b>154,570</b>	<b>51,227</b>	<b>100,486</b>	<b>2,857</b>

The current and medium-term liabilities to banks in the amount of € 121.3 million comprise a short-term liability of € 0.3 million and a short to long-term liability in the amount of € 2.9 million which are collateralised via a land charge for UniCredit Bank AG entered in the land register. There is a further medium-term liability in the amount of € 5 million from a bilateral unsecured loan. The remaining amount is due to the syndicated credit agreement amended in September 2016 and newly drawn up in October 2019, with both STEICO SE as well as the Polish production companies STEICO Sp. z.o.o. and STEICO JOIST Sp. z.o.o. as well as the French production company STEICO Casteljalous SAS being included as borrowers and guarantors.

Trade payables are not collateralised, with the exception of reservations of ownership standard in the industry.

### III. INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

The total cost (nature of expense) method was applied in the preparation of the income statement.

#### 1. REVENUES

Revenues are broken down as follows:

##### Revenues by geographic markets according to Section 314 (1) No. 3 of the HGB (in € thousand)

In € thousand	2021
Germany	157,381
Other EU countries	151,471
Rest of world	79,327
<b>Total</b>	<b>388,179</b>

##### Revenues by areas of activity according to Section 314 (1) No. 3 of the HGB (in € thousand)

In € thousand	2021
Wood-fibre insulation materials	264,318
Construction products (I-joists)	52,021
Special products	13,855
Timber wholesale	3,348
Fibreboards	2,993
Construction products (laminated veneer lumber)	37,677
Miscellaneous	13,967
<b>Total</b>	<b>388,179</b>

# Notes to the consolidated financial statements for fiscal year 2021

## Consolidated financial statements STEICO SE, Feldkirchen

### 2. OTHER OWN WORK CAPITALISED

Other own work capitalised in 2021 amounted to € 321 thousand (previous year: € 110 thousand) which are mostly related to intercompany performance in connection with the creation of machinery and equipment.

### 3. OTHER OPERATING INCOME

In € thousand	2021
Exchange rate gains	3,743
Income from the sale of CO <sub>2</sub> emission rights	2,997
Income from insurance refunds	109
Offsetting non-cash payments	386
Income from the reversal of provisions	964
Income from the sale of property, plant and equipment	152
Miscellaneous other operating income	741
<b>Total</b>	<b>9,092</b>

### 4. OTHER OPERATING EXPENSES

In € thousand	2021
Write-downs of receivables	52
Building costs, rent, cleaning	1,632
Insurance, contributions, fees	4,126
Repairs and maintenance	6,759
Vehicle costs	3,835
Sales costs, advertising and travel expenses	2,888
Commission expenses	261
Operating costs	2,954
Administrative costs, IT	2,903
Telecommunication	216
Legal and consulting costs, court costs	962
Costs of preparing the annual financial statements	200
Exchange rate differences and costs of payment transactions	4,817
Miscellaneous other operating expenses	7,179
<b>Total</b>	<b>38,784</b>

Other operating expenses include non-period expense which in total is of minor importance.

### 5. INTEREST RESULT

Interest expenses include expenses from discounting provisions in the amount of € 40 thousand (previous year € 39 thousand).

### 6. TAXES

Income taxes total € 15,775 thousand (previous year: €

6,967 thousand). This includes effective tax expenses of € 15,671 thousand (previous year: € 6,868 thousand), deferred tax liabilities of € 150 thousand (previous year: € 209 thousand) and deferred tax assets of € 46 thousand (previous year: € 110 thousand).

Other taxes in the amount of € 2,728 thousand (previous year: € 2,462 thousand) mostly relate to property taxes in Poland and non-income related taxes in France.

## IV. INFORMATION ON THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement shows how cash and cash equivalents in the group has changed during the course of the reporting year due to net cash inflows and outflows.

Other non-cash expense/income relates to own work capitalised.

Cash in hand and bank balances corresponds to the balance sheet item "Cash in hand and bank balances". There are no restrictions on disposal. There were no non-cash investments or financing or business transactions.

## V. OTHER DISCLOSURES

### 1. AUDITOR'S FEE

Information on the total fee charged by the auditor for the consolidated financial statements for fiscal year 2020 according to Section 314 (1) No. 9 of the HGB:

- Auditing services: € 90.0 thousand
- Other services: € 110 thousand

### 2. OTHER FINANCIAL OBLIGATIONS

Other financial obligations include:

In € thousand	2022 ff.
Obligation from usufructuary rights (overall obligation of remaining term)	1,717
Obligations from rental agreements	324
Obligations from leasing	967
Obligations from contractually ordered capital expenditure	33,808
<b>Total</b>	<b>36,816</b>

Liabilities denominated in foreign currencies were translated using the average rate of exchange on the balance sheet date (PLN/EUR 4.5969 and GBP/EUR 0.84028).

There are leasehold and usufructuary rights at STEICO Sp. z

## Notes to the consolidated financial statements for fiscal year 2021

### Consolidated financial statements STEICO SE, Feldkirchen

o.o for land with a term through to 2089. In the above list the respective overall obligations at the end of the term are shown based on the current conditions. The conditions may change over time.

Obligations from leasing mostly relate to the group company's operating fleet. Leasing agreements are used to secure liquidity and to generate competitive advantages thanks to longer payment targets. There are disadvantages from leasing agreements from the higher total costs, as the leasing payments are higher in total than the costs of purchasing the leased item via a loan.

The contractually ordered capital expenditure relates to property, plant and equipment (new construction and expansion of production capacity).

### 3. DERIVATIVE FINANCIAL INSTRUMENTS AND VALUATION UNITS

As part of its ordinary business activities the Group is exposed to relevant exchange rate and interest risks. These mainly relate to future financial liabilities from the purchase of goods from the Polish subsidiaries STEICO Sp. z o.o. and STEICO JOIST Sp. z o.o. as well as future financial receivables from the sale of goods in GBP and USD. In addition, there are risks from variable interest loans.

The financial instruments used for hedging include structured currency forwards in PLN, sterling and US dollars, interest rate swaps with an exchange rate option and four interest rate swaps for the three-month and six-month EURIBOR and a fixed interest rate. In the case of structured forward exchange contracts (so-called "TARF"), the long call or short put side (from the company's point of view), the nominal amount (leverage) and the term are determined by the fulfilment of various contract criteria on the individual fixing dates.

As at the balance sheet date, there were such structured forward exchange transactions in PLN, sterling and US dollars with a nominal volume of up to PLN 8,615 million, up to GBP 14.7 million and up to USD 5.6 million respectively (closing rates: €/PLN 4.5969, €/GBP 0.84028, €/USD 1.1326). Of the existing 135 transactions, 131 transactions have a total negative present value of € 81.96 million. The remaining 4 transactions each have a positive present value of € 233 thousand.

In addition, there were four interest rate swaps on the three-month and six-month EURIBOR or a fixed interest rate for an amount of one times € 15 million, one times € 14 million, one times € 10 million, and one times € 2.8 million. These each have a negative present value of € 1.03 million. The

present values correspond to the market values determined indicatively by the various counterparty banks on the basis of internal valuation models, which were communicated to the STEICO SE as transaction partner in the context of valuation reports as of the balance sheet date.

The option was used to verify certain economic hedge relationships by forming valuation units.

In so doing, micro-valuation units are formed in particular between (structured) currency forwards and future purchases of goods in PLN (highly probable transactions).

On the balance sheet date 127 (structured) currency forwards with a negative present value of € 81.07 million and a nominal volume of up to PLN 8.330 million and up to GBP 14.7 million were included in the valuation units. The highly probable transactions are future financial liabilities from the future purchase of goods for the Polish subsidiaries STEICO Sp. z o.o and STEICO JOIST Sp. z o.o., which will take place between 01/2022 and 09/2024 and which will compensate for each other with regard to exchange rate effects with hedge transactions with congruent terms and volumes. In addition, these relate to future sales of goods in GBP between 01/2022 and 09/2022 and which will probably compensate for each other with regard to exchange rate effects with hedge transactions with congruent terms and volumes.

As a result of the business model, the business forecast and the business volumes performed in the past these sales and purchases of goods are to be regarded as being highly probable to secure.

In addition, micro-valuation units are formed between three interest rate swaps (negative fair value: € 1.1 million) and liabilities to hedge the risk of changes to the interest rate (Euribor) for three bullet investment loans. These relate to quarterly interest payments through to 1 October 2026, 4 November 2026 and 31 March 2028 for a base amount of one times € 2.8 million, one times € 10 million and one time € 15 million.

These are shown on the balance sheet using the freeze method. Effectiveness is determined based on a critical term match. The income and expenses from hedging transactions in valuation units are netted and reported under cost of materials upon realization.

The 8 structured forward exchange transactions not included in valuation units, and an interest rate swap have positive fair values totalling € 335 thousand and negative fair values of € 689 thousand in total and are shown in the financial statements on a pro-rata basis.

#### 4. AMOUNTS TO BE ASSIGNED TO A DIFFERENT FISCAL YEAR

According to Section 314 (1) No. 24 of the HGB, income in the amount of € 964 thousand from the reversal of provisions and in the amount of € 152 thousand from the disposal of property, plant and equipment is to be allocated to a different fiscal year.

#### 5. REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

After the start of the war between the Russian Federation and Ukraine on 24 February 2022, the government of the Federal Republic of Germany together with the European Union and additional countries agreed far-reaching sanctions against Russia and Belarus, including the discontinuation of North Stream 2 and the exclusion of Russian banks from the international SWIFT payments system. It is not currently possible to assess whether and to what extent further sanctions may be agreed or if the conflict could escalate.

The managing directors of STEICO SE believe that the events do not have any material negative consequences on the groups net assets, financial position and results of operations. The managing directors have ascertained that the Polish sales subsidiary generates sales with customers from Russia and the Ukraine. However, these are of a minor importance (1.3% of the STEICO Group's revenues). In addition, to date, only a small amount of semi-finished products have been procured from these countries. The Group has already identified alternative sources from countries in the European Union.

Taking into account all of the information available on the date that the consolidated financial statements were finalised, the managing directors believe that the war in Ukraine will not have any material negative impact on the group's net assets, financial position and results of operations. However, there could be a material impact on the company's future net assets, financial position and results of operations depending on the course, duration and scope of the conflict or sanctions.

There were no other events of particular importance that occurred after the balance sheet date.

#### 6. PROPOSAL FOR THE APPROPRIATION OF EARNINGS.

The managing directors propose that STEICO SE's net profits as of 31 December 2021 in the amount of € 89,455,553.61 be used to disburse a dividend of € 0.40 per dividend-entitled share. This corresponds to an amount of € 5,633,386.00, with the remaining amount of € 83,822,167.61 being carried forward to new account.

#### 7. BOARD OF DIRECTORS

STEICO's Board of Directors comprises 4 members.

Mr. Udo Schramek, Munich, Chairman, Managing Director and Chairman of the Board of Directors

Prof. Heinrich Köster, Stephanskirchen, President of Rosenheim University

Ms Katarzyna Schramek, Munich, attorney

Dr. Jürgen Klass, Munich, attorney

According to the company's articles of association, in 2021 a total of € 90 thousand was paid to the members of the Board of Directors.

#### 8. DIRECTORS

Mr. Udo Schramek, Munich, Chairman and Managing Director of STEICO SE

Managing director for Auditing, Marketing, Legal & HR, Research & Development, Technology, Quality Assurance, IT and Purchasing, Legal & HR and IT

Mr. Thorsten Leicht, Landshut, Managing Director for Processes and Quality Management, Production, Quality and Sustainability Management

Mr. Uwe Lange, Berga, Managing Director for Investments and Equipment Technology

Dr. David Meyer, Munich, Managing Director for Finance, Accounting & Controlling

Mr. Milorad Rusmir, Kirchheim, Managing Director for Timber Wholesale

Mr. Tobias Schindler, Sistrans (Austria), Managing Director for Sales.

The directors received remuneration of € 9,692 thousand for their activities in 2021.

## Notes to the consolidated financial statements for fiscal year 2021

### Consolidated financial statements STEICO SE, Feldkirchen

#### 9. EMPLOYEES

The Group had an average of 1,991 employees in fiscal year 2021.

These are broken down as follows:

Division	Number of employees
Production	1,299
Sales	131
Administration	496
Assistants, temporary staff	66
<b>Total</b>	<b>1,991</b>

#### 10. PARENT COMPANY AND GROUP COMPANIES INCLUDING LIST OF EQUITY INTERESTS

Name and registered office of parent company:

STEICO SE  
Otto-Lilienthal-Ring 30  
85622 Feldkirchen

The following subsidiaries are included in the consolidated financial statements:

Name	Registered office	Amount of participating interest
STEICO Sp. z o.o.	Czarnków, Poland	100%
SW Solar Czarna Woda Sp. z o.o.	Czarnków, Poland	100%
STEICO CEE Sp. z o.o.	Czarnków, Poland	100%
STEICO JOIST Sp.z o.o.	Czarnków, Poland	100%
STEICO UK Ltd.	Caddington, United Kingdom	100%
STEICO France SAS	Brumath, France	100%
STEICO Casteljalous SAS	Casteljalous, France	100%

In addition, there are the following affiliated companies:

Company	Registered office	Interest	Equity	2021 Result
STEICO Windpark Sp. z o.o.	Czarnków, Poland	61%	€ 647 thousand	€ -0 thousand
SW Szydłowo Sp. z o.o.	Czarnków, Poland	100%	€ -6 thousand	€ -1 thousand
SW Huta I Sp. z o.o.	Czarnków, Poland	100%	€ -3 thousand	€ -1 thousand
SW Huta II Sp. z o.o.	Czarnków, Poland	100%	€ -3 thousand	€ -1 thousand
SW Lubasz I Sp. z o.o.	Czarnków, Poland	100%	€ -1 thousand	€ -1 thousand
SW Lubasz II Sp. z o.o.	Czarnków, Poland	100%	€ -3 thousand	€ -1 thousand

Company	Registered office	Interest	Equity	2021 Result
STEICO-ENERGIA Sp. z o.o.	Czarnków, Poland	100%	€ -6 thousand	€ -1 thousand

The information relates to the last financial year 2021 or to 31 December 2021.

The affiliated companies are not fully consolidated due to the minor importance of the individual companies and the companies together in accordance with section 296 (2) HGB.

Equity accounting is not carried out due to the minor significance pursuant to § 311 para. 2 HGB.

Feldkirchen, 26 April 2022

Udo Schramek Uwe Klaus Lange Thorsten Leicht

Dr. David Meyer Milorad Rusmir Tobias Schindler

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## Independent auditor's opinion

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### INDEPENDENT AUDITOR'S OPINION

To STEICO SE, Feldkirchen

#### Audit opinions

We have audited the consolidated financial statements of STEICO SE, Feldkirchen, and its subsidiaries (the Group), comprising the consolidated balance sheet as of 31 December 2021, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from 1 January to 31 December 2021, and the notes to the consolidated financial statements, including a description of the accounting policies used. In addition, we have also audited the group management report for STEICO SE, Feldkirchen, for the fiscal year from 1 January to 31 December 2021.

According to our assessment based on the findings gained in the audit

- these accompanying consolidated financial statements comply in all material respects with German commercial law and provide a true and fair view of the net assets and financial position of the Group as of 31 December 2021 and of its results of operations for the fiscal year from 1 January to 31 December 2021 in accordance with German principles of proper accounting and
- the group management report accurately presents the Group's position as a whole. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

In accordance with Section 322 (3) Sentence 1 of the HGB we declare that our audit did not lead to any objections concerning the proper nature of the consolidated financial statements and the group management report.

#### Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with Section 317 of the HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). According to these rules and principles our responsibility is further described in the section "Responsibility of the auditor for the audit of the consolidated financial statements and the group management report" in our audit opinion. We are independent of the Group companies in accordance with German commercial law and professional regulations and

have fulfilled our other German professional obligations in accordance with these requirements. We are of the opinion that the audit evidence we have obtained provides a sufficient and reasonable basis for our audit opinions on the consolidated financial statements and the group management report.

#### Other information

The managing directors and the Board of Directors are responsible for the other information. The other information comprises

- Report by the Board of Directors
- all other parts of the annual report,
- but not the consolidated financial statements, the content of the audited group management report and our audit opinion thereon.

The Board of Directors is responsible for the report by the Board of Directors. In all other respects the managing directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and the group management report do not extend to the other information and, accordingly, we do not express an opinion or any other form of audit conclusion thereon.

In connection with our audit of the consolidated financial statements, we are responsible for reading the other information detailed above and assessing whether the other information

- has material discrepancies with the consolidated financial statements, the audited information in the group management report or with the knowledge acquired during the audit, or
- appear to be presented incorrectly in some other way.

#### Responsibility of the Executive Directors and the Board of Directors for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements, which comply in all material respects with German commercial law and also for the consolidated financial statements providing a true and fair view of the net assets, financial position and results of operations of the Group in accordance with German principles of proper accounting. In addition, the executive directors are responsible for internal controls, which they have determined as being necessary in line with the German principles of proper accounting in order to allow the

## Independent auditor's opinion

preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing matters relating to the continuing operation of the entity, if relevant. In addition, they are responsible for accounting for continuing operations on the basis of the same accounting policy, except to the extent that this is contrary to fact or law.

In addition, the executive directors are responsible for preparing the group management report, which, on the whole, must accurately represent the group's situation, and which also is in line with the consolidated financial statements in all material respects, corresponds to German legal requirements and accurately presents the opportunities and risks of future growth. Furthermore, the executive directors are responsible for the preventative activities and measures (systems) that they have deemed necessary to permit the preparation of a group management report in accordance with the applicable German legal requirements and to provide sufficient and suitable evidence for the statements in the group management report.

The Board of Directors is responsible for monitoring the Group's accounting process for preparation of the consolidated financial statements and the group management report.

### **Responsibility of the auditor for the audit of the consolidated financial statements and the group management report**

We aim to obtain sufficient certainty as to whether the consolidated financial statements as a whole is free from material - whether intentional or not - material misstatements, and whether the group management report, on the whole, accurately represents the group's situation, and is also in line with the consolidated financial statements and the findings obtained during the audit in all material respects, corresponds to German legal requirements and accurately presents the opportunities and risks of future growth, and also to issue an auditor's opinion which includes our audit opinions on the consolidated financial statements and group management report.

Sufficient certainty is a high degree of certainty, but does not guarantee that the audit, conducted in accordance with Section 317 of the HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) always uncovers any material misstatements. Misstatements can result from

violations or inaccuracies and are regarded as material if it could reasonably be expected that they will individually or collectively influence the economic decisions of users made on the basis of these consolidated financial statements and the group management report.

During the audit, we exercise our best judgment and maintain a critical attitude. In addition

- we identify and evaluate the risks of material misstatement, whether intentional or not, of the consolidated financial statements and the group management report, plan and perform audit procedures in response to those risks, and obtain audit evidence sufficient and appropriate to provide a basis for our audit opinions. The risk that material misstatements will not be detected is greater for violations than for inaccuracies, as violations may involve fraudulent collusion, falsification, intentional incompleteness, misrepresentation, or the overriding of internal controls.
- we gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the precautions and measures relevant to the audit of the group management report to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- we assess the appropriateness of the accounting policies adopted by the executive directors and the reasonableness of the estimates and related disclosures presented by the executive directors.
- we draw conclusions as to the appropriateness of the accounting policies adopted by the executive directors for the continuing operations of the company and, on the basis of the audit evidence obtained, whether there is significant uncertainty about events or circumstances that could give rise to material doubts about the Group's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to point out, in our auditor's opinion, the respective information in the consolidated financial statements and the group management report or, if this information is inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. Future events or circumstances may, however, result in the Group no longer being able to continue its business activities.
- we assess the overall presentation, the structure and content of the consolidated financial statements including the notes as well as whether the consolidated financial

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## Independent auditor's opinion

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statements present a true and fair view of the underlying business transactions and events so that the consolidated financial statements present a true and fair view of the financial position, net assets and results of operations for the group while observing the German principles of proper accounting.

- we obtain sufficient suitable audit evidence for the accounting information of the companies or business activities within the Group to express an opinion on the consolidated financial statements and the group management report. We are responsible for the direction, monitoring and performance of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- we assess the consistency of the group management report with the consolidated financial statements, its legal pronouncements and the presentation of the group's situation that it offers.
- we perform audit procedures on the forward-looking statements in the group management report as presented by the executive directors. On the basis of sufficient and suitable audit evidence, we particularly verify the significant assumptions on which the forward-looking statements of the executive directors are based and assess the proper derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

Among other things, we discuss with those responsible for monitoring the planned scope and timing of the audit and significant findings of the audit, including any deficiencies in the internal control system that we identify during our audit.

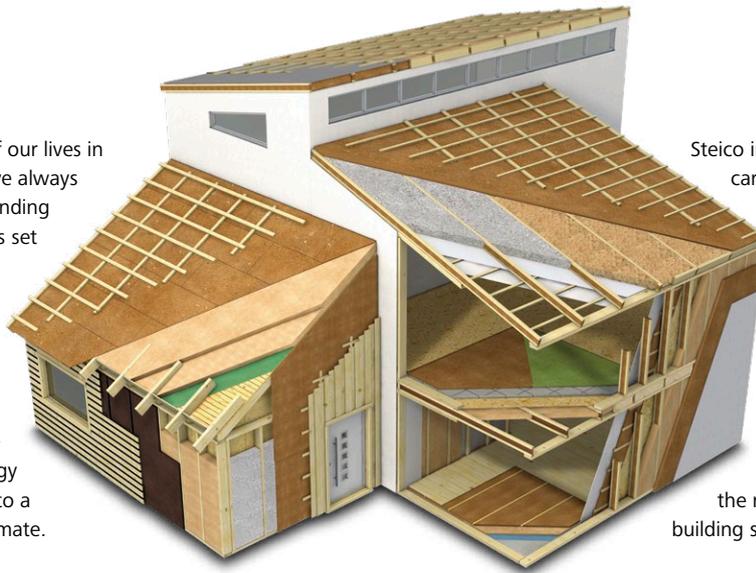
Munich, 26 April 2022

Deloitte GmbH  
Wirtschaftsprüfungsgesellschaft

(Dr. Thomas Reitmayr)  
Auditor

(Philipp Kaschdan)  
Auditor

We spend approx. 80% of our lives in enclosed rooms. But are we always aware what we are surrounding ourselves with? STEICO has set itself the target of developing building products which consider the needs of both man and nature. Our products are therefore produced using sustainable natural materials. They help reduce energy use and add considerably to a natural healthy internal climate.



Steico insulation and construction materials, carry a number of distinguished 'seals of approval' which is a sign of high quality, healthy and functional building products. The raw materials used in Steico products are certified by FSC® (Forest Stewardship Council®) and PEFC® (Programme for the Endorsement of Forest Certification®), ensuring a traceable and fully sustainable usage of the raw materials. STEICO, the number 1 choice for your sustainable building solutions.

## Natural Insulation and Construction Systems for New Builds and Renovations – Roof, Ceiling, Wall and Floor



Renewable raw materials without harmful additives



Excellent cold protection in winter



Excellent summer heat protection



Energy Saving and increased property worth



Weather tight and breathable



Excellent Fire Protection



Excellent sound protection



Environmentally friendly and recyclable



Light and easy to handle



Insulation for healthy living



Strong quality control



Compatible insulation and structural building systems



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engineered by nature

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